

## Compensation report

The Executive Board and the Supervisory Board have prepared this compensation report, in which details are given of the compensation of the members of the Executive Board and Supervisory Board. This compensation report is a constituent part of the corporate governance report and the Group management report.

### Executive Board Compensation

The compensation for the members of the Executive Board comprises three components: A fixed annual salary, a performance-related bonus and a payment related to the Company's long-term performance (defined as value added) and long-term share price.

The Supervisory Board is informed regularly by its Presiding Committee on the structure of the compensation system for the Executive Board. The Presiding Committee is responsible for determining the compensation of the Executive Board.

### Annual Salary

The fixed annual salary is reviewed every two years. In consultation with external experts, it was set at € 642,000 (€ 578,000 until June 30, 2006) for the Chairman of the Executive Board and € 428,000 (€ 385,000 until June 30, 2006) for the other members of the Executive Board with effect as of July 1, 2006. In addition to the fixed salary, the members of the Executive Board also receive fringe benefits (benefits in kind) in the form of insurance cover and the use of company cars, the value of which is shown in accordance with applicable tax law.

### Bonus

The relevant targets for the variable components of compensation are agreed upon between the Presiding Committee of the Supervisory Board and the Executive Board at the beginning of each year. The level of bonuses depends on the development of the Group's earnings before taxes (EBT). If the relevant targets are achieved, the

bonus amounts to 83% of the fixed annual salary (until June 30, 2006: 66.7%). Bonus payments are not made if at least 50% of the EBT goal is not reached and is limited by a cap of 150% of the target value.

### Long-Term Incentive Plan

Compensation with a long-term incentive element is paid in accordance with a long-term incentive plan (LTI), which has the following main features: If the value added achieved in a certain year exceeds the agreed minimum for that year, the members of the Executive Board are granted phantom shares in the form of so-called performance share units (PSU). If Bilfinger Berger shares under perform compared with the comparative index, the MDAX, the number of PSUs granted can be reduced by up to 20%. The value of the PSUs granted varies during a waiting period of two years in line with the development of the Bilfinger Berger share price. After the end of the waiting period, the existing phantom shares are paid out – 65% in cash (taxable) and 35% in Bilfinger Berger shares which may not be sold until another two-year lockup period has expired.

The applicable value added is the difference between return on capital employed (ROCE) and the weighted average cost of capital (WACC), multiplied by the amount of capital employed. The return is determined by EBITA plus interest income and the value added from the BOT portfolio (see page 71).

If the minimum value added agreed upon for the relevant year is not achieved during the waiting period, this leads to the allocation of negative PSUs, which eliminate an equal number of PSUs already held. There is also a cap (for the ordinary members of the Executive Board it is currently € 350,000, for the Executive Board Chairman it is € 525,000), which limits the payment to an absolute maximum annual amount.

For the 2006 financial year, the members of the Executive Board were granted a total of 188,326 PSUs, whose maximum payment amount is limited by the cap to € 1,575,000.

Compensation with a long-term incentive effect (long-term incentive plan)	Jan. 1, 2006	PSUs granted for the year		Dec. 31, 2006	Theoretical amount to be paid out based on year-end closing price 2006
	Number of PSUs	Number of PSUs	Maximum amount to be paid out	Number of PSUs	
Herbert Bodner (Chairman)	7,569	62,782	€ 525,000	70,351	€ 946,000
Dr. Joachim Ott	5,047	41,848	€ 350,000	46,895	€ 630,000
Prof. Hans Helmut Schetter	5,047	41,848	€ 350,000	46,895	€ 630,000
Dr. Jürgen M. Schneider	5,047	41,848	€ 350,000	46,895	€ 630,000
	<b>22,710</b>	<b>188,326</b>	<b>€ 1,575,000</b>	<b>211,036</b>	<b>€ 2,836,000</b>

€	Fixed salary		Bonus		Total cash compensation		Compensation with long-term incentive effect (expense for the year)	
	2006	2005	2006	2005	2006	2005	2006	2005
Herbert Bodner (Chairman)	610,000	578,000	797,000	346,000	1,407,000	924,000	348,000	96,000
Dr. Joachim Ott	407,000	385,000	531,000	230,000	938,000	615,000	232,000	64,000
Prof. Hans Helmut Schetter	407,000	385,000	531,000	230,000	938,000	615,000	232,000	64,000
Dr. Jürgen M. Schneider	407,000	385,000	531,000	230,000	938,000	615,000	232,000	64,000
Carlos Möller	–	385,000	–	230,000	–	615,000	0	0
	<b>1,831,000</b>	<b>2,118,000</b>	<b>2,390,000</b>	<b>1,266,000</b>	<b>4,221,000</b>	<b>2,999,000</b>	<b>1,044,000</b>	<b>288,000</b>

At the balance-sheet date, the members of the Executive Board held a total of 211,036 PSUs. The level of the cash flow that will result from these PSUs depends on the further development of the plan parameters. On the basis of the Bilfinger Berger share price at the end of 2006 of € 55.52, from today's perspective under consideration of the cap, this would lead to a total amount to be paid out of € 2,836,000.

No loans or advances were made to the Executive Board in financial year 2006. Compensation for the execution of Group mandates which – insofar as they exceeded € 20,000 – could be applied against Executive Board compensation did not occur in financial year 2006.

### Total Compensation

The total compensation of the Executive Board shown for the year under review includes the expense for all PSUs granted as entered in the income statement in accordance with the accruals concept over the relevant three-year period. The expense is calculated on the basis of the price of Bilfinger Berger shares at the close of trading in 2006, less a deduction for the missing dividend entitlement from the PSUs of 2% per annum.

The members of the Executive Board also received non-cash compensation in the form of the use of company cars and contributions to insurance policies in a total amount of € 110,000 (2005: € 124,000).

### Retirement Benefits

The system of retirement benefits for the members of the Executive Board was changed to a contribution-oriented commitment during 2006 and transferred to external institutions (insurance-type pension fund and reinsured relief fund). Thus, future pension entitlements will be fully funded, so that after reaching retirement age the members of the Executive Board will no longer place a financial burden on the Company. In the 2006 financial statements, the transfer of the part of the retirement benefits already earned by Mr. Bodner, Prof. Schetter and Dr. Schneider to a pension fund leads to a one-time charge of € 4,465,000. This is explained by the fact that the external institutions use different biometric data and a different discount rate from those used for the formation of provisions according to IFRS. This did not result in higher pension entitlements for the members of the Executive Board. The additional expense to the company caused by this change was expected in any case. Pension commitments towards the aforementioned members of the Executive Board in the case of invalidity remain with the Company. Here a transfer would have led to unwarranted costs. The transfer of retirement benefits for Dr. Ott to external institutions takes place in 2007.

The Company will make annual payments to a relief fund for the future periods of office of the members of the Executive Board. The table shows the amounts paid to the relief fund and the additions to pension provisions for the financial year, the pension entitlement already earned, and the annual pension currently expected to be paid upon reaching the regular retirement age of 62 years. In the case of death, there is entitlement to a widow's pension equivalent to 70% of the normal pension.

With the transfer of the retirement benefits of Mr. Bodner, Prof. Schetter and Dr. Schneider to external institutions, the level of existing commitments were maintained. This level is based on the number of years spent at the Company and

the basic salary in the year 2004. For the remaining time until reaching the regular age limit of 62 years, the allocation of payments to the relief fund only takes increases in consumer prices into consideration.

In the table below, the column "Allocation to relief fund and provision for pension obligations in 2006" includes payments to the relief fund for Mr. Bodner, Prof. Schetter and Dr. Schneider as well as provisions for the transfer of retirement benefits of Dr. Ott which has not yet taken place and for the invalidity risk for all Executive Board members.

### Further Provisions

The members of the Executive Board receive from the Company a transitional payment if the Executive Board membership ends due to the revocation or non-extension of their Executive Board appointment by the Company or due to termination of their contracts of service because of an important reason to be justified by the Company. Entitlement to a transitional payment only exists if the reason for termination occurs after the beginning of the second period of office and after reaching the age of 50.

In the case of a change of control, that is, if a shareholder in the Company reaches or exceeds a shareholding of 30% of the Company's voting rights and in addition, due to an allocation of responsibilities decided upon by the Supervisory Board a significant change in board responsibility occurs, or if the Company enters into a control agreement as the controlled company, the members of the Executive Board have an exceptional right of termination for their contracts of service. They then receive severance compensation for the remainder of their contract periods, but for a maximum of three years. The severance compensation comprises the fixed annual salary and bonuses (average value of the past 5 years); in addition, following the remaining contract period covered by the severance compensation, they are entitled to a transitional payment if the individual conditions for such payment are fulfilled. PSUs are not granted for the time following departure from the Executive Board.

€ thousands	Probable annual pension entitlement upon retirement	Annual pension entitlement earned as of December 31, 2006	Allocation to relief fund and provision for pension obligations in 2006
Herbert Bodner (Chairman)	321	297	282
Dr. Joachim Ott	264	41	141
Prof. Hans Helmut Schetter	237	215	209
Dr. Jürgen M. Schneider	237	206	354
	<b>1,059</b>	<b>759</b>	<b>986</b>

#### Supervisory Board compensation

€ thousands	Fixed compensation	Variable compensation <sup>1</sup>	Total
Bernhard Walter (as of May 18, 2006 Chairman, Chairman of the Presiding Committee and member of the Audit Committee; until May 18, 2006 Chairman of the Audit Committee and member of the Presiding Committee)	18	104	122
Maria Schmitt (Deputy Chairwoman and member of the Presiding Committee)	15	86	101
Hans Bauer	10	58	68
Dr. Horst Dietz	10	58	68
Wolfgang Erdner	10	58	68
Dr. Jürgen Hambrecht	10	58	68
Reiner Jäger	10	58	68
Rainer Knerler	10	58	68
Dr. Hermut Kormann	10	58	68
Harald Möller	10	58	68
Klaus Obermierbach	10	58	68
Thomas Pleines	10	58	68
Friedrich Rosner (member of the Audit Committee)	15	86	101
Udo Stark (until May 18, 2006 Chairman, Chairman of the Presiding Committee and member of the Audit Committee; as of May 18, 2006 member of the Presiding Committee and Chairman of the Audit Committee)	17	97	114
Rolf Steinmann	10	58	68
Dr. Klaus Trützscher	10	58	68
	<b>185</b>	<b>1,069</b>	<b>1,254</b>

<sup>1</sup> Based on the proposed dividend of € 1.25

#### Pensions

The total compensation paid to former members of the Executive Board or their surviving dependents amounted to € 2,455,000 in 2006 (2005: € 3,990,000). The prior-year amount includes severance compensation of € 1,452,000. The present value of future pension obligations for these persons calculated according to IAS 19 amounted to € 30,792,000 on the balance-sheet date (2005: € 33,545,000).

#### Supervisory Board compensation

As specified by Article 14 of our Articles of Incorporation, which are published on our Internet website, the compensation of the members of the Supervisory Board comprises a fixed annual payment of € 10,000 and a variable annual payment of € 500 for each cent by which the dividend paid to the shareholders exceeds € 0.10 per share. The Chairman is paid double these amounts, the Deputy Chairman and the members of the Presiding Committee and the Audit Committee are paid one and a half times these amounts. If a member of the Supervisory Board exercises several of the aforementioned functions, he or she is entitled only to the highest of the applicable compensations.

In addition, expenses were reimbursed in a total amount of € 16,000. No compensation was paid for services rendered individually.

The total compensation of the members of the Supervisory Board for the 2006 financial year thus amounted to € 1,270,000 (2005: € 1,035,000).