

**Annual Press Conference of Bilfinger Berger AG  
in Mannheim at 11.00 a.m. on Tuesday, March 17, 2009**

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

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*Check against delivery.*

Welcome to our Annual Press Conference.

Since we met on this same occasion last year, our world has undergone some remarkable changes at an incredible speed. The effects of the global financial markets crisis have now spread to the real economy in all regions. The world's economy is in a deep recession, and no-one can say how much worse it will get or when it will end.

The media likes to describe the financial and economic crisis with evocative terms from the field of medicine. If we were to apply this terminology to our company, I would say this: Bilfinger Berger is healthy and can rely on its own powers of resistance. In an environment that sometimes features a certain amount of panic, we look to the future with confidence.

As you know from our preliminary results, 2008 was a generally successful year for us: A year in which we not only achieved our targets, but actually surpassed them; a year in which we further extended the foundations for the Group's positive further development – through both organic growth and targeted acquisitions.

We started the year 2009 with a strong order backlog of more than 10 billion euros. This is the mathematical equivalent of a year's output volume. Bilfinger Berger's financial position also remains unaffected by the crisis in the financial markets. We have no need to depreciate our financial assets, no short-term refinancing requirements and sufficient financing scope for investing in the Group's further development.

The utilization of our construction capacities allows us to carefully examine potential opportunities. We continue to take on only those projects that we regard as attractive in terms of risk and return. Our services business is dominated by the maintenance and operation of existing plant and equipment, the fall in new investment has only a limited effect on us.

Of course, no company can be completely immune to economic cycles, not even Bilfinger Berger. But we are well-prepared to deal with short-term economic challenges and also have the right basis for economic success.

Where does this confidence come from? Our business model allows us to profit from long-term developments, and the current crisis has not changed these fundamental facts. And some situations also offer us new business opportunities.

***(Chart: Development opportunities)***

What does that mean exactly?

- With our business approach, we are able to help our clients manage the crisis better. In economically difficult times, they are searching harder for opportunities to optimize their operations. That includes applying intelligent, comprehensive solutions and the cost-reducing outsourcing of activities, which is to the advantage of external full-range service providers like us. Due to our expertise along the entire value chain, we utilize synergies that simultaneously benefit our customers and our own business.

- Governments all over the world are more interested in investing in infrastructure and protecting the climate and the environment than they have been in the past. This is boosting demand for our expertise and services.
- When one considers future budget deficits, the need to channel private-sector capital into public-sector infrastructure is obvious. We are well positioned as a private-sector partner for such projects in a number of countries.
- Sustainability, environmental protection and conserving resources are still megatrends – with or without a crisis. In all of our business activities, we develop products and services that conserve resources and improve the environment. We help our customers to reduce expenses and energy consumption over the entire lifecycles of buildings and plants. With our expertise, we contribute towards reducing CO<sub>2</sub> emissions and solving other urgent problems such as in transport infrastructures or the production of drinking water.

How are our business segments developing?

Let's first look at **Services**.

***(Chart: Key figures for Services 2007 - 2008)***

In the year 2008, output volume increased by 27 percent to 4.6 billion euros. Services is now clearly the Group segment with the strongest revenue. Its EBIT increased by 34 percent to 224 million euros. Each of its three divisions – Industrial Services, Power Services and Facility Services – surpassed its targets. The high growth rates are due to both organic growth and acquisitions.

The economic downswing will certainly not leave the Services segment untouched. If the business of our real-estate and industrial clients gets worse, this is sure to have a certain impact on our operations. But our Services segment mainly works on the basis of framework agreements. Buildings and equipment also have to be maintained in difficult times. At least our services companies don't need to worry about basic capacity utilization.

Our **Industrial Services** division is the market leader in Europe. For our clients in the industries of chemicals, petrochemicals, pharmaceuticals, energy, oil and gas, we offer a full range of services for the repair, maintenance and modernization of

production plants. We integrate all service offerings – from piping construction and insulation to scaffolding and anti-corrosion to mechanical components and controls or customer-specific packages. As a full-service provider, we are able to take over the complete maintenance management of entire industrial parks.

Through our acquisition of the repair and maintenance activities of the Norsk Hydro Group, we attained a leading position in Scandinavia in 2008. We have also grown significantly in the United States, where our market position for industrial services has improved significantly through the acquisition of Tepsco. As the USA has to strengthen its security of supply, we will profit in the coming years from investment in the US oil and gas industry.

Our **Power Services** division has great potential due to the globally growing need to invest in new and modernized power plants, which has been boosted by climate-protection goals. The International Energy Agency anticipates a worldwide requirement for investment in power generation of more than 13 trillion euros by 2030. In Europe, around 40 percent of all power plants are more than 25 years old. And the European Union's climate goals for the third stage of emission trading require

power plants that are energy efficient and environmentally friendly. Bilfinger Berger benefits directly from the need to invest in the renewal and modernization of power plants in Germany and abroad.

Our Power Services division helps its clients to meet increasingly strict environmental and climate regulations. With the results of our research projects, we help them to improve power-plant efficiency and reduce CO<sub>2</sub> emissions. This includes methods for processing new materials for higher combustion temperatures or the development and construction of coal drying and pulverizing plants. We are also contributing our know-how to the pilot plant for CO<sub>2</sub> sequestration.

The development of our **Facility Services** unit is aided by the ongoing trend to outsource facility-management services and by the increasing consolidation within the industry. Last year's acquisition of the activities of M+W Zander doubled Facility Services' output volume. In Germany, we are the biggest provider in the field. In Europe we are among the top five.

In Germany alone, the external facility-management market has a volume of approximately 35 billion euros, and the potential is by no means exhausted. We will profit in the future from M+W

Zander's strong presence in Eastern Europe, which offers attractive development opportunities in the still-young facility-management markets. We intend to significantly expand the proportion of output volume generated internationally.

In the services business, we anticipate an output volume in 2009 of at least the same level as the prior year. In 2008, acquisitions totaling 500 million euros contributed to the segment's expansion. The resulting first-consolidation effects are expected to offset decreasing demand. Earnings, however, will not match the record levels of the prior year.

Most of our units in the construction business had a successful year – although our German Building division did not achieve its overall target and earnings were reduced by the Civil segment's Project E 18 in Norway.

***(Chart: Key figures for Civil 2007 - 2008)***

The output volume of the **Civil** segment increased by 14 percent to 4.1 billion euros in 2008, due to the strong order backlog. Orders received were affected by our caution with the acceptance of new projects. Due to the charges from E 18, the segment's contribution to earnings fell to 17 million euros.



State economic stimulus programs should benefit us in Germany and our international markets. In Australia, our biggest market for civil engineering, many years of budget surpluses, a low level of state debt and supporting economic programs continue to provide a solid basis for major public-sector investment.

In 2009, we expect the Civil business segment to improve its EBIT, while output volume will decrease following the sale of Razel.

***(Chart: Key figures for Building and Industrial 2007- 2008)***

Output volume in the **Building and Industrial** business segment of more than 2 billion euros in 2008 was slightly higher than in the prior year. Earnings fell to 14 million euros due to the aftereffects of older projects in Germany.

This year, we expect significantly lower demand in commercial construction. The economic stimulus packages initiated in recent months, however, should provide a positive impulse in public-sector construction. Regardless of how the economy develops, our goal is to improve the profitability of our building

construction in Germany. With public-sector projects, we concentrate on public-private partnerships, in which we apply the partnering model in collaboration with clients in the private sector. Economic stimulus programs in Australia will also have an impact and will partially offset weakness in the field of commercial construction there.

We expect Building and Industrial to generate output volume in 2009 at the prior-year level, also combined with an improvement in EBIT.

We are also optimistic with regard to the future of public-private partnerships. In times of even tighter public finances, this type of procurement will be applied more and more in the middle and long-term.

***(Chart: Key figures for Concessions 2007 - 2008)***

2008 was a record year for our **Concessions** business segment. Its portfolio grew by 6 projects to a total of 24 by the end of the year. Committed equity increased from 161 million euros to 291 million euros at the end of 2008. Using an average discount rate of 10.5 percent, the portfolio's present value rose from 119 million euros to 154 million euros.

The projects gained in 2008 include the biggest PPP project in Germany to date: the expansion of an autobahn section between Hamburg and Bremen with an investment volume of 650 million euros.

The financing of new projects has certainly become more difficult because of the financial markets crisis. PPP projects, however, in many cases backed by governments' creditworthiness, involve very limited risk and are therefore still attractive for banks. So in the middle of the financial crisis, Bilfinger Berger reached closing for a highway project in Scotland with an investment volume of 340 million euros. We will contribute equity of 44 million euros; committed equity in the segment now adds up to 335 million euros. We have thus come very close to our goal of 400 million euros committed equity. We see good chances of developing attractive concession projects in the future, too. We are ideally positioned to do so with our international PPP know-how.

The good year 2008 is reflected by positive key figures for the Group. Here is a brief summary of them:

***(Chart: Output volume, orders received and order backlog 2007 - 2008)***

Output volume grew by 16 percent to 10.7 billion euros, with 68 percent of the total generated in international markets. Services activities in Germany contributed 18 percent of the Group's output volume, while the domestic construction business accounted for 14 percent.

Orders received of 10.3 billion euros were 9 percent lower than in the prior year. This reflects our strict order selection in the construction business as well as changes in exchange rates.

The order backlog of 10.6 billion euros was at the level of a year earlier; adjusted for the effect of the sale of Razel, our French subsidiary, it increased by 4 percent. Exchange-rate changes reduced output volume by 200 million euros, and reduced orders received and order backlog each by 600 million euros.

***(Chart: Net profit 2007 - 2008)***

As we already announced when we disclosed our preliminary results, with the financial statements for 2008 we changed over our financial reporting from EBITA to EBIT – earnings before

interest and taxes, in line with the earnings presentation that is general practice. Amortization and impairment of intangible assets from acquisitions are now shown in the income statement under cost of sales.

EBIT increased by 30 percent to 298 million euros in 2008. This includes net positive exceptional item of 45 million euros, comprising the capital gain of 90 million euros from the sale of Razel less one-time expenses of 45 million euros from a more cautious valuation of projects, especially those projects in an early stage of development.

The net interest result worsened to an expense of 15 million euros. This was mainly due to the increased interest expense on our promissory note borrowings of 250 million euros in the middle of 2008. Additional factors were the higher expense from additions to pension provisions, minority interest and earn-out obligations.

Earnings before taxes increased to 283 million euros. Nonetheless, income taxes fell to 79 million euros because the capital gain realized on the sale of Razel was tax free.

Net profit increased by 49 percent to 200 million euros. The exceptional item I have just described is included in that result

with an amount of 60 million euros after taxes. Earnings per share amounted to 5 euros 61 cents, compared with 3 euros 60 in the prior year.

The Executive Board and the Supervisory Board will propose to the Annual General Meeting that a dividend of two euros per share be approved for the year 2008, so that the shareholders can participate appropriately in the company's success despite the difficult economic environment.

***(Chart: Group value added 2007 – 2008)***

The return on capital employed for the whole Group increased from 18.7 percent to 23.2 percent, and therefore significantly surpassed our cost of capital of 10.5 percent before taxes in 2008. Value added increased from 126 million euros to 202 million euros.

***(Chart: Consolidated balance sheet 2007 - 2008)***

The consolidated balance sheet reflects the Group's solid financial situation and capital structure. The balance sheet total increased by 650 million euros to 6.8 billion euros. This growth was the result of expanding our concessions business and

consolidation effects, whereas currency translation led to a decrease.

On the assets side, non-current assets increased by just over 800 million euros, with goodwill and intangible assets from acquisitions rising by 450 million euros. Receivables from concession projects and other non-current assets in the Concessions business segment increased by 330 million euros.

Cash and marketable securities remained at the high level of 720 million euros at the end of the year, despite substantial investment.

On the liabilities side, our borrowings increased – excluding project credit on a non-recourse basis – to 328 million euros. The reason for this increase was the promissory note loan I mentioned before.

Non-recourse credit, which is granted without any liability for the Group, increased by approximately 150 million euros to 1.5 billion euros. Receivables from concession projects increased accordingly.

Despite net profit of 200 million euros, equity decreased to 1.1 billion euros. This was due on the one hand to the share buyback in a volume of 100 million euros, and on the other hand to the fair-value measurement of long-term hedging transactions in accordance with IFRS; currency translation also had an impact.

The equity ratio amounted to 22 percent excluding our non-recourse credit, which a creditworthiness analysis does not take into consideration. Theoretically, it amounted to 17 percent.

***(Chart: Cash flow statement 2007 - 2008)***

The net cash inflow from operating activities of 357 million euros once again surpassed the very good prior-year level. The increase was primarily due to a lower volume of liquidity tied up in working capital.

Investments in property, plant and equipment and intangible assets totaled 237 million euros. This was partially offset by inflows of 129 million euros mainly from the sale of office buildings used by Bilfinger Berger. Disposals of financial assets, in particular the sale of Razel, resulted in further cash inflows of 92 million euros.



This means that we had an unusually high free cash flow of 341 million euros last year.

Investments in financial assets increased to 460 million euros. 400 million euros of that total are accounted for by acquisitions in the services business and 60 million euros relate to concession projects.

The net cash inflow from financing activities of 83 million euros includes the promissory note borrowings. The share buyback resulted in a cash outflow of 100 million. Dividends of 68 million were paid out, of which 64 million was paid to the shareholders of Bilfinger Berger AG.

As you can see from these figures, the Bilfinger Berger Group developed positively last year. What will the future bring?

Upswings and downswings are part of the global economic development. But what we are currently experiencing, however, is more than a normal recession; neither the full extent nor the duration of this crisis can be predicted. Fundamentally, in a normal economic environment we would maintain our EBIT-margin targets of 2.5 to 3 percent for Civil, 1.5 to 2 percent for

Building and Industrial and at least 4.5 percent (EBITA margin of 5 percent) for Services. But in view of the general economic situation, these targets will not quite be achieved in 2009.

***(Chart: Outlook)***

Despite conditions that are difficult to predict, we are willing to make a quantitative estimate for the year 2009. Provided that the situation of the world economy does not worsen even more seriously than currently anticipated, 2009 should be another good year for the Group. We anticipate a total output volume of 10 billion euros. We expect EBIT and net profit to at least reach prior-year levels – adjusted for the previously mentioned exceptional item – of 250 million euros and 140 million euros respectively. And with a return on capital employed above our cost of capital rate, we intend to continue creating substantial value added in the future.

And let me just say something about our share-price performance: We have been unable to avoid the general weakness of the equity markets. But in our view, Bilfinger Berger's share price in no way reflects the Group's strength and fundamental value. As soon as investors in a rising market

allow themselves to be guided by value considerations, our share price will benefit.

The financial crisis has opened everyone's eyes for what really counts: strong assets, innovation, financial discipline and continuity. Bilfinger Berger has stood for these values for some time even in periods when they seem less important. In all of our activities, we aim to be first class in terms of technology and service. Our range of competences along the entire value chain of real estate, infrastructure and industrial plant makes us more independent of economic cycles. Our strong international presence allows us better to compensate for regional market fluctuations. This alignment is made for heavy weather, and our finances are as well.

As before, we are directing all our efforts into continuing the positive development of the Group, also in times of crisis.

In the foreseeable future, no companies will be able to rely on an economic tailwind. And of course we are not immune to the effects of the recession. But we can build on the fact that our business model is designed to benefit from the major trends of our time. I am convinced that it will prove its viability and continue to deliver good results.

So that's all from me just now. I look forward to answering your questions.