

Foreword

**Dear Shareholders and Business Associates,
Ladies and Gentlemen,**

Bilfinger Berger improved its performance once again in financial year 2007, achieving record levels in several key areas. Especially noteworthy was the fact that EBITA again grew at a rate greater than output volume. The positioning as a Multi Service Group for real estate, industrial plants and infrastructure is being well-received by the market.

Innovation and an international orientation are the motors of our success. Through the consistent expansion of our services and concessions businesses, we have achieved a fundamental improvement in our economic foundation and limited our dependence on economic cycles.

With strong increases in all of its key figures, the Services business segment again exceeded expectations in an impressive fashion. In addition to robust organic growth, several acquisitions also contributed to this development.

In the civil engineering business, too, margins were improved and important projects were won, leading to a high backlog of quality orders. Capacities in the business segment were fully utilized in 2007. Whether in the expansion of subways in Cologne or Düsseldorf, in the installation of foundations for an offshore wind park in the North Sea or in the construction of a complete residential district in Doha on the Arabian Gulf – our competence in complex major projects is in demand in all of our markets.

We also made progress in our Building and Industrial business segment despite a difficult situation on the German market. We improved earnings in the segment due, in particular, to pleasing developments in Australia, where strong demand put us in the position of being able to choose new projects very selectively according to earnings and risk considerations.

In the Concessions business segment, we invested in new projects and further increased the value of our portfolio in 2007. Successful project acquisitions include schools in the United Kingdom and a highway in Canada.

We will continue to vigorously pursue the opportunities that arise in our markets in the future. Not only will Europe have an important role to play, but also Australia, the Arabian Gulf and Canada. We are well-positioned in these markets and anticipate further growth. Opportunities also exist in our home market, for example in the area of PPP: the Federal Minister of Finance has demanded that 15% of all public sector investments be carried out on the basis of privately-financed models. And although that remains a distant goal, at least there are a growing number of projects being implemented by public sector clients using this procurement model.

As in the past, the Services business segment, in which we are very well-positioned with our Industrial Services, Power Services and Facility Services divisions, will continue to hold the greatest potential for growth. In accordance with our strategy, we are growing not only organically, but continue to look for suitable acquisition opportunities. With the takeover of the industrial services activities of Norsk Hydro at the beginning of the year, we managed to significantly expand our business in Scandinavia and assume a leading position in this market.

Environmental protection presents our company with challenges, but more importantly, it brings with it opportunities for growth. Our engineering expertise is needed on many fronts, in sustainable construction, for example, or in securing the supply of drinking water in Australia. In all areas of our business we are developing resource-friendly and environmentally suitable products and services and are offering our clients solutions that optimize expenditure and consumption over the entire lifecycle of structures and plants. In real estate, increasing sustainability requirements are closely linked to the lifecycle approach. Our services in this area range from development and design through to the construction of projects as well as long-term operation and revitalization.

To not only discover opportunities on the market, but to consistently translate them into business success requires outstanding employees. Therefore, in the past year, we substantially expanded our personnel development. Intensive cooperation with select universities gives us access to highly-qualified potential employees and current research knowledge. We offer our employees interesting and diverse development possibilities and the chance to follow an attractive career path in our Group. This allows us to gain their commitment to Bilfinger Berger at the same time.

The Executive Board believes that our Company is very well-positioned for future developments. We will consistently pursue the path we have embarked on and continue our successful strategy. I look forward to receiving your continued support.

Sincerely yours,



Herbert Bodner,
Chairman of the Executive Board
at Bilfinger Berger AG