

Annual Press Conference of Bilfinger Berger AG
at 10 a.m. on Tuesday, May 7, 2002, Mannheim

Speech by Herbert Bodner, Chairman of the Executive Board

Only the spoken word is binding.

(Greeting),

Bilfinger Berger maintained its successful course in the 2001 financial year and once again defied the general trend for its branch of industry. Our consolidated earnings were boosted by 21% to €52.4 million. This development was underpinned by our operating earnings, which showed a marked rise on the previous year's level. All business segments made a positive contribution towards consolidated earnings.

The Group's transformation into a multi-service group and its growing internationality are the two core strands of the direction in which our company is heading. The range of services upstream and downstream of our core construction business is being systematically broadened by

means of targeted acquisitions and our intrinsic growth. We are able to offer our clients comprehensive services from a single source, ranging from the development, design and financing of facilities to their turnkey construction, maintenance and operation.

We will continue to strengthen our excellent international position. And we will focus on stepping up our existing presence in markets in which we already enjoy a track record of success.

Chart: Shares

The performance of our shares was likewise a source of satisfaction in the 2001 financial year. With our shares gaining almost 100% in value, Bilfinger Berger ranked among the top performers of the companies that make up the DAX 100 share index. This meant that we defied the trend both in our branch of industry and on the stock markets as a whole in the past financial year. And Bilfinger Berger shares offer yet further potential for growth. The book value per share, based on our balance sheet, is around €31. If we taken into account our undisclosed reserves in our investment in Buderus, the real asset value is even higher. We will continue to devote considerable attention towards promoting the value of our shares.

The ultimate aim of our plans in developing the Company is to focus on profitability. We want to improve the level of operating earnings in all segments further still. Starting in the current fiscal year, the existing range of management instruments is being extended by a return-on-capital-employed controlling system. The baseline objective is to achieve a return on capital of 11% for all operative units. Real estate development and private-sector financed BOT models are based on a return on capital of 15% at project level.

We will once again be presenting a stock-option plan to the Annual General Meeting for its approval. This measure is designed to continue providing our management with an added incentive to focus systematically on enhancing the value of the Company, to the benefit of our shareholders.

This now brings me to the summary of the progress of the Bilfinger Berger Group in fiscal 2001.

Chart: Output, orders received, order backlog at 12/01

On the basis of organic growth in business, consolidated output rose by 4% to €4.6 billion. The proportion of output generated outside Germany rose to 6%. Orders received by the Group were up 2% on the previous year at €4.7 billion, and the order backlog actually bettered

the previous year's high level, rising by 2% in the year under review to €4.3 billion.

The way our output and earnings have progressed, along with the healthy level of incoming orders, confirms Bilfinger Berger's success in the 2001 financial year. The key figures for the Domestic Construction business segment are particularly satisfying in the light of the current economic situation, and the International Construction business segment was once again the mainstay of earnings. The Real Estate Development and BOT business segment has redeemed its promise of growth and offers ample potential. We will be systematically increasing the international spread of the Environmental Services business segment and will ensure that it makes a greater contribution to consolidated earnings.

Chart: Output, orders received, order backlog at 03/02

In the first three months of the current financial year, output was 4% down on the prior-year figure, at €0.9 billion; this is, however, due to seasonal fluctuations. Orders received, on the other hand, rose by over 20% to almost €1.5 billion. All business segments contributed towards this development. The order backlog at the end of March 2002 was 8% higher than one year earlier, at €4.8 billion, and is thus of a magnitude representing an entire year's output.

Ladies and Gentlemen,

Beginning with the 2001 financial year, we have converted our accounting to the International Accounting Standards. Our financial statements therefore satisfy the equity market's need for information much better than before.

Chart: Conversion from HGB to IAS – change in shareholders' equity

With effect from January 1, 2000, we transformed our HGB consolidated financial statements into an IAS initial balance sheet. The resulting valuation effects in a total amount of €237 million were entered under retained earnings with no effect on profits, and led to a significant increase in shareholders' equity.

Chart: Group earnings trend

The cause of our improved profitability is the increase in EBITA from €10 million to €36 million in the year 2001, which is primarily due to various components of operative earnings. I will say more about the contributions made by the various business segments later on.

Chart: Transition from segment to consolidated earnings

EBITA and EBIT of €36 million and €35 million respectively are significantly higher than in the prior year.

Investment income declined by €8 million, whereby one must consider the fact that the prior year's figure was boosted by income from dividend distributions that were motivated by changes in German tax law. Our investment in Buderus generated income of €27 million last year, and was thus once more a major source of our total investment income.

Net interest income declined to €9 million. This is the result of lower liquidity during the financial year, as well as of the lower level of interest rates.

After taxes on income and earnings in an amount of €19 million, there is a net profit for the Group of €52.4 million. Earnings per share increased by 20% to €1.44 (2000: €1.20).

The net profit of the Company amounts to €28.5 million. The Executive Board and the Supervisory Board propose to the Annual General Meeting that a dividend of €0.55 per share is distributed

(2000: €0.41). The total dividend distribution will thus rise to €20 million (2000: €15 million). €8.5 million was transferred to the retained earnings of the Company, as in the prior year, and €32 million was transferred to the retained earnings of the Group (2000: €29 million).

Chart: Consolidated balance sheet

The Group's asset and equity structure is as sound as ever, with an equity ratio of 34% (2000: 29%). The increase is mainly a result of the first application of IAS 39 (financial instruments), whereby financial assets are to be entered at their fair market values. The increase in total assets to €3.3 billion (2000: €3.1 billion) is also primarily attributable to this factor.

The increase of €55 million in fixed assets is due in equal portions to property, plant and equipment, and financial assets. Most of the growth in our financial assets is explained by the increase in our stake in Buderus to 30%.

Inventories of €406 million are almost unchanged.

Receivables and other assets rose to €1,257 million. Due to the first valuation of our Dresdner Bank shares at market prices, other assets

increased by €161 million. Trade receivables are also higher than in the previous year.

As a result of committing more funds during the period under review, liquidity declined to €802 million.

On the liabilities side, provisions for pensions dropped by €9 million as a result of reinsurance taken out during the financial year. Other provisions fell by €44 million due to utilization.

The reason for the increase in liabilities to banks is solely to be seen in new project financing on a non-recourse basis in the Real Estate Development and BOT business segment. This amounted to €102 million on the balance-sheet date (December 31, 2000: €31 million).

Other liabilities increased by €49 million to €1,314 million, mainly because of higher trade liabilities.

Balance-sheet equity amounts to €1,110 million, which is 31% higher than our fixed assets, and undisclosed reserves in connection with our investment in Buderus are not included in this figure.

We are enjoying growing success with our ability to meet the requirements of our clients in an all-encompassing approach. Our ability to pool the expertise that is present throughout the Group is proving particularly valuable here. There were many examples where inter-segmental project teams devised practicable solutions to the specific challenges encountered by our clients – whether in Germany, throughout Europe or worldwide. For example, our project-development and construction companies work in close collaboration for the construction of custom-designed office blocks in Germany's economic centres, on behalf of sophisticated clients. In France, our affiliated company Razel equips sewage plants with ultramodern technology from Passavant-Roediger. And our successful bid for the private-sector financed Cross City Tunnels project in Sydney is the upshot of close cooperation between Baulderstone Hornibrook, Bilfinger Berger BOT and our internationally active Tunnel Construction unit.

Chart: Key figures for Domestic Construction, 12/01

Output by our *Domestic Construction* business segment rose by 1.8% to €1.8 billion in 2001. Despite our continuing selectivity in taking on projects, the volume of orders received climbed by 27% to €1.9 million. The order backlog at the end of last year was €1.4 billion, an increase of 10%. These growth rates are attributable to changed

reporting methods. We allocate all output to the units where it was produced, including for projects performed by domestic units abroad.

Competition on the German construction market remains extremely fierce. We are adequately equipped for this. Risks are systematically pinpointed during the bidding phase, while contracts which seek to impose unacceptable terms are declined out of hand. We have already been adjusting our capacity over the past few years to reflect falling demand. Our branch offices and affiliated companies in the Domestic Construction business segment are geared up entirely to building construction or civil engineering. We are focusing our activities on regions in which the market harbors scope for success.

In view of its client structure and the need for geographical proximity to the source of business, the building construction unit is organized along non-central lines. As a general contractor for challenging building construction projects, we have mastered the construction process in all its complexity. We are in addition in a position to take on a pivotal role in the overall execution of major projects; in other words, our activities extend beyond the construction aspect to design, financing, maintenance and operation. By maintaining close contact with the client, we aim to ensure that we are involved in a project from an early stage onwards. This approach enables us to produce value-enhancing solutions and generate maximum benefit for our clients.

We view the future development of the market for civil engineering works with cautious optimism. It is to be hoped that the plans reiterated by the German government over the past few months to step up investment in infrastructure will prompt a rise in demand in the medium term. We expect the scheduled modernization and extension of the rail network to provide a positive stimulus. A notable initiative by the Federal German Ministry of Transport envisages private funding for the widening of particularly congested stretches of autobahn. We are well poised to profit from this development: Bilfinger Berger is one of the leading players in major transport projects and simultaneously, the Group is without a doubt among the pioneers of private-sector financed BOT models in Germany.

We posted a positive result for the Domestic Construction business segment for the past year. Both building construction and civil engineering contributed to this development. We are working on further enhancing the profitability of this business segment, and in the medium term, our target is to achieve a return of at least 2% in Germany too.

Chart: Key figures for Domestic Construction at 03/02

The output of the Domestic Construction business segment contracted by 14% to €319 million in the first three months of 2002 due to seasonal factors. Orders received and the order backlog, on the other hand, are showing double-digit growth, principally thanks to the contract to build the Gotthard base tunnel. As a result, we expect output by this business segment to remain stable at €1.8 billion in the current year.

Chart: Key figures for International Construction, 12/01

The output of the *International Construction* business segment was on a par with the previous year's level, at €2.5 billion. We continue to focus our international business on our priority markets Australia, the United States, Nigeria, South-East Asia and selected European countries. The volume of orders matched output. The total was nevertheless down on the high prior-year figure due to the major contracts received in that year in Nigeria and Taiwan. The order backlog remained stable. Earnings showed a further improvement, rising from €32 to 40 million.

Demand for building construction is falling in Australia, whereas the civil engineering sector is on the up. Our subsidiary Baulderstone Hornibrook has adjusted to this development and is involved in various major transport projects, in some cases in conjunction with

other Group companies. This company is succeeding in upgrading its range of services along the entire value creation chain thanks to its expertise and innovative spirit. The company is also enjoying growing success in the field of building construction with its tailor-made packaging projects. For projects of this kind, the company endeavors to ensure that the interests of landowners, banks, investors, users and concession holders are reconciled, thus creating individual packages of services that reflect the specific requirements of the parties concerned without exposing itself to project development risks. The company enjoys a strong market position and flourishing future prospects. The level of orders received was double that of the previous year.

Fru-Con, our subsidiary in the United States, is a specialist in commercial construction, supplying packaged solutions that encompass everything from design and construction to putting into operation, maintenance and subsequent long-term running. The company benefited from a high level of spending by the energy sector during the fiscal year, and took on a substantial number of new contracts for the construction or extension of power stations. It is likewise methodically stepping up its activities in the field of infrastructure. At the start of this year, Fru-Con secured a contract worth €250 million to erect a cable-stayed bridge in Ohio. The building sector in the United States is proving largely stable. Capital

expenditure in the infrastructure and energy sectors leads us to anticipate low-level growth. Fru-Con is consequently confident of boosting its output.

Business in Nigeria, our most important African market, was underpinned last year by growing capital expenditure by the government on the one hand and the petroleum industry on the other. Our continuing fortunes there will continue to depend on movements in the price of crude oil. On the basis of the high order backlog, we expect output to remain stable at a high level in the current fiscal year.

Bilfinger Berger is among the leading contractors for major transport-infrastructure projects in South-East Asia. We continue to regard the region as a market with a bright future, even if its economic recovery is proving a slow affair. Our activities currently focus on Thailand, Taiwan and China.

In Thailand, we completed work on driving the tunnel for Bangkok's first underground railway two months earlier than scheduled in the course of last year. New major infrastructure projects are in the pipeline, though it is as yet unclear when they will take on more definite contours. A fundamental economic recovery and an appreciable improvement in demand for construction work will also depend to a high degree on developments in Japan. Our claims for

additional costs for the Bang Na Expressway, completed in 1999, were endorsed in full by the court of arbitration. The new Thai government has yet to comply with this ruling. Its counter-arguments are motivated by matters of domestic politics and lacking in substance. We do not expect that the claims substantiated by the court of arbitration will be settled in the foreseeable future.

In Taiwan, we are constructing an 80-kilometer section of the new high-speed railway line between Taipei and Kaohsiung. Brisk progress is being made. Further major infrastructure projects are on the cards. We enjoy an excellent reputation in Taiwan and have good prospects of securing further contracts.

In China, we are adjusting to the demands of a growing market. At the start of the year we forged a joint venture with a building company owned by the City of Beijing to compete for contracts for major infrastructure projects. The outstanding position enjoyed by our Chinese partner in its regional market and our civil-engineering expertise complement each other ideally. There will be particular demand in this area in the run-up to the 2008 Olympic Games in Beijing.

Our activities in other European countries outside Germany are concentrated in France, Poland, Great Britain and Austria. As

expected, Razel was able to build on the previous year's high level of orders in France and performed well, with output rising. In view of the sluggish progress of the construction sector in Poland, the output of our subsidiary Hydrobudowa-6 fell. Orders received were nevertheless sharply up on the prior-year figure. In Great Britain, above all the realization of privately financed concession projects prompted an increase in the output of our subsidiary Bilfinger Berger UK. Output by our Austrian company likewise rose, despite the flat economy.

Chart: Key figures for International Construction at 03/02

Our International Construction business segment enjoyed further growth in the first three months of the current financial year. Output rose by 3% to €564 million. A higher number of orders was received, with the order backlog holding its own.

For the current year, we expect output for the International Construction business segment to reach €2.7 billion, with operating earnings yet again on the increase.

The *Real Estate Development and BOT* business segment brackets our activities in real-estate-development projects, private-sector concession projects and facility management.

Chart: Key figures for Real Estate Development and BOT at 12/01

Output climbed significantly by 41% in fiscal 2001, to €288 million. Despite start-up costs for BOT projects, the segment was able to post a marginally positive result.

Real Estate Development and BOT, too, is instrumental in paving the way for our evolution into a multi-service group. We are making a concerted effort to broaden our range in the service sector. We cemented our strategic move into technical facility management through the acquisition of the Wolfferts group at the start of 2002. Wolfferts generated an output of some €125 million in the past financial year and is one of Germany's few full-service companies in the field of building-engineering services.

Our project development activities are concentrating methodically on Germany's main economic centres. There is continuing demand for high-quality buildings in these areas. On behalf of our clients, we develop technically sophisticated office space for specific user requirements, complemented by a range of auxiliary services. The sales volume rose last year. The market for office property will continue to develop in a contrasting manner; whereas sales of office space as a whole are on the decline, demand in those regions where our activities are concentrated is unlikely to move appreciably.

We substantially reinforced our position in our target markets for BOT projects, above all in the United Kingdom and Australia. The output of Bilfinger Berger BOT rose. Earnings were diminished by start-up costs for new projects. These costs nevertheless guarantee a stable source of revenue and high returns in the longer term, thus representing a sound investment for the future.

In Great Britain, a particularly dynamic market for private-sector BOT models, we were recently awarded the concession to build and operate a hospital in the city of Gloucester, in the West of England. There are further interesting new projects at various stages of the bidding process.

We made significant headway in strategically expanding our BOT activities in Australia at the start of this year. A consortium led jointly by ourselves and Deutsche Bank secured the status of preferred bidder for the privately-financed construction of the Cross City Tunnel in Sydney. The measure, which has a total value of €520 million, will be the most ambitious BOT project in our company's portfolio to date. The concession agreement is to be signed in autumn 2002. We will design, finance and build the two-kilometer toll tunnel under the heart of the city and operate it for a period of 30 years. Bilfinger Berger and Baulderstone Hornibrook, having recently forged a successful

partnership for the building of the M 5 East city freeway in Sydney, will embark on the task of designing, constructing and operating this tunnel project.

In Germany, we rank as one of the pioneers of private-sector financed BOT models. The initiative by the Federal German Ministry of Transport to use private funding for the widening of heavily congested autobahn stretches would appear to indicate a growing interest in private-sector financing. The planned amendment to the Highways Construction Private Financing Act will open up prospects for private financing of tunnels, bridges and roads, and the State of North Rhine-Westphalia has already announced initial pilot projects for public-sector buildings. Thanks to our experience in handling initial projects in Germany, such as the Herrentunnel in Lübeck and the British Embassy in Berlin, and in particular our BOT projects abroad, we are especially well positioned to profit from this emerging market in Germany.

Chart: Key figures for Real Estate Development and BOT at 03/02

The output of the Real Estate Development and BOT business segment rose by 20% in the first three months of the year, to €56 million. This sharp growth, above all in orders received, is one

consequence of the inclusion of the Wolfferts group in the consolidated figures for the first time.

The output of the Real Estate Development and BOT business segment will continue to rise during the current 2002 financial year to over €400 million, even before any additional growth from acquisitions is taken into account. Although advance costs for new BOT activities will affect the result, we nevertheless expect this business segment to make a positive contribution towards consolidated earnings.

Chart: Key figures for Environmental Services at 12/01

The output of the *Environmental Services* business segment fell by 8% to €200 million in the year under review. Slack domestic demand has, however, resulted in a further drop in the number of orders received. Earnings were just positive, as in the previous year.

Our affiliated company Passavant-Roediger is a leading plant engineering company in the sewage-treatment and drinking-water-purification sector. Its core business accounted for three-quarters of total output in the year under review. Passavant-Roediger will in future be concentrating exclusively on this market, and the company has now shed all activities that are not connected with its core skill.

The company closed the year with a profit while the export share of the its output climbed to a new record level of 55%.

Bilfinger Berger Umwelt, which deals with the remediation of contaminated soil and water, boosted its output in the past financial year and posted a positive result. The company, which was established two years ago, was able to further consolidate its market position.

Our GKW group likewise increased its output. Earnings for the year were positive. GKW's engineers have specialized in advisory and design services on behalf of clients in the area of water supply and the disposal of sewage and solid waste.

Chart: Key figures for Environmental Services at 03/02

Output by the Environmental Services business segment fell by 20% in the first quarter of the current year, to €35 million. This downturn is attributable to Passavant-Roediger's decision to concentrate on sewage treatment and drinking-water purification. Alongside Passavant-Roediger, Bilfinger Berger Umwelt in particular has contributed towards the notably higher level of orders received. The order backlog is slightly up on the prior-year level.

We will be stepping up the international spread of Environmental Services in the light of persisting slack demand in Germany. We anticipate that output for 2002 will be slightly down, at around €200 million, and that earnings will once again be positive.

Despite the unsettled global economic trend, we expect overall output for the 2002 financial year to experience a modest rise to €4.8 billion. The proportion of output generated outside Germany will climb to above 60%. We aim to boost our consolidated earnings yet again by achieving a further increase in operating earnings.

Allow me to summaries:

We will continue to pursue our strategic objectives with determination.

Chart: Strategic objectives

One important objective is to broaden the range of services that complement our core business of construction. We have a comprehensive mastery of building and infrastructure tasks, and are assuming responsibility for the overall process – including, to an increasing extent, for services upstream and downstream of the actual construction task. We aim to diversify our business through targeted

acquisitions and our intrinsic growth in the service sector and, in the medium term, to generate one-third of our earnings through services. We will be intensifying our involvement in privately financed concession projects. Having recorded a notable success with the Cross City Tunnel project in Sydney, we are turning our attention to further interesting BOT projects abroad. In addition, we have identified increasing scope for private finance initiatives here in Germany.

We aim to strengthen our international position. The focus is on consolidation wherever we already enjoy an established presence.

And we focus all our entrepreneurial activities systematically on attaining financial success. Our return-on-capital-employed controlling system will help to ensure that we deploy our resources with specific emphasis on the expansion of activities in high-yield segments.

Chart: financial year 2001

The success of the past financial year is there for all to see: Bilfinger Berger repositioned itself strategically. Our operating earnings improved appreciably, and consolidated earnings rose by more than one-fifth. All business segments made a positive contribution to the Group's earnings. In the light of this, and in full anticipation of

continuing success, the Executive Board and Supervisory Board are proposing a dividend of 55 cents per unitary share to the Annual General Meeting.

We none the less still face various major tasks. Our financial targets – a significant improvement in our returns on output and capital – are ambitious. And we are working with determination on the diversification and internationalization of our business.

I am, however, convinced that we will enjoy continuing success.

Bilfinger Berger is right on course for success.

Thank you for your attention.