

Report of the Supervisory Board



Bernhard Walter
Chairman of the Supervisory Board

During the year under review, the Supervisory Board performed the duties incumbent upon it in accordance with the law and the Articles of Association and continually advised and monitored the Executive Board. The Supervisory Board was regularly kept informed about business developments and the situation of the Company. It supervised the management of the Company by the Executive Board in particular on the basis of written and verbal reports. The reports of the Executive Board fulfilled the requirements set by the Supervisory Board in terms of both their subject matter and their scope. As well as the reports, the Supervisory Board also received additional information from the Executive Board. The Executive Board was available in the meetings to explain and to answer the questions asked by the Supervisory Board. Business transactions requiring Supervisory Board approval were examined and discussed with the Executive Board. The Supervisory Board granted its approval to the acquisition and disposal of shareholdings, the takeover of parts of companies, the submission of offers for major projects and capital measures.

In face-to-face discussions outside the Supervisory Board meetings and its committees, the Chairman of the Supervisory Board and the Chairman of the Executive Board examined the situation of the company and its further development.

Supervisory Board meetings

In the 2006 financial year, there were four regular meetings and two extraordinary meetings of the Presiding Committee of the Supervisory Board.

In addition to the regular business and the major projects, the main issues the Presiding Committee of the Supervisory Board discussed with the Executive Board were economic developments, corporate strategy and the position of Bilfinger Berger compared with its competitors. The Presiding Committee of the Supervisory

Board was also intensively involved in the acquisitions of the Ahr Group, Essener Hochdruck-Rohrleitungsbau and Salmis Group and approved these acquisitions. All major aspects were examined, such as the results of the due diligence, the earnings situation, business plan, quality of management, effects on the consolidated financial statements and integration concept. The Supervisory Board received regular reports on the actual development of new subsidiaries compared with the assumptions made at the time of acquisition.

In the two extraordinary meetings, the acquisitions of Essener Hochdruck-Rohrleitungsbau and Salmis Group were discussed.

Another focus of consultations in the plenary sessions was on the Group's earnings trend, with positive results on the one hand, but on the other hand the charges from the full write-off of the interests in the BOT projects Cross City Tunnel in Sydney and Herren Tunnel in Lübeck. The actual development of these projects compared with the original assumptions was discussed in detail with the Executive Board. The Supervisory Board also received reports on the progress of all concession projects. Detailed examinations were also carried out of general issues of the management of subsidiaries and associated companies, corporate planning, return-on-capital-employed controlling, and comparison of the course of business with the expected figures. The shareholder structure and changes in it were discussed with the Executive Board twice in the past financial year. Upon the proposal of the Audit Committee, the Supervisory Board decided on the main areas for the audit of the individual and consolidated financial statements for the 2006 financial year.

The Supervisory Board again dealt in detail with the German Corporate Governance Code; among other things, it evaluated the efficiency of its own activities. The Declaration of Compliance

that was jointly issued by the Supervisory Board and the Executive Board on December 7, 2006 pursuant to Section 161 of the German Stock Corporation Act states that Bilfinger Berger AG complies with all of the recommendations of the Code as amended on June 12, 2006. The sole exception is the recommendation of Clause 5.4.3, Sentence 3 (announcement to the shareholders of proposed candidates for the Chair of the Supervisory Board), because this recommendation is not compatible with the distribution of competencies laid down in the German Stock Corporation Act. The election of the Supervisory Board Chairman is the responsibility of the Supervisory Board alone. The Declaration of Compliance has been posted on the Company's Internet website, where it is permanently available to the shareholders. No conflicts of interest arose in the Supervisory Board during the year under review (see page 30 of this Annual Report for further details).

Committees

In order to enhance the efficiency of its activities, the Supervisory Board formed a Presiding Committee and an Audit Committee. In addition, in accordance with Article 11, Paragraph 2 of the Articles of Incorporation, a committee of the Supervisory Board has been formed to perform the duties described in Section 31, Subsection 3 of the German Industrial Codetermination Act (Mediation Committee). The current composition of the Supervisory Board and its committees can be seen in the section of the Annual Report entitled "Boards of the Company" (see page 150 of this Annual Report).

Presiding Committee of the Supervisory Board

The main tasks of the Presiding Committee include regulating the personnel issues of the Executive Board, unless the provisions of the German Stock Corporation Act stipulate that they are to be regulated by the plenum of the Supervisory Board, and deciding on granting consent to

certain actions of the Executive Board. The Presiding Committee also prepares the plenary meetings and makes recommendations on important resolutions. In financial year 2006, six meetings of the Presiding Committee took place. In addition to preparing the plenary meetings, the Committee, within the context of its competence, primarily dealt with major projects, the acquisitions ROB Montagebedrijf and Mobuco Steigers, the private-sector concessions business and the compensation and service contracts of the Executive Board. The Executive Board contracts were revised and the retirement benefits were changed over to being fully funded with external institutions (see page 34 of this Annual Report)

Audit Committee

The Audit Committee also deals, among other things, with questions of accounting, risk management and auditing. In its four meetings held over the course of financial year 2006, the committee was informed on the individual and consolidated financial statements and the activities of the external auditors, and also received detailed information on the activities of the Project Controlling and Group Internal Auditing departments. For the audit of risk management, the two corporate departments submitted annual reports to the Committee. The Audit Committee is of the opinion that the risk-management system in its current form is fully appropriate to requirements. The Audit Committee dealt with the Group's Code of Conduct, which is being expanded into a comprehensive compliance system due to the increased demands being placed on the Group's management.

The Chairmen of the Presiding Committee and the Audit Committee reported to the plenary session in its meetings on the work of the committees led by them.

Mediation Committee

It was not necessary to convene the Mediation Committee in the 2006 financial year.

Further Disclosures

For the first time, the Executive Board was obliged to disclose certain facts with possible relevance to acquisitions in the management reports for the Company and the Group in the 2006 financial year. These details are summarized and explained as follows:

The composition of the Company's subscribed capital of € 111.6 million is a result of both the resolutions of the Annual General Meeting and the authorization for the Executive Board with the consent of the Supervisory Board to increase the capital stock by an amount up to € 34 million (Approved Capital I) by issuing new shares or to buy treasury shares up to a maximum proportion of 10% of the stated capital stock. In addition, the Annual General Meeting approved a Conditional Capital III, which increases the capital stock by up to € 11 million, if new shares in the Company are required to fulfill conversion and option rights from any convertible bonds or stock options that might be issued. The appointment and dismissal of Executive Board members and amendments to the Articles of Incorporation are subject to the provisions of the German Stock Corporation Act. In the case of a change of control resulting from an offer to acquire shares in the Company, the providers of credit and sureties for cash loans and credit lines covered by guaranty generally have the right of termination. This arrangement conforms with usual business practice. With such a change of control combined with certain other circumstances, the members of the Executive Board have the right of termina-

tion. This is standard practice in the Anglo-Saxon legal system and is becoming increasingly widespread in Germany. In the case of a takeover bid, it gives the Executive Board members the required independence so that they can devote their attentions solely to the benefit of the Company and its shareholders. Please refer to the management reports on the Company and the Group for further details (see page 95 of this Annual Report).

Audit of the individual and consolidated financial statements

The individual and consolidated financial statements and the management reports of Bilfinger Berger AG and the Group for the 2006 financial year have been audited and each has been issued with an unqualified audit opinion by Pricewaterhouse Coopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, of Karlsruhe, and Ernst & Young AG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, of Mannheim. The aforementioned financial statements and related documents, the audit reports of the external auditors and the proposal of the Executive Board on the appropriation of profits were provided to the members of the Supervisory Board in good time. The Audit Committee of the Supervisory Board discussed the financial statements and the audit reports in the presence of the Executive Board and the auditors.

The Supervisory Board undertook a detailed examination of the individual financial statements, the consolidated financial statements and management reports of Bilfinger Berger AG and the Group for the 2006 financial year, as well as the proposal of the Executive Board on the appropriation of profits, and dealt with these matters in its meeting on March 14, 2007. This meeting was attended by the external auditors in the persons of two of the signing auditors, who explained their audit of the individual and consolidated financial statements as well as answering the Supervisory Board's questions. The Supervisory Board was convinced that the

audit by the external auditors was conducted in a proper manner. In concurrence with the recommendation of the Audit Committee, the Supervisory Board took note of and approved the results of the audit conducted by the external auditors. Following the final results of the Supervisory Board's own examination carried out on this basis, no objections were to be made. At its meeting held on March 14, 2007, the Supervisory Board approved the financial statements of the Company and the Group and the management reports for the 2006 financial year as submitted by the Executive Board. The Company's financial statements have thus been adopted. The Supervisory Board consents to and adopts the Executive Board's proposal on the appropriation of profits.

Due to the demands of his position as Chairman of the Executive Board of MTU Aero Engines Holding AG, a company listed in Germany's MDAX index, Mr. Udo Stark resigned from his position as Chairman of the Supervisory Board with effect as of the end of the Annual General Meeting on May 18, 2006. On the same day, the Supervisory Board elected Mr. Bernhard Walter, former Speaker of the Executive Board of Dresdner Bank AG, as its Chairman.

In its meeting on December 7, 2006, the Supervisory Board appointed Mr. Kenneth D. Reid as a member of the Executive Board with effect as of January 1, 2007.

The Supervisory Board hereby expresses its sincere thanks to the Executive Board and all of the Company's employees for their individual efforts in the year 2006.

Mannheim, March 14, 2007



Bernhard Walter
Chairman of the Supervisory Board