Interim Report Q1 2009

The Multi Service Group. BILFINGER BERGER

Group management report

- **High order intake in services business**
- **Strong increase in operating profit**
- **Outlook confirmed for full year**

Bilfinger Berger started the year 2009 with a good first quarter. Output volume, orders received and operating profit (EBIT) all showed strong growth due, in particular, to positive development in the services business. The construction business remained generally stable, and an important transport project was added to our privately financed concessions portfolio.

The financial and economic crisis had no substantial impact on our business in the reporting period and we maintain our forecasts for the full year.

Increases in output volume, orders received and order backlog

The Bilfinger Berger Group's total output volume increased in the first quarter of this year by 9 percent to €2,418 million. Orders received amounted to €2,729 million, which is 22 percent higher than in the first quarter of 2008. Order backlog increased by 2 percent to €10,971 million, thus exceeding the level of a full year's output volume.

Increased operating profit

Compared to the adjusted prior-year quarter, EBIT improved to €43 million (Q1 2008: €28 million), earnings before taxes to €37 million (Q1 2008: €29 million) and net profit to €23 million (Q1 2008: €18 million). The net interest result declined to an expense of €6 million (Q1 2008: income of €1 million).

Outlook confirmed

Based on current assessments of future economic development, we anticipate output volume in the range of €10 billion in financial year 2009. We believe EBIT and net profit will at least maintain the prior-year's level of €250 million and €140 million respectively (after adjustment for the exceptional item from the sale of the French subsidiary Razel).

Solid financial situation

Bilfinger Berger's financial situation has not been affected by the crisis on the financial markets. We have no short-term refinancing needs and sufficient flexibility for the further development of our business.

As expected, cash and marketable securities decreased sharply in the first quarter as expected, amounting to €383 million at March 31, 2009 (end of 2008: €720 million). This was primarily due to the cyclical increase in working capital

Key figures for the Group

€ million	Q1 2009	Q1 2008 [1]	Δ in %	FY 2008
Output volume	2,418	2,223	+9	10,742
Orders received	2,729	2,245	+22	10,314
Order backlog	10,971	10,791	+2	10,649
EBIT	+43	+28 [1]	+54	+298
Earnings before taxes	+37	+29 [1]	+28	+284
Net profit	+23	+18 [1]	+28	+200
Earnings per share (in €)	+0.65	+0.49 [1]	+33	5.61
Investments	119	62	+92	697
thereof in P, P & E	29	38	–24	237
thereof in financial assets	90	24	+275	460
Employees	61,301	55,626	+10	60,923

[1] Adjusted for one-time gain of €9 million before taxes or €13 million after taxes from the sale of office buildings used by Bilfinger Berger (corresponds to €0.35 per share)

over the course of the year that is typical for our business. This was particularly pronounced because of the very favorable development towards the end of 2008. The cash flow from operating activities therefore declined to a net outflow of €228 million (Q1 2008: net outflow of €85 million). Another factor was the substantial increase in our investment in financial assets to €90 million (Q1 2008: €24 million). These investments primarily constitute equity contributions and loans in the concessions business in the period under review, and acquisitions in the services business in the prior-year quarter. Investments in property, plant and equipment decreased to €29 million as a result of our cautious expenditure policy (Q1 2008: €38 million).

Excluding project financing on a non-recourse basis, for which Bilfinger Berger is not liable, liabilities to banks amounted to €336 million at the end of the first quarter (end of 2008: €328 million).

Workforce growth due to acquisitions

The acquisitions made in 2008 led to an increase in the size of the workforce. The Bilfinger Berger Group employed 61,301 persons at the interim balance sheet date (March 31, 2008: 55,626). 23,933 persons were employed in Germany and 37,368 were employed abroad (March 31, 2008: 20,351 and 35,275 respectively).

Opportunities and risks

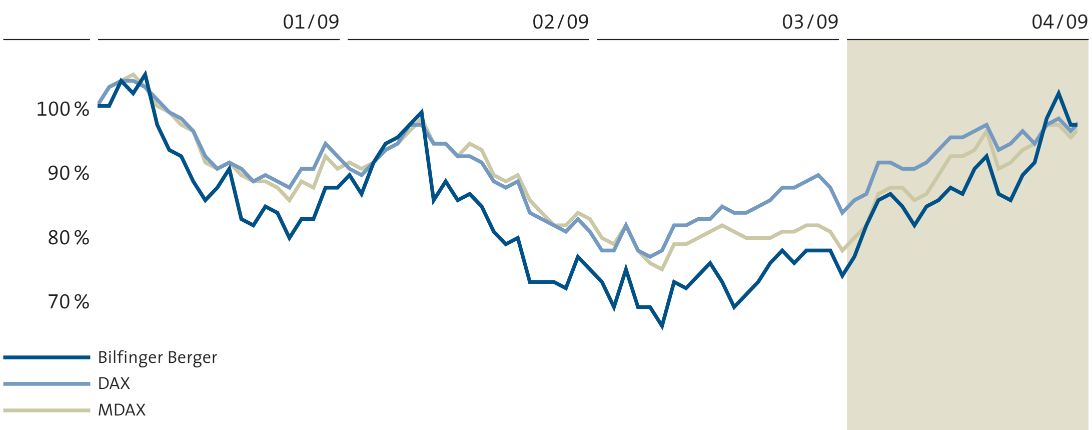
No significant changes occurred with regard to opportunities and risks during the reporting period compared with the situation as described in Annual Report 2008. Provisions have been made for all recognizable risks; in our assessment, there are no risks that would jeopardize the continued existence of the Group.

Share-price performance

International stock markets had a disappointing start to the year, and the recovery at the beginning of February did not last long. Weak economic data, negative economic news and discussions about possible nationalization in the banking sector had a negative effect on investor sentiment. In March, stock exchanges recovered following the announcement of new economic stimulus programs and further interest rate cuts by major central banks.

After outperforming the sector and the market in 2008, the Bilfinger Berger share price initially fell at an above-average rate in the first quarter. By the end of April, however, the share price was able to regain market parity.

Relative performance of our shares



Developments in the business segments

Overview of output volume and order situation	Output volume		Orders received		Order backlog		Output volume
€ million	**Q1 2009**	**Δ in %**	**Q1 2009**	**Δ in %**	**Q1 2009**	**Δ in %**	**FY 2008**
Civil	741	– 13	802	+ 12	4,386	– 16	4,161
Building and Industrial	490	+ 10	255	– 12	2,031	– 9	2,020
Services	1,182	+ 28	1,671	+ 36	4,568	+ 35	4,578
Consolidation, other	5		1		– 14		– 17
	2,418	**+ 9**	**2,729**	**+ 22**	**10,971**	**+ 2**	**10,742**

EBIT by business segment

€ million	**Q1 2009**	**Q1 2008** [1]	**Δ in %**	**FY 2008**
Civil	+ 3	+ 3	0	+ 17
Building and Industrial	+ 1	– 2		+ 14
Services	+ 41	+ 32	+ 28	+ 224
Concessions	+ 2	– 1		+ 9
Consolidation, other	– 4	– 4 [1]	0	+ 34
	+ 43	**+ 28** [1]	**+ 54**	**+ 298**

[1] Adjusted by a one-time gain of €9 million from the sale of office buildings used by Bilfinger Berger

Civil

New projects in Germany, Australia and Scotland

The fall in the Civil business segment's output volume is the result of the sale of the French subsidiary Razel at the end of 2008. Orders received increased due to new major projects. The reduced order backlog also reflects the sale of Razel. EBIT amounted to €3 million, as in Q1 2008.

The biggest new order received in the first quarter of 2009 was for the expansion of a section of the M80 motorway north of Glasgow in Scotland, which was awarded to a consortium under the leadership of Bilfinger Berger on the basis of a public-private partnership model. The existing highway will be widened to six lanes over a length of ten kilometers and a new 8-kilometer section will be added.

In Germany, we received an order to construct large sections of the approximately 6-kilometer, highly complex tunnel system for the new European X-ray laser project (XFEL) in Hamburg. The project for the German Electron-Synchrotron research center (DESY) is being carried out as a joint venture. Bilfinger Berger is responsible for 50 percent of the total volume of just over €200 million.

In Australia, we are involved in the design and construction of a seawater desalination plant near Adelaide. The project volume amounts to €410 million and our share of the construction works is €165 million.

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

Key figures for Civil

€ million	Q1 2009	Q1 2008	Δ in %	FY 2008
Output volume	741	850	– 13	4,161
Orders received	802	714	+ 12	3,541
Order backlog	4,386	5,193	– 16	4,482
Capital expenditure on P, P & E	9	22	– 59	120
EBIT	+ 3	+ 3	0	+ 17

Building and Industrial

Falling demand for commercial construction

In the Building and Industrial business segment, output volume increased while orders received decreased due to weaker demand for commercial construction and our unchanged selective bidding policy. Order backlog at the end of March remained at the level of a full-year's output volume. EBIT improved to plus €1 million (Q1 2008: minus €2 million).

Against the backdrop of negative economic developments, private clients have adopted a cautious attitude in our markets of Germany and Australia. This is partially compensated by demand from the public sector. In Germany, we received an order in April to modernize four schools in the rural district of Hof, Bavaria, on a privately-financed basis and to operate them for a period of 21 years. Investment volume amounts to more than €50 million and the financing does not involve any equity commitment for the Bilfinger Berger Group.

For full-year 2009, we expect the Building and Industrial business segment to post output volume at the same magnitude as in the prior year with a rising EBIT.

Key figures for Building and Industrial

€ million	Q1 2009	Q1 2008	Δ in %	FY 2008
Output volume	490	447	+10	2,020
Orders received	255	289	–12	1,915
Order backlog	2,031	2,228	–9	2,263
Capital expenditure on P, P & E	1	1	0	13
EBIT	+1	–2		+14

Services

Key framework agreements extended

Output volume in the Services business segment increased once again, due in particular to the consolidation of the companies acquired last year. Organic growth in output volume of 4 percent was achieved. Orders received and order backlog also improved. EBIT rose to €41 million (Q1 2008: €32 million).

Bilfinger Berger Industrial Services grew in the first quarter due to first-time consolidation effects. On a comparable basis, output volume remained stable. Of particular note was the expansion of our maintenance agreement with plastics producer Borealis in Sweden. The agreement covers services with a total volume of approximately €60 million over five years.

At Bilfinger Berger Power Services, output volume and order backlog continued to grow. RWE placed an order for the supply of piping systems for two new blocks of the coal-fired power station in Hamm, Westphalia, with a volume of €140 million. To secure skilled workers and, at the same time, to strengthen our market position in South-Eastern Europe, we increased our existing holding of nearly 25 percent in the listed Croatian assembly company Duro Dakovic to a majority interest.

Bilfinger Berger Facility Services has grown substantially following the takeover of M+W Zander. In the first months of 2009, framework agreements were renewed with major clients in a total volume of €360 million. The contract periods vary from three to five years. Deutsche Bank extended an agreement covering technical, commercial and infrastructure facility management for more than 1,300 properties. For IBM, Bilfinger Berger continues to manage facilities in 15 countries with a focus on Europe. Alstom once again awarded Bilfinger Berger overall facility management responsibility for office and production buildings at seven sites in Switzerland. And Bilfinger Berger continues to perform the complete facility management at the administrative and production site of EADS in Oberpfaffenhofen, Germany.

In the year 2009, we anticipate an output volume for the Services business segment at least at the level of the prior year. Due to the expected impact of the economic downturn, however, EBIT will not match the very good level of 2008.

Key figures for Services

€ million	Q1 2009	Q1 2008	Δ in %	FY 2008
Output volume	1,182	924	+28	4,578
Orders received	1,671	1,232	+36	4,875
Order backlog	4,568	3,373	+35	3,919
Capital expenditure on P, P & E	17	14	+21	96
EBIT	+41	+32	+28	+224

Concessions

Financial close for motorway project

Our privately financed concessions portfolio comprised 25 projects at the end of March. Committed equity amounted to €334 million, of which €118 million had been paid into project companies. EBIT amounted to plus €2 million (Q1 2008: minus €1 million).

Currently, the financing of new projects is difficult due to the financial markets crisis. Nevertheless, in January we reached financial close for the M80 motorway project in Scotland with an investment volume of €340 million. We will contribute equity of €44 million and be responsible for the design, financing and construction of the highway. We will subsequently ensure its availability over a period of 30 years in return for a contractually defined payment from the Government.

Over the course of 2009, seven projects will be put into operation, significantly increasing the value of our portfolio. We remain optimistic for the future of our concessions business. In the medium and long term, we expect that privately financed procurement models will increasingly be relevant in light of the generally increasing public sector budget deficits.

Key figures for Concessions

Number / € million	Q1 2009	Q1 2008	FY 2008
Projects in portfolio	25	19	24
thereof under construction	14	9	13
Committed equity	334	172	291
thereof paid-in	118	71	101
EBIT	+2	–1	+9

Interim consolidated financial statements

The interim consolidated financial statements as of March 31, 2009 have been prepared in accordance with the guidelines of the International Accounting Standards Board (IASB), London, as were the consolidated financial statements for the year 2008, and comply with the requirements of IAS 34. The accounting and valuation methods explained in the notes to the consolidated financial statements for the year 2008 have been applied unchanged. The regulations of 'IAS 1R Presentation of Financial Statements', which is effective as of January 1, 2009, have also been followed. For the consolidated statement of comprehensive income required by this revised standard, we have chosen the form of presentation with a separate consolidated income statement and a consolidated statement of comprehensive income, in which earnings after taxes is reconciled to total comprehensive income. The consolidated statement of changes in equity has been adjusted accordingly.

There were no material changes in the scope of the consolidated Group during the reporting period.

Consolidated income statement January 1 - March 31

€ million	2009	2008[1]
Output volume (for information only)	2,418	2,223
Revenue	**2,283**	**1,944**
Cost of sales	–2,036	–1,714
Gross profit	**247**	**230**
Selling and administrative expenses	–217	–210
Other operating income and expenses	11	15
Result of investments accounted for using the equity method	2	2
EBIT	**43**	**37**
Net interest result	–6	1
Earnings before taxes	**37**	**38**
Income tax expense	–14	–7
Earnings after taxes	23	31
thereof minority interest	0	0
Net profit	**23**	**31**
Average number of shares, basic / diluted (in thousands)	35,312	36,940
Earnings per share, basic / diluted (in €)	0.65	0.84

1 The report on the prior-year period included a one time gain from the sale of office buildings used by Bilfinger Berger

First-quarter revenue increased by 17 percent to €2,283 million. In order to present the Group's entire output volume – in particular with the inclusion of the proportionate output volume generated by joint ventures, which is not included in revenue – for information purposes we also disclose our output volume in the consolidated income statement. In the first quarter of 2009, output volume increased by 9 percent to €2,418 million.

Gross profit increased to €247 million (Q1 2008: €230 million). In relation to output volume, the gross margin remained nearly constant at 10.2 percent (Q1 2008: 10.3 percent). Selling and administrative expenses increased to €217 million (Q1 2008: €210 million), but in relation to output volume they fell to 9.0 percent (Q1 2008: 9.4 percent). Due to significant growth in earnings at the Services business segment, EBIT increased to €43 million (Q1 2008: €37 million), although EBIT for the prior-year period included a gain of €9 million on the sale of office buildings used by Bilfinger Berger.

Scheduled amortization of €6 million was carried out on intangible assets from acquisitions (Q1 2008: €3 million) and is included in cost of sales. Depreciation of property, plant and equipment amounted to €31 million (Q1 2008: €30 million).

The net interest result declined by €7 million to an expense of €6 million (Q1 2008: income of €1 million). Current interest income decreased to €6 million (Q1 2008: €8 million). Current interest expense increased to €5 million due to the placement of a promissory note loan in the middle of 2008 (Q1 2008: €3 million). At the same time, the interest expense for the minority interest increased to €4 million (Q1 2008: €2 million) and the interest component of the allocation to pension provisions increased to €3 million (Q1 2008: €2 million).

The tax rate was 34 percent. In the prior-year period, there was a one-time tax benefit related to the sale of office buildings. Excluding this item, the underlying tax rate in the prior-year quarter was 35 percent.

After the deduction of income taxes and minority interest, the Group's net profit for the first quarter of 2009 amounted to €23 million (Q1 2008: €31 million), the prior-year figure included a gain of €13 million on the sale of office buildings.

Consolidated balance sheet

	€ million	Mar. 30 2009	Dec. 31 2008
Assets	**Non-current assets**		
	Intangible assets	1,239	1,235
	Property, plant and equipment	603	599
	Investments accounted for using the equity method	42	49
	Receivables from concession projects	1,820	1,642
	Other financial assets	234	251
	Deferred tax assets	185	188
		4,123	**3,964**
	Current assets		
	Inventories	237	216
	Receivables and other financial assets	1,984	1,806
	Current tax assets	20	18
	Other assets	61	49
	Cash and marketable securities	383	720
		2,685	**2,809**
	Total	**6,808**	**6,773**
Equity and liabilities	**Equity**		
	Equity attributable to shareholders of the parent	1,148	1,120
	Minority interest	20	21
		1,168	**1,141**
	Non-current liabilities		
	Retirement benefit obligation	222	219
	Provisions	66	69
	Financial debt, recourse	312	306
	Financial debt, non-recourse	1,589	1,488
	Other financial liabilities	356	393
	Deferred tax liabilities	129	127
		2,674	**2,602**
	Current liabilities		
	Current tax liabilities	126	120
	Provisions	445	448
	Financial debt, recourse	24	22
	Financial debt, non-recourse	23	29
	Other financial liabilities	2,146	2,189
	Other liabilities	202	222
		2,966	**3,030**
	Total	**6,808**	**6,773**

The balance sheet total amounted to €6.8 billion at the end of the first quarter, almost unchanged compared with December 31, 2008.

The increase in receivables from concession projects is accompanied by a rise in non-recourse financial debt. Inventories and current receivables increased while current liabilities decreased. As a result, the negative working capital fell to minus €617 million (December 31, 2008: minus €890 million). Cash and marketable securities fell to €383 million (December 31, 2008: €720 million).

Consolidated statement of comprehensive income January 1 - March 31

€ million	2009	2008
Earnings after taxes	**23**	**31**
Unrealized gains / losses on hedging instruments		
Changes of gains and losses recognized in equity	20	–21
Realized gains / losses (reclassified to the income statement)	–5	0
	15	–21
Currency translation diferences	4	–10
Income tax on unrealized gains / losses	–5	8
Unrealized gains / losses of investments accounted for using the equity method	–10	0
Other comprehensive income after taxes	**4**	**–23**
Total comprehensive income after taxes	**27**	**8**
attributable to shareholders of the parent company	28	9
attributable to minority interest	–1	–1

In addition to the earnings after taxes of €23 million presented in the consolidated income statement (Q1 2008: €31 million), other comprehensive income of €4 million was recognized directly in equity (Q1 2008: minus €23 million). This is the net amount of unrealized gains and/or losses on hedging instruments and currency translation differences recognized in equity. The total comprehensive income for the period thus amounts to €27 million (Q1 2008: €8 million). Of that total, €28 million is attributable to shareholders of the parent company (Q1 2008: €9 million).

Consolidated statement of changes in equity

€ million	Equity attributable to the shareholders of Bilfinger Berger AG							Minority interest	Equity
	Issued share capital	Share premium	Retained earnings	Other comprehensive income[1]	Treasury shares	Unappropriated retained earnings	Total		
Balance at January 1, 2008	**112**	**523**	**609**	**0**	**0**	**67**	**1,311**	**21**	**1,332**
Total recognized income and expense	0	0	31	–22	0	0	9	–1	8
Capital contributions	0	0	0	0	0	0	0	0	0
Dividends paid out	0	0	0	0	0	0	0	0	0
Other changes	0	0	0	0	–51	0	–51	0	–51
Balance at March 31, 2008	**112**	**523**	**640**	**–22**	**–51**	**67**	**1,269**	**20**	**1,289**
Balance at January 1, 2009	**112**	**523**	**736**	**–225**	**–100**	**74**	**1,120**	**21**	**1,141**
Total recognized income and expense	0	0	23	5	0	0	28	–1	27
Capital contributions	0	0	0	0	0	0	0	0	0
Dividends paid out	0	0	0	0	0	0	0	0	0
Other changes	0	0	0	0	0	0	0	0	0
Balance at March 31, 2009	**112**	**523**	**759**	**–220**	**–100**	**74**	**1,148**	**20**	**1,168**

[1] Currency translation, reserves from fair valuation and hedging transactions, and actuarial gains / losses

Equity increased by €27 million during the first quarter of 2009. Earnings after taxes led to an increase of €23 million, while net income recognized in equity was responsible for a further €4 million. Details of the latter item are provided in the consolidated statement of comprehensive income.

Bilfinger Berger has held 1,884,000 treasury shares since April 2008. They account for €5,652,000 or 5.1 percent of the share capital. No cancellation of the treasury shares is currently planned.

Consolidated statement of cash flows January 1 - March 31

€ million	2009	2008
Cash earnings	59	54
Change in working capital	–285	–128
Gains on the disposal of non-current assets	–2	–11
Cash flow from operating activities	**–228**	**–85**
Cash flow from investing activities	**–117**	**45**
thereof property, plant and equipment	–27	69
thereof financial assets	–90	–24
Cash flow from financing activities	**5**	**–51**
thereof share buyback	0	–51
thereof borrowing	5	0
Change in cash and marketable securities	–340	–91
Other adjustments to cash and marketable securities	3	–8
Cash and marketable securities at January 1	720	796
Cash and marketable securities at March 31	**383**	**697**

The cash flow from operating activities is generally negative in the first quarter due to a seasonal increase in working capital. This effect was particularly pronounced in the reporting period due to the very favorable development of working capital at the end of 2008. The cash flow from operating activities therefore fell to a net cash outflow of €228 million (Q1 2008: net outflow of €85 million).

The balance of investments with proceeds from disposals amounted to a cash outflow of €117 million. In the prior-year period, there was a net cash inflow of €45 million from investing activities. Cash outflows for property, plant and equipment amounted to €29 million (Q1 2008: €38 million), compared with cash inflows of €2 million (Q1 2008: €107 million). The high cash inflows in the prior-year quarter resulted from the sale of office buildings used by Bilfinger Berger. €90 million was invested in financial assets (Q1 2008: €24 million), comprising capital contributions and loans in the concessions business in the first quarter of this year and acquisitions of services companies in Q1 2008.

The cash inflow from financing activities of €5 million (Q1 2008: outflow of €51 million) was the result of net borrowing. The share buyback in the prior-year quarter resulted in an outflow of €51 million.

Changes in currency exchange rates led to an arithmetic increase in cash and marketable securities of €3 million.

Segment reporting	Output volume		External revenues		Internal revenues		EBIT	
€ million	**Q1 2009**	**Q1 2008**	**Q1 2009**	**Q1 2008**	**Q1 2009**	**Q1 2008**	**Q1 2009**	**Q1 2008**
Civil	741	850	493	487	8	33	3	3
Building and Industrial	490	447	468	388	7	17	1	–2
Services	1,182	924	1,162	886	6	8	41	32
Concessions	9	7	151	160	0	0	2	–1
Total of segments	**2,422**	**2,228**	**2,274**	**1,921**	**21**	**58**	**47**	**32**
Consolidation, other	–4	–5	9	23	–21	–58	–4	5
Consolidated Group	**2,418**	**2,223**	**2,283**	**1,944**	**0**	**0**	**43**	**37**

As in the consolidated financial statements for 2008, segment reporting corresponds to our internal reporting by business segment.

The reconciliation of segment earnings (EBIT) to earnings before taxes is derived from the consolidated income statement.

Related-party transactions

Most of the transactions between fully consolidated companies of the Group and related companies or persons involve associated companies and joint ventures.

Any transactions carried out with companies or persons that are in a close relationship with Bilfinger Berger (related-party transactions) take place at arm’s length.

All statements made in this report that relate to the future have been made in good faith and based on the best knowledge available. However, as these statements also depend on factors beyond our control, actual developments may differ from our forecasts.



Financial calendar

	2009
August 13	Interim Report Q2 2009
November 10	Interim Report Q3 2009

Investor Relations

Andreas Müller
Phone +49-6 21-4 59-23 12
Fax +49-6 21-4 59-27 61
E-mail: sabine.klein@bilfinger.de

Corporate Communications

Martin Büllesbach
Phone +49-6 21-4 59-24 75
Fax +49-6 21-4 59-25 00
E-mail: martin.buellesbach@bilfinger.de

Headquarters

Carl-Reiß-Platz 1-5
68165 Mannheim, Germany
Phone +49-6 21-4 59-0
Fax +49-6 21-4 59-23 66

You will find the addresses
of our branches and affiliates
in Germany and abroad
in the Internet at
www.bilfinger.com