

**Press Conference of Bilfinger Berger AG
on Monday, March 8, 2010, 2:00 p.m., Mannheim**

**Remarks from Herbert Bodner,
Chairman of the Executive Board**

Please check against delivery.

Ladies and gentlemen,

I would like to welcome you to today's press conference. With me on the podium is

- Prof. Hans Helmut Schetter, member of the Executive Board at Bilfinger Berger and responsible for the technology area, among other things,
- Joachim Enenkel, Head of Executive Management at Bilfinger Berger Civil, and
- Dr. Jochen Keysberg, member of the Executive Management at Bilfinger Berger Civil and responsible for the joint venture in Cologne, among other things.

We have landed on the front pages with issues that are anything but pleasing. I am especially sorry for the citizens of

Cologne and for our 67,000 employees who show their commitment to Bilfinger Berger and our clients on a daily basis.

Further to our detailed telephone conference of two weeks ago, we would like to inform you today on the current situation and on measures that have now been implemented. We will be available to respond to any questions you may have afterwards.

I would first like to say that the events of recent weeks have concerned me greatly. We must assume that long-term, well-paid employees of Bilfinger Berger intentionally manipulated technical documentation and that they failed to install reinforcement components. Personal misconduct of this kind is absolutely unacceptable and contrary to all of the values that Bilfinger Berger stands for. We will not tolerate such behavior and have of course taken the necessary legal steps.

Irrespective of the misconduct of a few individuals, we must ask ourselves more far-reaching questions. As a result of recent events in Cologne and Düsseldorf, the spotlight has shifted to the quality of our work. It is important to me that one thing is clear: Bilfinger Berger has a quality management system that has been proven time and again. Ernst & Young, who was commissioned with a review of our internal control system by

the Audit Committee of our Supervisory Board in August of 2009, confirmed to us that all systems currently in place, and I quote, "are very good in an industry-wide comparison". The cases in Cologne and Düsseldorf nevertheless show that errors can occur in the implementation – namely in the on-site quality control. I assure you that we are doing everything in our power to uncover and eliminate possible weaknesses of application. We are employing external experts to assist in this process. The Executive Board has established an investigative group under the leadership of independent expert Prof. Dr. Jürgen Diederichs, a renowned authority on quality management in the construction sector. Prof. Diederichs taught for many years at the Bergischen Universität Wuppertal. This group will thoroughly review how quality management is handled in all of Civil's business units. We will apply the insights gained to improving quality control at our construction sites. Prof. Hans Helmut Schetter will have Executive Board responsibility for this group.

The Executive Board has also established a second investigative group under the leadership of Prof. Dr. Jürgen Schnell from the Technical University Kaiserslautern as independent external expert. They are analyzing ongoing foundation engineering measures and finished projects with

load-bearing structures built using technologies similar to those used in Cologne and Düsseldorf. This is a precautionary measure at a manageable number of projects. Prof. Hans Helmut Schetter will also be responsible for this group. You can be certain that we will be checking them carefully.

I come now to the current situation at individual projects.

In **Cologne**, where we are participating in a joint venture in equal parts with Wayss & Freytag (Royal BAM) and Züblin (Strabag) for the construction of the south lot of the new urban rail line, the public attorney is pursuing two allegations.

The subject of the first of these proceedings is the so-called shear dowels that are installed where the reinforcement cages for the diaphragm walls join. It is suspected that a foreman did not install the required number of dowels and instead sold them as scrap metal.

In this context, it has been reported repeatedly that 80 percent of the iron reinforcement is missing in the diaphragm walls at the Heumarkt construction site. This is absolutely wrong. At two points that were still accessible when suspicions first arose, the joint venture uncovered the joints at its own initiative. Here,

about 80 percent of the shear dowels are missing. Even if there were no dowels installed in all of the diaphragm walls at the Heumarkt excavation pit, 99 percent of the total reinforcement would still be in place. In total, 580 tons of steel was installed in the diaphragm walls for the Heumarkt construction site. The total weight of all shear dowels is 4.3 tones, that corresponds to a share of less than 1 percent. At this time, nobody can say for certain how much was actually not installed over the two-year construction period. It cannot have been entire truckloads of shear dowels. Anyone suggesting that an organized criminal system was at work here has no desire to uncover the truth, but is exploiting clichés.

We also have to deal with inaccurate or manipulated measurement protocols for the diaphragm walls. The purpose of these protocols is to show that the excavations were perpendicular. Beyond that, the protocols say nothing about the quality of the diaphragm walls or their stability. These measurement protocols are not a mandatory requirement in the construction standards. I am merely trying to put the importance of the protocols, not seeking excuses for the fact that several of them were manipulated. That is something that cannot be excused.

The joint venture in Cologne reacted immediately in both cases:

- Prof. Dr. Matthias Pulsfort, of the University of Wuppertal, has been installed as an external expert to look into issues surrounding the measurement protocols.
- With regard to the missing shear dowels, specialists from the joint venture have undertaken extensive calculations with the result that the structures are stable.
- As a precaution and in consultation with the responsible structural engineer, additional measures to secure the excavation pit have been taken.
- Last Wednesday, the first intermediate ceiling was completed, further increasing the stability of the structure.

In the heated discussion about missing shear dowels and inaccurate measurement protocols, it is easy to lose sight of the fact that they are in no way related to the accident last year. Based on the information available today, neither the missing shear dowels nor the inaccurate measurement protocols played a role in the **collapse of the municipal archives** last year. The public prosecutor also sees no indication of a connection and is therefore executing the two procedures separately.

It is tragic that this accident led to the deaths of two people. All those involved with the underground railway and, I believe, the

entire construction industry was shocked by what happened. Our deepest sympathies go out to the relatives of the two young men.

The question of how the accident happened cannot yet be answered clearly. Unfortunately, research into the underlying causes will take several months, if not years. I assure you that the joint venture has a great interest in solving this situation as quickly as possible and is doing everything it can to move the investigations forward. There are a number of hypotheses being offered to explain the cause of the accident. A hydraulic soil rupture is seen as likely. Based on information available today, no one can say what, exactly, the cause was. Some speculate that it was a large hole in the diaphragm wall, others point out that the actual ground conditions did not correspond to the information in the ground analysis. A lot is being written about pumps for the removal of ground water. Was too much water pumped? Was not enough water pumped? What role does the unexpected discovery of a coal layer play? What role does the much higher than expected water permeability of the tertiary sand layer play? Were there undetected underground cavities in the direct vicinity of the excavation pit? The list could go on.

If at this point, when the facts of the case are still unclear, guilt is assigned in one direction or the other, that is highly defamatory and irresponsible. To accuse the construction companies in the joint venture of, and I quote, "deceit, manipulation and fraud on a major scale", is a defamatory statement and one which I flatly reject. There is not a company in the world that can prevent individual employees from breaking clear rules. This cannot justify the fact that tens of thousands of other employees, entire companies or an entire industry is criminalized with a single stroke or even publicly reviled as criminal. There is an urgent need in the current situation for all involved to display a sense of responsibility and discretion. We owe it to the citizens of Cologne in particular.

As you are aware, in the course of our own investigations, irregularities in the diaphragm wall measurement protocols have also come to light in the construction of the Wehrhahn line in **Düsseldorf**. In addition, in six from a total of about 500 diaphragm wall reinforcement cages, it could not be proven beyond any doubt that the connections were carried out as planned. These slats were joined under the responsibility of the foreman who has been relieved of his duties as a result of the incidents in the construction of the underground rail line in

Cologne. We informed the client and the public prosecutor immediately of this situation.

The status of construction on Düsseldorf cannot be compared to Cologne. Because the project is only in its initial phases, additional strengthening measures can be implemented beforehand at these six points as the excavation progresses. The structural stability is full guaranteed at all times. We will also propose to the client that Bilfinger Berger install an external expert who, in light of the uncertainty with the diaphragm wall measurement protocols, reviews each and every diaphragm wall panel during the excavation. In this way, we would like to eliminate in advance any safety risk to the city of Düsseldorf and its citizens.

At this time I do not want to neglect to mention the **Nuremberg-Ingolstadt ICE line**. The public prosecutor is looking into statements from a employee who was employed by us on a temporary basis until 2004 to the effect that, during construction of the route, production protocols for ground anchors were manipulated. We had worked as a subcontractor at the construction sections in question. The ground anchors produced by the joint venture, in which Bilfinger Berger had a 25 percent share, supported walls at slope cuts. We are

investigating the questionable protocols and further technical documentation with the assistance of an external expert. The ground anchors passed a range of quality controls, including those from the Deutsche Bahn, Germany's national railway network. Such anchors are also checked at regular intervals during the operating phase. Here, too, there were no objections. Since their completion in 2004, no defects have arisen from the anchored diaphragm walls. The Deutsche Bahn and, as mentioned, Bilfinger Berger have commissioned external experts with reviews.

Bilfinger Berger has made a name for itself through the high-quality work it delivers not only in Germany but around the world. The misconduct of individual employees, which has also been wrongly linked to the accident in Cologne, has led to a loss of reputation. We are in the process of thoroughly reviewing our quality management. Regardless of the results, we will be taking steps to ensure that, in the future, our quality assurance is once again beyond reproach.

I thank you for your attention. We would now be happy to answer any questions you may have.