News Release

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Bilfinger Berger: preliminary report on the 2002 financial year

- **Increase in net profit from ordinary activities**
- **Exceptional income utilized for balance-sheet provisions, increased reserves and dividend bonus**
- **New structure of business segments from January 1, 2003**

In the 2002 financial year, Bilfinger Berger made considerable progress with its refocus as a multi-service group, and developed into one of Germany's leading providers of real-estate and industrial services by means of strategic acquisitions. The company will continue to adjust quickly and flexibly to new demands in its markets and will thus successfully shape its future. The year-end financial statements are impacted on the one hand by a significant increase in earnings from ordinary activities, and on the other hand by the exceptional capital gain from the sale of shares in Dresdner Bank to Allianz in January 2002.

Increase in net profit from ordinary activities

According to preliminary figures, net profit from ordinary activities in 2002 (excluding the exceptional capital gain) increased by 15% to around €60 million (2001: €52 million). This increase was based on an operating profit (EBITA) of double the previous year's level, to which the newly acquired services companies made significant contributions.

Exceptional income utilized for balance-sheet provisions, increased reserves and dividend bonus

As well as earnings from ordinary activities, in 2002 an exceptional tax-free capital gain arose in an amount of €161 million from the sale of shares in Dresdner Bank held by Bilfinger Berger. The cash inflow of €262 million was primarily applied for acquisitions connected with expanding the services business. Balance-sheet provisions will take priority with the utilization of the capital gain on this disposal. Furthermore, it is planned to increase reserves and to propose an exceptional dividend bonus.

Bilfinger Berger will utilize this exceptional income to reduce its capital tied up in real-estate development and the building-materials business. The write-down of real-estate assets will create the right conditions to reduce our portfolio of real-estate activities more quickly within the context of our strategic reorganization. The building-materials business is suffering from continuing weakness in the construction market of Eastern Germany and the resulting pressure on prices. Competition-distorting subsidies have an additional negative impact and are preventing the necessary market contraction. Bilfinger Berger is taking proper account of this situation by reducing its capital tied up in this business and is creating the basis for a possible disposal of our building-materials activities. An additional part of the exceptional income will be used to cover the future costs of a fundamental reorganization of our construction business in Germany and abroad. All three precautionary measures add up to a sum of around €110 million after taxes.

Appropriation of profit

The remaining exceptional income of approximately €50 million is available, together with the net profit from ordinary activities of around €60 million, for allocation to reserves, dividend distribution and dividend bonus.

Key figures for the Group

Output volume increased by 7% to €4,912 million. Orders received and order backlog were significantly higher than in the previous year.

Key figures for the Group			
Amounts in € million	**2002**	**2001**	**Change**
Output volume	4,912	4,607	+7%
Orders received	5,216	4,680	+12%
Order backlog	5,168	4,272	+21%
Capital expenditure of which, on P,P&E	324 71	111 73	+192% -3%
Employees (at December 31)	50,227	43,471	+16%

Adjusted to exclude the effects of the acquisitions and exchange-rate movements, output volume amounted to €4,480 million (-3%), orders received amounted to €4,925 million (+5%) and the order backlog amounted to €4,771 million (+12%).

Bilfinger Berger’s capital structure and financial situation are as sound as ever. Cash and marketable securities at the end of the year were significantly higher than at the end of the third quarter, reaching €770 million. Due to the acquisitions, investments in financial assets rose to €253 million from €38 million at the end of 2001, and there was a substantial increase in the size of the workforce as a result of acquiring the services companies. However, the number of employees in the construction business decreased.

With the transformation of the Group into a multi-service group, in the 2002 financial year the foundation was laid for Bilfinger Berger’s long-term successful development. Nevertheless, the price of our shares could not remain unaffected by the crisis of the financial markets. But at the beginning of 2003, investors again became increasingly aware of the intrinsic value of the company. Against a background of fundamental strength and lasting increases in earnings, our share price should continue to improve. As a result of stock-market reorganization, Bilfinger Berger was included in the Prime Standard segment of the German Stock Exchange. The company is still listed in the M-DAX, which now comprises only 50 companies instead of the former 70.

For the current financial year Bilfinger Berger anticipates yet another increase in output volume to around €5.2 billion, and the company aims to achieve another rise in earnings despite uncertain economic developments in Germany and abroad.

New structure of business segments from January 1, 2003

Bilfinger Berger started the year 2003 with a new segment structure. With effect from January 1, segmental reporting is based on the business segments of Civil, Building and Industrial, Project Development and Concessions, Services and Environmental.

The **Civil** business segment comprises all activities in this field both in Germany and abroad. Furthermore, the divisions of civil engineering, hitherto mainly active within Germany, and the direct international business were merged into one organization. Both units had cooperated successfully in the recent years. Against the backdrop of further deterioration in the German construction industry and increasingly difficult international markets, this merger will achieve the efficient utilization of shared resources.

The **Building and Industrial** business segment will in future consist of the building construction activities in Germany and the building and industrial business of the subsidiaries outside Germany. In addition, the organization of building construction in Germany will become leaner, in order to cope with the lasting period of weak demand.

The **Project Development and Concessions** business segment includes Bilfinger Berger's BOT activities in private-sector concession projects in Germany and abroad, as well as real-estate development activities, which are concentrated in Germany.

The services companies acquired in 2002 form the core of the new **Services** business segment. With the acquisition of Rheinhold & Mahla, Bilfinger Berger entered the market for industrial services, and our capacities in real-estate services were substantially expanded with the acquisition of HSG and the Wolfferts Group. These are the platforms on which the systematic expansion of the services business will be continued.

The **Environmental** business segment is still composed of our subsidiaries, Passavant-Roediger, Bilfinger Berger Umwelt and GKW.

The reorganization of the business segments is documentation of the continuing transformation of Bilfinger Berger into a multi-service group. Our structure is now a proper reflection of the Group's areas of activity. At the same time, the reorganization of the construction business creates the conditions crucial for growing operative success in national and international markets.

Business segments as of January 1, 2003				
Civil	**Building and Industrial**	**Project Development and Concessions**	**Services**	**Environmental**
Civil engineering Razel Hydrobudowa	Building construction Bilfinger Berger UK	BOT Projektentwicklung	Rheinhold & Mahla HSG Wolfferts bebit GBV	Passavant-Roediger Umwelt GKW
Allocation by share of output volume: Bilfinger Berger Nigeria Fru-Con Baulderstone Hornibrook				
Planned output volume for 2003: €5,200 million *				
€2,200 million	**€1,600 million**	**€250 million**	**€1,150 million**	**€200 million**
Output volume 2002: €4,900 million * (by new segment structure)				
€2,200 million	€1,850 million	€250 million	€590 million	€190 million

* *After consolidation.*

Developments in the business segments

Reporting on 2002 takes place according to the structure valid until December 31, 2002.

Output volume by business segment			
Amounts in € million	**2002**	**2001**	**Change**
Domestic Construction	1,714	1,766	-3%
International Construction	2,380*	2,516	-5%*
Project Development and Concessions	247	248	0%
Environmental	187	200	-7%
Services	593	55	
Consolidation	-209	-178	
	4,912	**4,607**	**+7%**

** Adjusted to exclude currency effects, output volume was similar to the level of the prior year.*

Domestic Construction

Output volume in the Domestic Construction business segment decreased by 3% to €1,714 million. Orders received increased by 11% to €2,101 million, and the order backlog rose by 27% to €1,827 million. The positive development of the orders situation is due to projects carried out abroad by domestic civil-engineering units. It is also reflected by the division's workforce figures. Whereas in Germany the number of employees decreased, numbers rose at our building sites abroad. Meanwhile the Civil Engineering division generates a third of its output volume outside Germany, and half of its order backlog is accounted for by international projects. The new business-segment organization properly reflects this development. Civil Engineering and the direct business abroad are being merged in organizational terms and now form the core of the new Civil business segment.

The old Building Construction division became a part of the Building and Industrial business segment at the beginning of 2003, which is now responsible for all corresponding activities in Germany and abroad.

Bilfinger Berger is continuing to adjust actively to the still worsening situation in the German construction industry. The ability to react quickly and flexibly to market changes in this difficult environment is crucial for successful business developments compared with the rest of the industry.

On the basis of preliminary figures for the 2002 financial year, in the Domestic Construction business segment Bilfinger Berger further improved on the positive earnings of 2001.

Domestic Construction			
Amounts in € million	**2002**	**2001**	**Change**
Output volume	1,714	1,766	-3%
Orders received	2,101	1,900	+11%
Order backlog	1,827	1,440	+27%
Capital expenditure	23	27	-15%
Workforce (at December 31)	6,865	6,802	+1%

International Construction

In the International Construction business segment the rise of the euro led to a statistical reduction in key figures. For this reason, output volume fell by 5% to €2,380 million, while orders received declined, also for cut-off date reasons, by 14% to €2,141 million. The order backlog decreased by 9%, but was as high as output volume at €2,396 million. Adjusted to exclude the negative currency effects, output volume, orders received and order backlog all remained stable.

The weakness of the construction industry in Australia seems to be over. Baulderstone Hornibrook achieved a significant increase in orders received and started this year with a high order backlog. In the United States construction demand was fairly stable in 2002. But there are increasing signs of a decline in demand soon. With new orders such as the construction of a cable-stayed bridge in Ohio and waterways lockage in West Virginia, Fru-Con has successfully established itself in the market for large infrastructure projects, which remains as attractive as ever. In Nigeria the orders situation normalized after a phase of extremely high demand. In Southeast Asia the focus is currently on China and Taiwan.

Bilfinger Berger will continue to pursue its strategy of internationalization. Key elements of this strategy are a focus on major infrastructure projects and the strengthening of our existing position in regions where the company is already successfully represented. The merger of the Civil Engineering division and the direct international business within the framework of restructuring the business segments will make a decisive contribution to the continued success of Bilfinger Berger in its international markets.

According to preliminary figures, the positive earnings achieved by the International Construction in 2001 were improved on again in 2002.

International Construction			
Amounts in € million	**2002**	**2001**	**Change**
Output volume	2,380*	2,516	-5%*
Orders received	2,141*	2,489	-14%*
Order backlog	2,396*	2,636	-9%*
Capital expenditure	39	38	-3%
Workforce (at December 31)	27,801	34,819	-20%

** Adjusted to exclude currency effects, these key figures were similar to those of the prior year.*

Project Development and Concessions

Output volume of €247 million in the Project Development and Concessions business segment reached the level of the prior year. Order received rose by a strong 63% to €316 million, while the order backlog increased by 44% to €226 million.

These growth rates are primarily due to the Cross City Tunnel project in Sydney, with a total volume of €520 million. Bilfinger Berger holds an equity stake of 20% in the project company. The company was therefore able to further extend its international position as a provider of build-operate-transfer (BOT) packages. And in the United Kingdom the company was named preferred bidder for the realization of two new school buildings in the county of Bedfordshire with a project volume of €30 million. While the private-sector concession business is still gaining importance for Bilfinger Berger, in view of the sharp decline in the German real-estate market project-development activities are being reduced and focused more on contracts without a major application of own capital.

The sluggish sale of real-estate projects led to negative earnings for this business segment in 2002.

Project Development and Concessions			
Amounts in € million	**2002**	**2001**	**Change**
Output volume	247	248	0%
Orders received	316	195	+63%
Order backlog	226	157	+44%
Capital expenditure	48	5	
Workforce (at December 31)	103	111	-7%

Environmental

Due to the sale of activities that are not a part of Passavant-Roediger's core business, this business segment's output volume decreased by 7% to €187 million. However, with a rise of 31% to €229 million, orders received were well above the level of the prior year. Activities in the field of environmental technology were successfully focused on international markets. The positive orders situation was largely a result of the dynamic international business.
The order backlog rose by 35% to €161 million.

The preliminary figures for the year 2002 indicate improved positive earnings in the Environmental business segment.

Environmental			
Amounts in € million	**2002**	**2001**	**Change**
Output volume	187	200	-7%
Orders received	229	174	+32%
Order backlog	161	119	+35%
Capital expenditure	2	9	-75%
Workforce (at December 31)	1,075	1,121	-4%

Services

The newly acquired services companies, Rheinhold & Mahla and HSG, have been fully consolidated by the Group since September 2002. Their organizational integration is running well.

Output volume in 2002 amounted to €593 million, orders received came to €640 million and the order backlog was at €676 million.

Services made a distinctly positive contribution to EBITA in 2002.

Services		
Amounts in € million	**2002**	**2001**
Output volume	593	55
Orders received	640	58
Order backlog	676	33
Capital expenditure	208	0
Workforce (at December 31)	14,135	303