

**Annual Shareholders' Meeting of Bilfinger Berger AG  
in Mannheim on Thursday, May 19, 2005, 10:00 a.m.**

**Speech by Herbert Bodner,  
Chairman of the Executive Board**

---

-

*Check against delivery.*

Welcome, ladies and gentlemen,

A clear strategic direction and the ability to undergo decisive transformation are key features of Bilfinger Berger. They are also important preconditions for our successful corporate development.

We are steadily pursuing three main thrusts:

- First: We are continuing to expand our services business within the areas of Industrial Services and Facility Services. This gives us a second firm pillar in addition to construction. Services' good margins strengthen our profitability and make our earnings more stable.

- Second: We are making our activities more international and are thus reducing dependence on the ongoing difficulties of the domestic market.
- And third: We are continually adding high-yield projects to our concessions portfolio. This gives the Group a source of long-term, secure earnings.

Despite our ability to transform, we maintain the traditional Bilfinger Berger principles. We still place great value on financial soundness. At Bilfinger Berger, earnings have always had top priority, not volume. For this reason we have a clear focus on the quality of earnings when taking on construction contracts, particularly in the German market, and we do not attempt to increase our output volume at all costs. We have therefore exercised the utmost care and caution with all of the companies we have purchased, and have not weakened our strict acquisition criteria in favor of quick solutions.

Ladies and gentlemen,

I do not want to use this Annual Shareholders' Meeting only to describe our business developments in the past financial year

and the first quarter of 2005. I would also like to show you the path we have taken since our strategic refocus as a Multi Service Group, and to explain our future prospects.

Bilfinger Berger can look back on a generally successful year 2004. Output volume and orders received increased significantly. Net profit was at the level of the prior year.

***(Chart: Output volume 2002 - 2005)***

With a 9% increase to €6.1 billion, output volume marked a new record in the Company's history.

***(Chart: Orders received 2002 - 2004)***

Orders received also reached a new record level, increasing by 10% compared with 2003 to €6.1 billion. All business segments contributed to this result.

***(Chart: Order backlog 2002 - 2004)***

The order backlog amounted to €6.3 billion at the end of 2004, equaling the good level of the prior year.

***(Chart: Net profit 2004)***

Ladies and gentlemen,

Net profit for the year was at the same level as in 2003, despite the high charges from the Maumee River Crossing project in the United States. A serious accident occurred on this construction site in February 2004. After a long standstill period, together with the client we altered the construction procedure and construction schedule so that the work can still be completed before the agreed deadline of October 2006. As we have already reported, all of the provisions arising for the Maumee River Crossing – €50 million in total – were recognized in the income statement for 2004.

Nevertheless, EBITA for the year 2004 decreased by only €20 million to €81 million due to a significant increase in earnings from the services business and good profit contributions from other civil-engineering projects.

Due to the application of IFRS 3, there is no more scheduled goodwill amortization as of the 2004 financial year. Instead, annual impairment tests are carried out to examine the value of goodwill, which so far have not resulted in any write-downs.

Following the sale of our Buderus shares in the middle of 2003, in 2004 there was no longer any income from investments, which had contributed a significant €13 million to net profit in the prior year.

The significant improvement in net interest income to €10 million resulted on the one hand from lower interest expenses due to the repayment of bank loans. On the other hand the prior-year figure was affected by book losses on the transfer of securities as a part of our contractual trust arrangement for pension obligations.

Earnings before taxes improved by 6% to €91 million, which was €5 million higher than the prior-year figure after adjusting to exclude the income realized on the disposal of the Buderus shares.

Taxes on income and earnings amounted to €34 million, and minority interests amounted to €6 million.

At €51 million, our net profit was slightly above the adjusted figure for the prior year.

***(Chart: Dividends 2002 - 2004)***

Ladies and gentlemen,

The Board of Management and the Supervisory Board propose the distribution of an increased dividend of €1.00 per share. The total distribution will amount to €37 million. Last year's dividend was 65 cents per share. An additional one-time bonus of 65 cents per share was also paid out from the sale of our shares in Buderus AG.

Although our net profit is at about the same level as in the prior year, we have decided in favor of a significant increase in the distribution to our shareholders. This is in line with our intention to let our shareholders participate in the Company's success through an attractive dividend yield. At the same time, we are demonstrating our confidence in the positive earnings development of the coming years.

***(Chart: Consolidated balance sheet 2004, assets)***

Our consolidated balance sheet shows a sound assets and capital structure. As a result of acquisitions, the expansion of

our concessions activities, and the general increase in output volume, total assets increased in 2004 to a good €3.7 billion.

On the assets side, fixed assets increased substantially to €240 million. So-called investment properties boosted financial assets by €163 million. In order to achieve better transparency, real estate which is not intended for sale in the short term was reclassified from the item of “ Real estate held for sale” into the item of “Real estate held as financial investments”.

Furthermore, goodwill acquired with equity holdings led to an increase in intangible assets.

Securities and cash of €914 million were once again at a very high level.

***(Chart: Consolidated balance sheet 2004, equity and liabilities)***

On the equity and liabilities side, total liabilities to banks decreased only slightly. But liabilities to banks for which the Group is liable decreased significantly from €181 million to €134 million, while non-recourse credit without any Group liability increased from €162 million to €205 million.

Shareholders' equity is nearly unchanged at €1.1 billion; this is equivalent to a solid equity ratio of 30%.

***(Chart: Group key figures Q1 2005)***

Ladies and gentlemen,

We started the year 2005 with a strong first quarter. This applies both to orders received as well as to the ongoing implementation of our corporate strategy.

Despite the severe winter, the Group's output volume during the first three months of the year increased by 3% to €1.4 billion. Orders received rose particularly sharply by 31% to €1.7 billion. The orders received in the first quarter include major road-building projects in Australia, new building and industrial construction in Germany and Nigeria, and additional orders for industrial services in Europe and Australia. The order backlog of €6.7 billion at the end of the quarter was 7% higher than a year earlier.

***(Chart: Net profit Q1 2005)***



Like every year, due to seasonal effects typical of the industry, earnings in the first three months of 2005 were well below the level expected in the following quarters and are no indication of the earnings expected for the full year. EBITA of minus €4 million was in line with our projections. Net interest income was at breakeven, as in the prior-year period. Earnings before taxes amounted to minus €4 million. After taxes and minority interests, there was a net result for the first quarter of minus €3 million – like in the same period of last year.

Ladies and gentlemen,

The main focus of our corporate development in the first quarter was on expanding Industrial Services. In Australia, our acquisition of Simon Engineering doubled the volume of our services business. The acquisition of Babcock Industrierohrleitungsbau Bitterfeld extends Rheinhold & Mahla's range of integrated services. Rheinhold & Mahla is also taking over a major portion of the repair and maintenance work in the Hoechst and Griesheim industrial parks. With the acquisition of Babcock Borsig Service as of April 1, 2005, Bilfinger Berger has considerably expanded its industrial services for power plants and has attained an excellent position also in this market. In total, we expect Industrial Services to generate an output

volume of €1.5 billion in the full year. The Group's industrial services business has thus entered a new dimension.

The other business segments also developed positively last year and in the first quarter of 2005. The outlook is good for all of our business segments, allowing us to look to the future with confidence.

***(Chart: Key figures for Civil 2004)***

The output volume of the Civil business segment increased by 12% to €2.4 billion last year. Orders received rose by 13% also to €2.4 billion, while the order backlog of €3.1 billion at the end of 2004 was at the high level of a year earlier. The growth was partially due to the consolidation of Abigroup, the Australian company we acquired at the end of 2003.

EBITA was affected by the Maumee River Crossing project in the United States. Otherwise, 2004 was a successful year for our civil-engineering activities. Due to good earnings from other projects, an EBITA of €22 million was achieved despite the charge from the US.

***(Chart: Key figures for Civil Q1 2005)***

In the first quarter of this year, output volume increased in the Civil business segment, and the order backlog at the end of the period was also higher than a year earlier. Major projects gained in Australia, the Middle East and the United States led to a strong increase in orders received. Due to seasonal effects, EBITA amounted to minus €3 million.

For full-year 2005, we plan to increase the output volume of the Civil business segment to a good €2.6 billion. EBITA will be significantly higher than in the prior year.

***(Chart: Key figures for Building and Industrial 2004)***

The output volume of the Building and Industrial business segment increased by 4% to €2 billion in 2004. Despite our highly selective bidding procedures, orders received increased by 9% to €2.1 billion. The order backlog at the end of the year was 7% higher than a year earlier at €2 billion. EBITA improved to €9 million despite additional costs from the discontinuation of our building construction in Great Britain.

***(Chart: Key figures for Building and Industrial Q1 2005)***

In the first three months of this year, output volume in the Building and Industrial business segment decreased by 8%, primarily due to a severe winter in Germany. Significant growth was recorded for both orders received and the order backlog. EBITA for the first quarter was unchanged at minus €3 million.

We anticipate an output volume of more than €2 billion and a further improvement in EBITA for the Building and Industrial business segment in full-year 2005.

***(Chart: Domestic construction business as a proportion of total output volume I)***

Ladies and gentlemen,

How has the implementation of our corporate strategy affected the construction business segments? Following the internationalization of our activities and the development of our Services segment, the share of total output volume supplied by our construction business in Germany has fallen from about a third to a fifth within two years. This year, due to the growth of our other business segments, only 19% of our output volume will be generated in the domestic construction market.

Although we have systematically reduced our dependence on the domestic construction market, we are still of course one of the German market leaders, with whom clients prefer to collaborate. Customers are not impressed by revenue rankings, but by quality, contractual reliability and financial soundness – values that are embodied by Bilfinger Berger.

We continue to expect difficult conditions for domestic civil engineering due to stretched public-sector budgets. We have adapted to this situation and will continue to flexibly adjust our capacities to demand. The steadily growing need for investment and repairs in the transport infrastructure means that the market can be expected to improve again in the long term. We are positioned accordingly. As previously announced, we are in the process of establishing a road construction unit in Germany.

We are also well positioned in the German building-construction market due to our high degree of creditworthiness and our consistent focus on the needs of our customers. Considering the ongoing decline in demand and the intense price pressure, we achieve relatively good earnings.

***(Chart: i.volution I)***

New perspectives are being opened up by the close cooperation between our Building division and units of the Group in the Services and Concessions business segments. Under our “i.volution” brand, we provide our customers with a complete range of advisory and other services, covering the entire real-estate lifecycle – through the concept, design and construction phases and including operation and refurbishment.

***(Chart: i.volution II)***

For example, we ensure that investment and operating costs are already optimized in the design phase. We provide support for individual properties and complete real-estate portfolios. And we advise customers on the sale or modernization of their buildings. The basis for such packages is the close cooperation within the Group. Depending on their situations, Bilfinger Berger offers its customers individual services or complete packages designed to optimize the economy of their properties in each phase of their lifecycles.

***(Chart: Domestic construction business as a proportion of total output volume II)***

Back to the international business. The success of our international strategy can be seen from developments in Australia, for example, where our construction business is meanwhile nearly as big as in Germany and we are one of the market leaders.

Unlike Germany, in other European countries there is strong demand for the expansion of transport infrastructures. And our strategy of growth in selected European markets on the basis of our leading expertise has proven to be successful. Last year for example, we were awarded major contracts such as the Wienerwald Tunnel in Austria, the Malmö City Tunnel in Sweden and the M6 expressway in Hungary. In Poland, we have acquired PPRM, a company specializing in bridge construction. PPRM complements our civil-engineering activities in Poland, which we already expanded last year with the acquisition of WPRD, a road-construction company.

***(Chart: Key figures for Services 2004)***

Ladies and gentlemen,

The Services business segment, which comprises our activities in the fields of Facility Services and Industrial Services,

continued its dynamic growth in 2004. Output volume increased by 17% to €1.6 billion, while orders received increased by 8% to €1.6 billion. These growth rates are primarily due to the consolidation of two companies acquired at the end of 2003: Centennial in the United States and Abigroup in Australia. The year-end order backlog was of the same magnitude as in the prior year. EBITA once again grew faster than output volume, reaching a figure of €62 million.

***(Chart: Key figures for Services Q1 2005)***

The positive development steadily continued in the first quarter of 2005. Output volume, orders received and order backlog all grew significantly, while first-quarter EBITA amounted to €5 million, as in 2004.

Ladies and gentlemen,

Building up the Services business segment has been a key element of our strategic refocus for three years now. We initiated the successful development of the Industrial Services and Facility Services areas with the acquisition of Rheinhold & Mahla and HSG in the year 2002.



***(Chart: Industrial Services)***

Rheinhold & Mahla has a leading position as a service provider for the processing industry in a number of European countries. After we acquired this company, we carefully supplemented its range of services with purchases in the areas of industrial pipelines and industrial scaffolding. By means of further acquisitions, Rheinhold & Mahla has also expanded in the field of the repair and maintenance of gas-supply networks. On the other hand, the company's construction services were either integrated into the Bilfinger Berger Building division or sold.

With the takeover of Babcock Borsig Service effective April 1, 2005, we have substantially expanded our industrial services in the power-plant sector, giving us an excellent position also in this market. This newly acquired company is one of the market leaders for the provision of lifecycle services for fossil-fuel power plants. Its broad range of services includes regular inspection and maintenance and the spare-parts business, as well as modernization, efficiency enhancements and lifetime extensions for existing power stations. Babcock Borsig Service will contribute €270 million to the Group's output volume in the last nine months of 2005. Next year, an output volume of €400

million is expected, more than half of which will be accounted for by international business.

In the United States, our American subsidiary, Fru-Con, is a service partner to renowned industrial customers. And in the Australian market, Abigroup last year extended its services activities to the maintenance of power-supply networks. In addition, Abigroup recently acquired Simon Engineering. This company works for numerous major industrial companies. Its range of services includes the repair and maintenance of machinery and plant inspections. We have thus increased the volume of our services business in Australia to €160 million, and have now attained a strong market position for industrial services also in this market.

As I have already mentioned, in Industrial Services we plan to achieve an output volume of €1.5 billion in full-year 2005.

***(Chart: Facility Services)***

The Facility Services business concentrates on demanding commercial and technical facility management. Our HSG Group specializes in high-value real estate services and is one of the market leaders in its sector.

Ladies and gentlemen,

The US market is also very important for our facility services business. The American company, Centennial, which we acquired at the end of 2003, is a leading provider of repair, maintenance and expansion services in the field of building construction, carried out on the basis of long-term framework agreements. Its key accounts include the US armed forces, organizations such as the World Bank, and to a growing extent also universities and schools.

We expect Facility Services to generate an output volume of some €500 million in full-year 2005.

***(Chart: Services business segment)***

Ladies and gentlemen,

In order to develop our Services business segment, we have invested around €550 million in acquisitions since 2002. The companies we have taken over have fulfilled our expectations and are making significant contributions to the success of the Group. Output volume in this segment will rise to €2 billion this

year. Once again, we aim to achieve a significant profitability improvement with EBITA of around €80 million.

***(Chart: Key figures for Concessions 2004)***

Ladies and gentlemen,

May I now turn to the Concessions business segment.

Our build-operate-transfer portfolio expanded sharply in 2004. At the end of the year, it comprised 16 projects, while committed equity had risen to €171 million.

Operating profit alone is unsuitable as a measure of success in the growing concessions business. We therefore also consider the annual change in the present value of future cash flows from our concessions activities. Various discounting rates are applied depending on the projects' risk categories and stages of maturity. We also consider the dynamic development of the value of the paid-in capital due to the maturation process of the projects. In 2004, the present value of future cash flows from our portfolio increased from €120 million to €153 million and was thus well in excess of the paid-in capital of €112 million, despite the early stage of maturity of the portfolio. The valuation

methods and accretion of value over time are explained in our Annual Report 2004.

***(Chart: Key figures for Concessions Q1 2005)***

Our concessions business has also grown in 2005. We have recently taken on an additional public-sector construction project in Australia – the Royal Women's Hospital in Melbourne. The new clinic has a project volume of €190 million, and Bilfinger Berger's equity input will amount to €11 million. We will design, finance, and construct the new complex, and operate it for a period of 25 years.

For full-year 2005, we assume that our Concessions business segment will continue to expand its portfolio and will deliver positive value added once again.

***(Chart: Development of concessions portfolio since 2002)***

The development of our concessions activities has also been extremely dynamic since the end of 2002. The number of projects has more than doubled, and the equity capital paid into project companies has increased by nearly 90%. The future

distributable cash flows already add up to more than €900 million.

We concentrate on markets with good underlying conditions for the successful implementation of public-private partnerships. As well as our existing focal countries of the United Kingdom and Australia, these include North America, some of the new member states of the European Union, and some other European countries. In Germany, limited public-sector finances are paving the way for the growing acceptance of PPP solutions, both for building construction and transport infrastructure. In the area of public-sector buildings, the establishment of centers of excellence at both federal and state levels will provide further momentum for privately financed concepts. This will improve the prospects of a market emerging for concessions projects in Germany in the coming years. With its comprehensive expertise in this area, Bilfinger Berger is ideally prepared to benefit from such a development.

***(Chart: Strategic focus)***

Ladies and gentlemen,

Our strategy aims to achieve a long-term increase in the quality of earnings and the value of the Company. We are working hard on the further development of Bilfinger Berger as a Multi Service Group.

- The growth of our Facility Services and Industrial Services business remains at the core of our corporate development.
- We are also maintaining our focus on the further internationalization of our activities. The international business has always been important for Bilfinger Berger and it will be even more so in the future.
- The Group's concessions portfolio will be expanded project by project, but we will only accept contracts that fulfill our yield expectations for the equity to be committed.

***(Chart: Financial targets for 2005)***

We have set ourselves the following targets for 2005:

- We expect growth in output volume to €6.7 billion. This figure does not reflect any possible further acquisitions.

- We plan for quite substantial increases in both EBITA and net profit.
- As of this year, we intend to achieve a sustained minimum return on capital employed of 11% throughout the Group.

***(Chart: Relative share-price development)***

Bilfinger Berger's successful development has been recognized by the equity market. The increase in our share price during 2005 so far is a sign of our Company's attractiveness for German and international investors. A revaluation of Bilfinger Berger has taken place since its transformation into a Multi Service Group, and this is continuing. A sound capital structure and financial situation, the consistent implementation of corporate strategy, good earnings prospects and an attractive dividend yield give our shares further potential for price rises.

Ladies and gentlemen,

Under Items 5 and 6 of today's Agenda, we request your approval of two resolutions. As hitherto, with the authorization to buy back the Company's own shares we would like to have the



possibility to make use of any free liquidity in this way. However, with the application of any available resources, the Company's strategic further development always takes priority. The authorization to issue convertible and option bonds is intended to give us additional financial scope to acquire additional equity holdings. At present, however, we have no concrete intention to issue any bonds.

***(Chart: Three roots – one Company)***

Ladies and gentlemen,

2005 is a special year for Bilfinger Berger. Our 125th anniversary gives us the opportunity to look back with some self-confidence at our past. You will find an overview of our Company's history in the brochures laid out on your seats.

Despite looking back on our history in this anniversary year, we still have a firm view to the future, so that we can continue our successful development. Bilfinger Berger has always adapted in good time to changes in the economic environment by means of its active entrepreneurial approach. In this way, the three predecessor companies of Grün & Bilfinger, Julius Berger and Berlinische Bodengesellschaft have become a globally active

Multi Service Group, offering its customers complete solutions in the fields of building, industrial services and infrastructure. The ability to undergo effective transformation has made us strong. It will also guarantee our successful corporate development in the future.

Ladies and gentlemen,

I would be delighted if you would continue to accompany Bilfinger Berger on its future course.

Thank you for your attention.