



Interim Report as per June 30, 2001

Development of the Group - Overview

Over the past six months, our company's realignment has begun to take on clear contours. In future we shall be serving our clients even more comprehensively as a Multi Service Group for building and infrastructure. Our new focus is also reflected in the development of our share price, which has risen by more than fifty per cent since the beginning of the year. The development of the Bilfinger Berger share is gratifying in view of the recessive stock market, although the current level is still far from reflecting the fundamental strength and future potential of our group.

Starting in fiscal 2001, we adopted International Accounting Standards (IAS) in our reporting. Consequently, comparable figures will again be available for quarterly reporting only at the end of the year. Moreover, this is the first time that our report is presented in euro.

The figures for the first six months of the year show that, contrary to the general trend in the construction industry, our group is developing positively. Orders received were 12 per cent higher than last year's figure and were appreciably higher than the volume of work, which shows a 9 per cent gain. Orders on hand have increased by 6 per cent. Earnings before interest, taxes and amortization (EBITA) amounted to € 3 million on reporting day. Here, strong second-quarter growth more than compensated for the negative first-quarter results typical for the construction industry. On the whole, the asset and financial position is good. At accounting date, cash was lower than at the beginning of the year due to the cyclical nature of the business. Capital expenditure rose steeply because major construction projects abroad needed to be equipped. The workforce in Germany continued to decline. The total number of employees has increased due to the recruiting of local labor for projects abroad.

For fiscal 2001, we expect a rise in the volume of work to € 4.6 billion. The portion of work performed abroad will be around 60 per cent. There will be a substantial improvement in our operating earnings. As a result, we expect another increase in net profit for the year to a figure of about € 50 million.

Key Figures for the Group

	6/2001 € million	6/2000 € million	Percentage change	12/2000 € million
Volume of work	2,213	2,035	+9	4,437
Orders received	2,637	2,361	+12	4,591
Orders on hand	4,624	4,372	+6	4,200
EBITA	+3			+10
EBT	+22			+62
Consolidated net profit	+17	¹⁾		+43
Earnings per share in €	+0.46			+1.20
Cash earnings according to DVFA/SG	+61			+97
Capital expenditure	66	41	+61	112
Employees as per June 30	42,849	39,009	+10	40,653

¹⁾ Due to the adoption of International Accounting Standards there are no figures available for comparison.

Development in Our Business Areas

Domestic Construction

The volume of work in the business area Domestic Construction rose to € 805 million in the first half-year. The substantially higher figure for orders received is attributable in particular to the low base figure for last year and to changed classifications in our reporting. In Germany, we are taking in orders with the necessary selectivity and are moving away from unattractive market positions. At the same time we are expanding our activities, with a focus on attractive neighboring countries. Thus we are currently executing complex tunnel projects in Sweden, Austria and Switzerland.

Contrary to the European trend, the German construction industry remains recessive. Whereas demand in the western states seems to be stabilizing in commercial and public construction, the decline in eastern Germany continues to be dramatic.

For 2001, we expect a volume of work of € 1.7 billion and a slightly positive operating result.

International Construction

In the business area International Construction, we increased the volume of work by 7 per cent to € 1,232 million. With a steady flow of incoming orders, orders on hand continued to rise.

Marked increases are recorded in Nigeria. The higher oil price is having a positive influence on our business. In Australia, investments in construction are recessive as the economy declines. However, we intend to participate in major infrastructure projects which are being planned. The North American construction market is proving gratifyingly robust. We will continue to expand in selected areas of civil engineering – power stations, sewage disposal and traffic infrastructure – which already contributes € 150 million to this year's volume of work of our affiliate Fru-Con. In Taiwan, our work on the high-speed railway line between Taipei and Kaohsiung is now well under way following an extensive planning phase. In Thailand, we completed tunnel-driving for the first subway line in Bangkok two months ahead of schedule despite difficult ground conditions. Our most important European markets, France, the United Kingdom and Poland, are developing well. The respective subsidiaries are operating successfully.

For the current year, we expect a volume of work in the business area International Construction of € 2.6 billion and a further rise in operating results compared with last year.

Key Figures for Domestic Construction

	6/2001 € million	6/2000 € million	Percentage change	12/2000 € million
Volume of work	805	785	+3	1,659
Orders received	959	677	+42	1,495
Orders on hand	1,460	1,363	+7	1,306
Capital expenditure	12	12	0	32
EBITA	-8			-13
Employees	7,074	7,764	-9	7,210

Key Figures for International Construction

	6/2001 € million	6/2000 € million	Percentage change	12/2000 € million
Volume of work	1,232	1,152	+7	2,490
Orders received	1,536	1,561	-2	2,795
Orders on hand	2,967	2,766	+7	2,663
Capital expenditure	48	27	+78	67
EBITA	+18			+32
Employees	33,922	29,339	+16	31,543

Real Estate Development and BOT

The business area Real Estate Development and BOT is growing substantially.

In Real Estate Development, we concentrate on high-quality technical infrastructure and additional services. In the highly promising British BOT market we have continued to establish ourselves. We were successful in our efforts to gain the status of preferred bidder for the extension of a hospital in Gloucester. The work comprises planning, construction, financing and operation of the new wing over a period of thirty years.

For the current year, we expect a further increase of € 0.3 billion in this business area's volume of work. If our sales planning succeeds, we expect to close the year with a profit despite start-up costs in the BOT business.

Environmental Services

The volume of work performed in the business area Environmental Services rose in comparison with last year. Orders received and orders on hand reflect our cautiousness on the lagging domestic market. Environmental Services is further expanding its international business. Thus together with Razel, Passavant-Roediger is constructing a turnkey purification plant in France at Thonon-les-Bains.

For this business area, we expect the volume of work to come out at € 0.2 billion this year, with earnings slightly positive.

Key Figures for Real Estate Development and BOT

	6/2001 € million	6/2000 € million	Percentage change	12/2000 € million
Volume of work	139	72	+93	204
Orders received	102	65	+57	266
Orders on hand	198	166	+19	235
Capital expenditure	1	1	0	9
EBITA	+1			+8
Employees	275	146	+88	180

Key Figures for Environmental Services

	6/2001 € million	6/2000 € million	Percentage change	12/2000 € million
Volume of work	97	85	+14	217
Orders received	79	103	-23	211
Orders on hand	127	168	-24	145
Capital expenditure	1	1	0	4
EBITA	-4			+1
Employees	1,168	1,311	-11	1,295

Volume of Work by Business Areas

	6/2001 € million	6/2000 € million	Percentage change	12/2000 € million
Domestic Construction	805	785	+3	1,659
International Construction	1,232	1,152	+7	2,490
Real Estate Development and BOT	139	72	+93	204
Environmental Services	97	85	+14	217
Consolidation	-60	-59		-133
	2,213	2,035	+9	4,437

EBITA by Business Areas

	6/2001 € million	6/2000 € million	Percentage change	12/2000 € million
Domestic Construction	-8			-13
International Construction	+18			+32
Real Estate Development and BOT	+1			+8
Environmental Services	-4			+1
Consolidation	-4			-18
	+3			+10

Interim Financial Statement

Consolidated Profit and Loss Account

€ million	1.1. – 30.6.2001
Turnover/changes in inventories	1,724
Other operating income	+15
Cost of materials	-1,151
Personnel expenses	-415
Depreciation	-32
Other operating expenses	-138
Earnings before interest, taxes and goodwill amortization (EBITA)	+3
Net income from equity investments	+15
Net interest income ¹⁾	+5
Goodwill amortization	-1
Earnings before taxes (EBT)	+22
Income taxes	-6
Minority shareholders' interests	+1
Consolidated net profit	+17
Average number of shares in thousands	36,261
Earnings per share in €	+0.46

¹⁾ Unlike HGB (German Commercial Code) accounting principles, net interest according to IAS includes the interest portion of transfers to provisions for pensions and gains/losses from the sale of securities.

Consolidated Cash Flow Statement

€ million	1.1. – 30.6.2001
Cash earnings according to DVFA/SG	+61
Change in net current assets	-208
Cash flow from operating activities	-147
Cash flow from investing activities	-8
Cash flow from financing activities	+19
Change in securities and cash effected by payments	-136
Other changes in securities and cash	+7
Securities and cash as at January 1	877
Securities and cash as at June 30	748

Alongside positive cash earnings, cash flow from operating activities is negative at € 147 million. In addition to the reduction of pre-payments and accruals, a temporarily higher volume of funds tied up in the business area Real Estate Development and BOT has a significant influence. Cash flow from financing activities reflects the rise in liabilities due to banks. This stems from new project financing on a non-recourse basis in the business area Real Estate Development and BOT.

Consolidated Balance Sheet

€ million	30.6.2001	31.12.2000
ASSETS		
Fixed assets		
Intangible assets	8	8
Property, plant and equipment	479	475
Financial assets	299	308
	786	791
Current assets		
Inventories	592	408
Accounts receivable and other assets	1,113	940
Marketable securities and cash	748	877
	2,453	2,225
Deferred tax assets	56	55
Prepaid expenses	5	5
	3,300	3,076
LIABILITIES AND SHAREHOLDERS' EQUITY		
Shareholders' equity	1,081	900
Minority interests	3	3
Accruals		
Accruals for pensions	131	129
Other accruals	473	487
	604	616
Liabilities		
Liabilities due to banks	386	322
Other liabilities	1,226	1,235
	1,612	1,557
	3,300	3,076

The change to IAS led to an increase in shareholders' equity of € 237 million as at January 1, 2000 not affecting earnings. The consolidated net profit according to IAS for fiscal 2000 at € 43 million is € 1 million higher than the corresponding HGB (German Commercial Code) result. In the course of applying IAS 39 (Financial Instruments) for the first time as per January 1, 2001, financial assets are valued at market prices. This results in a further increase of € 167 million in shareholders' equity not affecting earnings.



Dates 2001/2002

Interim Report as per September 30	December 4, 2001
Preliminary Report on the fiscal year	mid-February 2002
Announcement of the dividend	April 26, 2002
Financial press conference	May 7, 2002
Analysts' conference	May 7, 2002
Annual General Meeting	June 6, 2002

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