Annual General Meeting of Bilfinger Berger AG

Mannheim, Wednesday, May 28, 2003, 10 a.m.

Speech by Herbert Bodner

Chairman of the Executive Board

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Check against delivery.

Welcome Ladies and Gentlemen,

Bilfinger Berger can look back on a good 2002.

On the one hand, we made substantial progress with the transformation into a multi-service group that we initiated two years ago: With the establishment of the new Services business segment, Bilfinger Berger is now not only one of the top internationally active construction companies, but also one of the leading real-estate and industrial-services companies in Germany.

On the other hand, we were also successful with our regular business: We doubled our operating profit in a difficult environment. On this basis our net profit from ordinary business activities rose by 15% to €60 million. Including the exceptional income from the sale of our shares in Dresdner Bank, net profit totaled €115 million – more than double the figure for the prior year.

I would like to take this opportunity to thank all of our employees for their efforts and commitment last year, and to express the appreciation of the entire Executive Board. They played an essential role in the transformation of our company and made an important contribution to the repeated improvement of our results under difficult market conditions. For this reason we will once again distribute a special bonus to the employees for the year 2002.

Chart: Relative share-price developments 2001-2002

Ladies and Gentlemen,

The price of our shares developed very positively in the first months of this year, increasing by about 60% in total.

Nonetheless, our market capitalization is still below the value of our net assets and the intrinsic worth of the company. Our continuously rising earnings, healthy capital structure, sound finances and the consistent implementation of our corporate strategy mean that the value of our equity still has more growth potential.

Chart: Output volume, orders received, order backlog 2002

(Ladies and Gentlemen,)

In 2002, output volume, orders received and order backlog all surpassed their levels of the prior year. Output volume increased by 7% to €4.9 billion, with international business reaching 58%. The domestic construction business's share of Group output volume was only 31%, and its decrease is continuing. Orders received rose by 12% to €5.2 billion, while the order backlog was up 21%, also to €5.2 billion.

The new acquisitions had a positive effect on our key figures, while the relative value of the euro led to a statistical decrease. Without the newly acquired companies and without the currency effects, output volume would have decreased by 3%, while orders received and order backlog would have increased by 5% and 12% respectively.

Chart: Group earnings trend 2000-2002

(Ladies and Gentlemen,)

We have continuously increased our net profit in the last three years, especially due to a substantial improvement in EBITA, that is, the earnings from our operating activities.

Chart: Exceptional items in 2002

An additional factor with a positive effect on our 2002 financial statements was the sale of our Dresdner Bank shares. The cash inflow of €262 million was applied to expand our services activities. We used €125 million of the €161 capital gain for precautionary measures. Firstly, the capital tied up in the development of real-estate projects was reduced by €70 million. With the write-down of unsold real estate we have created the right conditions to further reduce the size of our project-development portfolio within the context of strategic reorganization. Secondly, our building-materials business was written down by €40 million. It has been suffering from the weakness of the construction demand in Eastern Germany and the ensuing price pressure. With this reduction in capital tied up, we are properly reflecting this situation and creating a basis for the sale of the building-materials activities. Thirdly, we are using €15 million of the exceptional capital gain to cover the costs of a fundamental reorganization of our construction business in Germany and abroad. As these exceptional measures are in part tax deductible, there is a resulting deferred-tax income of €18.1 million, so that on balance, exceptional income of €54.4 million arises.

Chart: Earnings 2002/2001

Comparing the earnings structure of 2002 with the previous year, it becomes clear that – as I have already mentioned – EBITA increased substantially. Goodwill amortization increased to €5 million as a result of the new acquisitions. Income from investments of €26 million was similar to the level achieved in the prior year, but its composition changed: lower dividend income after the sale of the Dresdner Bank shares was roughly offset by impairment charges on financial investments. Net interest income of -€10 million is negative for the first time, due to generally lower interest rates, the first consolidation of interest expenses from the newly acquired companies and impairment charges on securities in an amount of €7.5 million. After deducting corporate income tax of €5 million and minority interests of €2 million, the Group's net profit amounts to €115 million. There are earnings per share for 2002 of €3.16, or of €1.66 after adjusting for the Dresdner Bank exceptional item.

The net profit for the year of Bilfinger Berger AG was €56.4 million, of which €20 million was transferred to retained earnings. We hereby propose to the shareholders that from the unappropriated retained earnings of €36.4 million, an unchanged dividend of 55 cents is distributed as well as an additional dividend bonus of 45 cents, resulting in a total distribution of exactly one euro per share.

Furthermore, we once again request the shareholders' authorization to repurchase the company's own shares in a volume of up to 10% of our capital stock. In this way we intend to keep our options open in connection with possible acquisitions.

We also request your consent to the conclusion of profit-and-loss-transfer agreements with a number of subsidiaries in order to utilize tax advantages after the forthcoming changes in tax legislation.

You will find detailed explanations of these two points in the agenda of this meeting.

(Ladies and Gentlemen,)

I now come to our balance sheet for the 2002 financial year.

Chart: Consolidated balance sheet 2002, assets

The consolidated balance sheet shows sound finances and a healthy capital structure. The balance-sheet total has grown by €322 million as a result of consolidating the new companies in the Services business segment.

The increase of €340 million in fixed assets is primarily due to the goodwill of Rheinhold & Mahla and HSG. There was also an increase of €84 million in financial assets, of which €48 million is accounted for by a 20% stake in the Cross City Tunnel project company in Sydney. Inventories are almost unchanged, despite the additions from the newly acquired companies. This was caused by the significant reduction in funds tied up in held-for-sale real estate. Receivables and other assets are nearly unchanged. The sale of the Dresdner Bank shares we held until

December 31, 2001 was offset by higher receivables due to first consolidations. Total liquidity of €772 million was still at a high level.

Chart: Consolidated balance sheet 2002, liabilities

On the liabilities side, shareholders' equity decreased by €98 million despite the positive net profit of €115 million. In accordance with IAS 39, the capital gain of €161 million realized on the sale of the Dresdner Bank shares was already accounted for in shareholders' equity in 2001, and then had an effect on earnings in the year under review with a corresponding reduction in retained earnings. With an increased balance-sheet total, the equity ratio for the Group is 28%, and for the company it is 37%. The increase in pension provisions is explained by the inclusion of the new companies in the consolidated Group. The increase in other provisions is also caused by consolidation effects.

Liabilities to banks include project credits in an amount of €144 million on a non-recourse basis without any liability for Bilfinger Berger. The increase in other liabilities is also a result of the changes in the consolidated Group.

(Ladies and Gentlemen,)

As you know, at the beginning of this year we restructured our business segments. I would therefore like to say only a few words about developments in the old reporting segments in 2002, before I go on to give more details of the current situation and the outlook for our new business segments.

Chart: Key figures for Domestic Construction in 2002

The output volume of the *Domestic Construction* business segment decreased by 3% to €1.7 billion in 2002. Orders received increased by 11%, while the order backlog climbed by 27% to €1.8 billion. This growth is due to projects carried out abroad by our domestic civil-engineering units. The civil-engineering units generated one third of their output volume in international markets and half of their order backlog is accounted for by projects outside Germany. The share of the Group’s total output volume taken up by the domestic construction business will continue falling, and will probably be less than 25% for full-year 2003.

Bilfinger Berger’s Domestic Construction business segment once again improved its operating profit, with positive contributions coming from both building-construction and civil-engineering activities.

Chart: Key figures for International Construction in 2002

In the *International Construction* business segment the strength of the euro led to a statistical reduction in performance measures. Output volume thus decreased by 5% to €2.4 billion, while orders received fell by 14%. The order backlog of €2.4 billion was equivalent to one year's output volume.

If the effects of currency movements are excluded, output volume, orders received and order backlog are then at similar levels to the prior year. Earnings once again improved significantly.

Chart: Key Figures for Real-Estate Development and BOT in 2002

The *Real-Estate Development and BOT* business segment achieved an output volume of €247 million, equaling its performance of the prior year. Orders received increased by a strong 63%, and the order backlog was up by 44% at the end of the year. These growth rates are primarily a result of the Cross

City Tunnel project in Sydney. The financial close and the conclusion of the concession agreement at the end of last year were the starting signal for this important infrastructure project in Australia. A consortium initiated by Baulderstone Hornibrook and our BOT subsidiary will construct and operate the two-kilometer-long toll tunnel beneath downtown Sydney as a private-sector solution.

Due to the collapse of the German real-estate market, the sales performance of our project-development activities did not meet the targets set. This led to the business segment's overall negative EBITA in 2002.

Chart: Key Figures for Environmental Services in 2002

The output volume of the *Environmental Services* business segment decreased by 7% to €187 million due to the sale of activities outside its core business. However, orders received were 32% higher than in 2001, and the order backlog actually increased by 35%. The positive order situation is largely a result of Passavant-Roediger's expanding activities outside Germany. The business segment's positive earnings improved once again.

Chart: Key figures for Services in 2002

The acquisition of Rheinhold & Mahla, HSG and Wolfferts were important steps for the targeted expansion of our services business, and a logical addition in our role as a multi-service group.

The output volume of the new business segment amounted to €593 million in 2002, orders worth €640 million were received and the order backlog amounted to €676 million. Rheinhold & Mahla and HSG have been consolidated since September 2002. The service business already made an important contribution to earnings in the year under review.

(Ladies and Gentlemen,)

Let me now turn to our report on the first quarter of this year.

Chart: Output volume, orders received, order backlog Q1 2003

Bilfinger Berger made a successful start to the year 2003. First-quarter output volume increased by 21% to €1.15 billion. Orders received during the first quarter were substantially higher than output volume at €1.5 billion, and were 2% better than the high figure of Q1 2002. Accordingly, the order backlog rose by 15% reaching €5.5 billion – a new record in the history of our company. There was a net loss for the period of €5 million, similar to the result for Q1 2002. Due to industry-specific factors and seasonal effects, the result for the first three months is always well below the level of the following quarters and is therefore no indication of the earnings trend for the entire year.

The Group's capital structure and financial situation are as sound as ever. Total liquidity amounted to €593 million at the end of the quarter and was in line with our projections.

Chart: New business-segment structure

(Ladies and Gentlemen,)

As you know, at the beginning of the year 2003 we reorganized our business segments, thus properly reflecting the changes taking place at the Group. The new segment organization allows for more transparent reporting – not least on the development of the newly expanded services business. Our reporting now takes place separately for the five business segments of Civil, Building and Industrial, Project Development and Concessions, Services and Environmental.

For the business segments of Civil and Building and Industrial we anticipate difficult market conditions this year, not only in Germany, but also internationally. The renewed drop in demand in Germany is forcing us to adjust accordingly. In view of the dramatic decline in orders received, the industry still does not have a basis for a stabilization of revenues. In the Project Development and Concessions business segment our private-sector BOT business is receiving positive impetus from our activities abroad. Growing interest in private-sector solutions for public-sector construction projects is apparent in Germany, both for buildings and for transport infrastructure. We are particularly well prepared for this development due to our extensive experience abroad and our sound financial situation. Our Services business segment will benefit from the trend towards outsourcing. Manufacturing companies are increasingly taking advantage of transferring the maintenance of their production facilities to specialists, while in the field of real-estate services, demand for integrated facility management is rising steadily.

Chart: Key figures for Civil in Q1 2003

The key figures for our *Civil* business segment, which will generate about 80% of its output volume outside Germany this year, have been statistically diminished by the strength of the euro. First-quarter output volume of €413 million was 6% lower than last year. Orders received of €622 million were substantially higher than output volume, but were 26% lower than in Q1 2002 due to a significant base effect. The order backlog was stable, amounting to €2.7 billion at the end of the period. After adjusting for currency effects, there is a 2% increase in output volume to €446 million, orders received of €754 million and a 7% increase in the order backlog to €2.9 billion.

The core of this business segment is the newly structured Bilfinger Berger Civil division, in which the domestic civil-engineering business is merged with our direct international business. With this integration we are concentrating our competencies and strengthening our position for large projects. The civil-engineering activities of our subsidiaries and associated companies abroad also make an important contribution to the success of the business segment, particularly our units in Australia, the United States, Nigeria, France, Austria and Poland.

For the full year we expect an output volume of €2.0 billion for the Civil business segment, unchanged from 2002. We again anticipate a significant contribution to earnings, slightly lower than the high level of the prior year, however, due to the sluggish economy – also in our international markets.

Chart: Key figures for Building and Industrial in Q1 2003

The first-quarter output volume of the *Building and Industrial* business segment increased by 3% to €421 million. Orders received were up by 5% to €424 million, while the order backlog expanded by 2% to €1.65 billion.

Our building and industrial units in Australia, the United States, Nigeria and the United Kingdom will be responsible for just over 50% of the segment's output volume this year. Our building-construction activities in Germany will account for the rest. The market for complex building-construction projects in Germany has changed fundamentally. Not only has demand been falling for several years, but there is an increasing tendency towards stronger regional centers of gravity. We have once again tightened up the organization of our building-construction units in Germany in order to adapt to these developments at an early stage. With this reorganization the division is more focused on assuming complete project responsibility and on long-term cooperation with demanding customers.

For the current year we anticipate a decreasing output volume of €1.8 billion for the Building and Industrial business segment, but also an improvement in its positive earnings.

Chart: Key figures for Project Development and Concessions in Q1 2003

All of the key figures for the *Project Development and Concessions* business segment show growth over Q1 2002. Output volume increased to €39 million, orders received to €129 million, and the order backlog to €316 million.

The main factors behind these positive developments are our private-sector BOT activities, particularly in Australia and the United Kingdom, as well as our real-estate activities in Germany.

As a result of the uncertain economic outlook, the German market for office buildings is unlikely to improve in the foreseeable future. We have adapted to this situation with a new business model for project development. We are increasingly active in projects in which we combine individual services in a package tailored for each specific customer, without taking the conventional project risk of making major investments of our own. We recently received an order to erect a services center according to this concept for Metro AG in Düsseldorf with a project volume of €70 million.

The high order backlog compared with a year earlier is mainly due to the Cross City Tunnel in Sydney. In Germany, we are still waiting for the first invitations to tender for the private-sector widening of autobahn sections with particularly heavy traffic. And in the field of public-sector building construction, especially for schools and prisons, the first pilot projects are being started by federal states and municipalities to gain experience with the advantages of private-sector concepts compared with conventional budget financing.

(Ladies and Gentlemen,)

I would like to take this opportunity to emphasize once again: Experience from other countries shows that the complete award of the design, financing, construction and long-term operation in the form of public-private partnerships not only creates new budgetary scope for the public sector, but can also lead to considerable cost reductions. As I have already mentioned, we are very well prepared to profit from the growing interest in private-sector solutions here in Germany, but there is still a long way to go before build-operate-transfer projects are really established in this country.

For the full year, we expect the Project Development and Concessions business segment to increase its output volume to €260 million. With a repeated positive contribution to earnings from our BOT business and a diminished charge from real-estate development, we foresee a breakeven for the segment as a whole.

Chart: Key figures for Services in Q1 2003

Rheinhold & Mahla and HSG, the subsidiaries we acquired during the third quarter of 2002, are only consolidated for a full year from the beginning of 2003. This is the reason for the high growth rates in the *Services* business segment. Output volume climbed to €270 million, orders received were up to €448 million, and the order backlog expanded to €923 million. The share of the services business done abroad will remain at 40% this year.

Rheinhold & Mahla is a leading service provider for industrial customers in Europe. Its Technical Services division assumes complete maintenance management for manufacturing companies within the context of outsourcing projects. Long-term framework agreements are also gaining importance in the field of industrial insulation and related services. Rheinhold & Mahla recently signed a service contract worth €80 million with the Norwegian oil company, Statoil, for the maintenance of twelve North Sea oil rigs. The contract runs for a period of five years and includes an option to extend until 2014 with an increase in the total volume to €170 million. With such contracts Bilfinger Berger is systematically reducing the Group’s dependence on the cyclical construction business and is improving its earnings structure with attractive and stable margins.

HSG is one of the strong real-estate service providers in Germany. It offers its customers a broad spectrum of integrated facility management covering commercial, technical and infrastructure needs. At the beginning of 2003, HSG received an order for technical and infrastructure facility management of more than 90 properties of MEAG, a real-estate-management company jointly owned by the insurance companies, Munich Re and ERGO. In addition, HSG has received an order for the facility management of seventeen shopping centers belonging to Metro AG. The company will continue to strengthen its position by means of organic growth, targeted acquisitions and strategic alliances.

Wolfferts is involved in supplying, operating and maintaining equipment for buildings. Within the framework of long-term agreements, the company guarantees to reduce its customers' costs by saving energy.

A far-reaching integration project being undertaken by all of our services companies is systematically utilizing their synergy potential. The focus of this project is on the consistent exploitation of common activities and of cross selling within the business segment and with the rest of the Group.

As a result of consolidating Rheinhold & Mahla and HSG for the full year, the business segment's output volume will grow to €1.2 billion and its earnings will also rise significantly.

Chart: Key figures for Environmental in Q1 2003

The output volume of the *Environmental* business segment decreased by 9% to €32 million. However, its order backlog of €176 million was 19% higher than a year earlier and is roughly equivalent to one year's output. The share of business done outside Germany will increase to more than 50% this year as a result of Passavant-Roediger's international orientation.

For full-year 2003, we expect the Environmental business segment to achieve a constant output volume of some €190 million, as well as positive earnings once again.

Chart: Strategy

(Ladies and Gentlemen,)

Our clear strategic orientation has brought us growing success. It remains the case that:

- Bilfinger Berger has repositioned itself by significantly expanding its services business. This entry into activities less subject to cyclical influences reduces our dependence on demand fluctuations in the construction sector and enhances our stability. Already in the current year, the services business will generate an output volume of €1.2 billion and operative earnings in the region of €40 million.

- The successful integration of the newly acquired services companies creates the platforms upon which we will further expand our industrial and real-estate services, both through organic growth as well as by means of targeted acquisitions.

- The international growth of all of our activities – whether due to our own efforts or through purchases – remains an important goal. The focus will be on regions in which we are already present.

(Ladies and Gentlemen,)

At the beginning of April 2003, we signed an agreement with Robert Bosch GmbH covering the sale of our shares in Buderus AG for a price of €29.15 per share. For our 30.02% stake in Buderus we will receive €551 million. These funds will be applied for the strategic further development of our company. I have already explained in which direction we intend to go, whereby making acquisitions as quickly as possible is not a priority; it is far more important to us that we decide on the right companies.

With the Buderus transaction, the difference between the book value and the sale price of the shares will result in a tax-free capital gain of some €230 million. We will decide on the appropriation of this profit in due course, in connection with preparing the financial statements for the year 2003.

(Ladies and Gentlemen,)

Unchanged good fundamental data, continuous increases in earnings, and the consistent implementation of our strategy form the sound basis of our further development.
For the current financial year we plan to expand our output volume to €5.2 billion and to achieve a renewed increase in our operative earnings. Due to the exceptional income from the sale of our stake in Buderus, net profit will again exceed the unusually high level of the prior year.

Bilfinger Berger has created a basis for a rising evaluation by the equity markets. We will consistently pursue the direction we have taken. We ask that our shareholders continue to place their confidence in the Group and accompany us on this path to a promising future.

Thank you for your attention.