Interim Report Q3 2010



The Multi Service Group. BILFINGER BERGER

Interim group management report

- **Successful business development**
- **Jump in earnings in first nine months**
- **Full-year forecast raised further**

Bilfinger Berger's successful business development continued. Business volume grew slightly, while earnings once again increased substantially. The company has raised its forecast for the full year.

In October, we signed agreements with HSBC Infrastructure on that company's investment in four of our 29 concession projects. This gives us scope for new commitments while at the same time demonstrating the intrinsic value of our portfolio.

In its meeting of October 29, 2010, the Supervisory Board appointed Roland Koch to succeed Herbert Bodner as the Chairman of Bilfinger Berger's Executive Board. Roland Koch will become a member of the Executive Board on March 1, 2011 and its Chairman on July 1, 2011. At that time, Herbert Bodner will retire as planned.

Bilfinger Berger's intention to sell its Australian business is unchanged. Until the sale takes place, that business will be reported as discontinued operations. All the figures presented in this interim report refer to the Bilfinger Berger Group's continuing operations, unless otherwise stated.

Slight growth in business volume

In the first nine months of this year, output volume increased by 3 percent to €5,980 million. While the volume of construction business was downsized as planned, the volume of the services business, due in particular to the acquisition of MCE at the end of last year, expanded once again. Orders received by the Group increased by 3 percent to €5,683 million and the order backlog increased by 7 percent to €8,357 million.

Jump in earnings in the first nine months

EBIT for the first nine months of the year increased to €231 million (9M 2009: €70 million) and significantly surpassed the prior-year figure, which was burdened by provisions of €80 million

Key figures for the Group

€ million	9M 2010	9M 2009	Δ in %	FY 2009
Output volume	5,980	5,825	+3	7,727
Orders received	5,683	5,517	+3	7,696
Order backlog	8,357	7,803	+7	8,362
EBIT from continuing operations	231	70	+230	173
Earnings after taxes from continuing operations	134	25	+436	83
EBIT from discontinued operations	95	70	+36	77
Earnings after taxes from discontinued operations	69	49	+41	60
Net profit*	201	72	+179	140
Earnings per share (in €)*	4.55	1.88	+142	3.79
Investments	232	235	–1	496
thereof in P, P & E	84	78	+8	135
thereof in financial assets	148	157	–6	361
Number of employees	59,735	55,359	+8	61,027

* Includes continuing and discontinued operations

for a highway project in Doha. All business segments contributed to this development. The net interest expense was €28 million (9M 2009: €26 million). Earnings after taxes from continuing operations increased to €134 million (9M 2009: €25 million). Discontinued operations achieved earnings after taxes of €69 million (9M 2009: €49 million). Net profit increased to €201 million (9M 2009: €72 million) and after nine months is already above the figure for full-year 2009 (€140 million).

Earnings forecast for full-year raised further

For full-year 2010, we expect output volume from continuing operations to increase to approximately €8.0 billion (FY 2009: €7.7 billion). Following the sale of equity interests in four projects in our concessions portfolio in the fourth quarter, we anticipate full-year EBIT of at least €320 million (FY 2009: €173 million). Net profit – including the contribution from discontinued operations – should reach at least €270 million (FY 2009: €140 million).

Increased working capital requirement

As expected, cash and cash equivalents decreased, amounting to €375 million at the end of the third quarter (end of 2009: €635 million*). This reflects on one hand the substantial increase in working capital during the calendar year, which is typical of our business. On the other hand, the reduction in project business (in which advance payments are common) as a result of the systematic downsizing of our construction business and the lower volume of orders received by our Power Services division led to a further increase in working capital. The cash flow from operating activities for continuing operations decreased to minus €118 million (9M 2009: minus €19 million).

Investments in financial assets totaled €148 million. €86 million is accounted for by the services business, mainly for earn-out obligations and increases in equity interests; another €62 million is accounted for by equity contributions and loans in the concessions business. €84 million was invested in property, plant and equipment in the first nine months of the year, dividends of €88 million were paid out for financial year 2009.

Excluding project financing on a non-recourse basis, for which Bilfinger Berger is not liable, liabilities to banks totaled €383 million at the end of the interim reporting period (end of 2009: €287 million*).

Workforce growth

At the end of the third quarter, the Bilfinger Berger Group employed 59,735 people (September 30, 2009: 55,359). This growth reflects the acquisition of MCE, an Austrian services company. The number of people employed in Germany decreased slightly to 23,761 (September 30, 2009: 24,145) while the number employed in other markets increased due to acquisitions to 35,974 (September 30, 2009: 31,214).

Change of legal form completed

The transformation of Bilfinger Berger into a European Company (SE), which was approved by the Annual General Meeting on April 15, 2010, was completed with the registration of Bilfinger Berger SE in the commercial register on October 8, 2010.

Opportunities and risks

No significant changes occurred with regard to opportunities and risks during the reporting period compared with the situation as described in the Annual Report 2009. Provisions have been made for all recognizable risks; in our assessment, no risks exist that would jeopardize the continuing existence of the Bilfinger Berger Group.

In view of the current situation, it is, as before, not necessary to recognize any provisions in connection with the collapse of the Cologne Municipal Archives in 2009. In addition, there is existing insurance cover for any risks that may arise.

* Adjusted for the balance-sheet figures of discontinued operations (Valemus Australia)

Developments in the business segments

Overview of output volume and order situation

€ million	Output volume 9M 2010	Output volume Δ in %	Orders received 9M 2010	Orders received Δ in %	Order backlog 9M 2010	Order backlog Δ in %	Output volume FY 2009
Industrial Services	2,159	+28	2,463	+43	2,563	+58	2,249
Power Services	824	+11	667	–16	1,026	–13	1,017
Building and Facility Services	1,673	–13	1,787	–8	2,312	+2	2,529
Construction	1,294	–13	690	–33	2,377	–12	1,938
Consolidation, other	30		76		79		–6
Continuing operations	**5,980**	**+3**	**5,683**	**+3**	**8,357**	**+7**	**7,727**

EBIT by business segment

€ million	9M 2010	9M 2009	Δ in %	FY 2009
Industrial Services	100	87	+15	118
Power Services	62	49	+27	73
Building and Facility Services	52	30	+73	58
Construction	18	–89		–73
Concessions	12	6	+100	14
Consolidation, other	–13	–13		–17
Continuing operations	**231**	**70**	**+230**	**173**

Industrial Services

- **Positive impetus from economic revival**
- **Renewed increase in earnings**

In the Industrial Services business segment, output volume continued to grow due to the acquisition of MCE in late 2009. Orders received and the order backlog increased substantially as well, due also to organic growth. EBIT rose to €100 million (9M 2009: €87 million).

The economic revival in the chemicals industry continued in the third quarter while, overall, demand was generally stable. As a result of cost-cutting efforts initiated in the previous year by many clients, a certain price pressure still remains despite the economic upswing.

In the third quarter, we signed a new framework agreement with Shell covering all scaffolding services at the Cologne-Wesseling refinery. This contract has a volume of nearly €30 million and runs over a period of five years. In Spain, we are involved in the expansion of the Repsol refineries in Cartagena and Bilbao; we are carrying out insulation and scaffolding work with a volume of more than €20 million.

Bilfinger Berger Industrial Services has now entered the Finnish market with the recent acquisition of Oy Oripipe AB. The new company is based in Porvoo and specializes in piping work and services for mechanical plant components. Porvoo is close to Helsinki, Finland's capital, and is one of the biggest petrochemical locations in Europe.

For full-year 2010, we now expect the Industrial Services business segment to expand its output volume to approximately €2.9 billion (2009: €2.2 billion) and to achieve a further increase in earnings.

Key figures for Industrial Services

€ million	9M 2010	9M 2009	Δ in %	FY 2009
Output volume	2,159	1,686	+28	2,249
Orders received	2,463	1,726	+43	2,402
Order backlog	2,563	1,619	+58	2,040
Capital expenditure on P,P&E	40	25	+60	49
EBIT	100	87	+15	118

Power Services

- **Growth in output volume and EBIT**
- **Increase in orders received anticipated**

The capacities of our Power Services business segment continue to be well utilized and output volume increased once again in the reporting period. In the coming months, we anticipate an increase in orders in the repair, maintenance and rehabilitation business and expect orders received to at least equal the prior-year level in full-year 2010. EBIT for the first nine months of the year increased to €62 million (9M 2009: €49 million).

Bilfinger Berger Power Services is involved in the maintenance and modernization of piping systems at numerous German nuclear power plants. The resolved lifetime extensions for such plants should therefore have a positive impact on our business. On the other hand, the construction of new coal-fired power stations in Germany cannot be expected at this time. Because existing plants are in significant need of modernization, we look forward to a positive development of demand in this area. Outside Germany, especially in Eastern Europe, several major projects for the modernization and expansion of conventional power plants are planned.

We extended our range of services in the Power Services business segment with the acquisition of Rotring Engineering AG in October. Rotring is a specialist in fuel processing for turbines in oil and gas-fired power plants; it has worldwide operations and a leading position in its market segment. Rotring's range of services includes the design, supply and installation of complete plants for the processing of liquid and gaseous fuels. The company's clients are renowned companies in the power-plant industry such as Siemens, Alstom, ABB and GE.

In the Power Services business segment, we anticipate growth in output volume to €1.1 billion (2009: €1.0 billion) and a further increase in earnings in full-year 2010.

Key figures for Power Services

€ million	9M 2010	9M 2009	Δ in %	FY 2009
Output volume	824	745	+11	1,017
Orders received	667	796	–16	1,024
Order backlog	1,026	1,181	–13	1,137
Capital expenditure on P, P & E	21	16	+31	28
EBIT	62	49	+27	73

Building and Facility Services

- **Growing interest in energy-efficient solutions**
- **EBIT well above prior-year level**

Total output volume and orders received declined in the Building and Facility Services business segment. Whereas the volume of building construction decreased as planned, development was stable in the Facility Services division. EBIT increased significantly to €52 million (9M 2009: €30 million), with all areas of the business segment making a positive contribution.

In Germany and other European countries, demand for facility management services is again on the rise. With AXA Investment, we have concluded a new contract for the commercial and technical property management of its approximately 140 properties in Germany. The contract runs for a period of five years and has a total volume of more than €20 million.

In our building construction business, the life-cycle approach is playing an increasingly crucial role, with consulting services for all phases of a project gaining importance. A growing interest in energy-efficient solutions is making itself felt throughout the entire real-estate sector. These developments are having a positive impact on our business. In addition, we are increasingly executing projects as public-private partnerships (PPP), which currently account for a total volume of €130 million.

For full-year 2010, we expect the Building and Facility Services business segment to post a decrease in output volume to €2.3 billion (2009: €2.5 billion) due to the reduced volume of building construction, while EBIT should be substantially higher than in the prior year.

Key figures for Building and Facility Services

€ million	9M 2010	9M 2009	Δ in %	FY 2009
Output volume	1,673	1,913	– 13	2,529
Orders received	1,787	1,941	– 8	2,481
Order backlog	2,312	2,277	+ 2	2,181
Capital expenditure on P, P & E	8	10	– 20	17
EBIT	52	30	+ 73	58

Construction

- **Construction volume downsized as planned**
- **Significantly positive earnings**

In the Construction business segment, the targeted downsizing of our construction activities is reflected by lower output volume as well as lowered orders received and order backlog. The focus is on achieving a sustained improvement in profitability. EBIT improved significantly and reached €18 million (9M 2009: minus €89 million). It is necessary to consider the fact that the prior-year result was burdened by the risk provision of €80 million for a legal dispute relating to the Doha Expressway project in Qatar.

The generally stable demand for civil-engineering work in our European markets facilitates our selective approach to the acceptance of new orders. In the medium term, public-sector financing for infrastructure development is likely to become scarce.

We have reached important milestones on two major projects in recent weeks. At the Gotthard Base Tunnel, which at 57 kilometers is the longest rail tunnel in the world, we achieved the main breakthrough at the southern end of our section in October. The 8.6-kilometer central section of this spectacular project has a volume of approximately €1.2 billion, of which Bilfinger Berger accounts for approximately €310 million. In Düsseldorf, we have completed the first 1.3-kilometer section of the new urban railway a month ahead of schedule. The order volume for the total 3.4-kilometer urban railway section amounts to €300 million.

We aim to reduce the output volume of the Construction business segment to the region of €1.7 billion (2009: €1.9 billion) in full-year 2010 and we anticipate a significantly positive EBIT.

Key figures for Construction

€ million	9M 2010	9M 2009	Δ in %	FY 2009
Output volume	1,294	1,484	– 13	1,938
Orders received	690	1,023	– 33	1,749
Order backlog	2,377	2,690	– 12	2,962
Capital expenditure on P, P & E	14	24	– 42	38
EBIT	18	– 89		– 73

Concessions

- **HSBC Infrastructure acquires an interest in four projects**
- **Selling price exceeds valuation**

During the first nine months of this year, the portfolio of projects in our Concessions business segment increased by three to a total of 29 projects. Our equity commitment amounted to €409 million at the end of the reporting period, of which €168 million had been paid into project companies. EBIT increased to €12 million (9M 2009: €6 million).

While numerous projects are currently on the market in Australia and Canada, demand in Germany and other markets that are relevant for us is currently more cautious.

In October, we reached an agreement with HSBC Infrastructure on that company's direct or indirect acquisition of half of our equity interest in Anthony Henday Drive and Kicking Horse Pass in Canada, the Kent Schools project in England as well as the M80 motorway in Scotland. The sale price of about €70 million is well above the net present value of the four projects as reported by Bilfinger Berger and demonstrates the intrinsic value of our concessions portfolio. The transaction, which is still subject to the approval of other stakeholders in the projects, will lead to a capital gain of approximately €18 million. Our equity commitment in the project portfolio decreases by €51 million to €358 million, giving us scope for new commitments.

Due to the capital gain, we expect the Concessions business segment to post significantly higher earnings in full-year 2010. Despite the sale of equity interests in four projects, the present value of our portfolio will be higher than at the end of 2009.

Key figures for Concessions

Number / € million	9M 2010	9M 2009	FY 2009
Projects in portfolio	29	25	26
thereof under construction	10	9	8
Committed equity	409	335	340
thereof paid in	168	129	140
EBIT	12	6	14

Discontinued operations

- **Good business development**
- **Sustained demand for transport infrastructure projects**

The successful development of Valemus Australia continues. Due to currency-translation effects, output volume and order backlog continued to grow, while EBIT increased to €95 million (9M 2009: €70 million). Orders received were lower than in the prior-year period because of weaker demand for building construction.

The company is benefitting from the good economic situation in Australia, in particular from high levels of investment in transport infrastructure. After the balance-sheet date, the company received another order for the expansion of the motorway network in New South Wales: Valemus will design and build a 26-kilometer long section of the Hunter Expressway with an order volume of €310 million.

For full-year 2010, we anticipate currency translation related increases in output volume and higher earnings for discontinued operations.

Key figures for discontinued operations

€ million	9M 2010	9M 2009	Δ in %	FY 2009
Output volume	2,385	2,016	+18	2,676
Orders received	2,070	2,623	–21	3,433
Order backlog	3,467	3,189	+9	3,342
Capital expenditure on P, P & E	15	19	–21	27
EBIT	95	70	+36	77

Interim consolidated financial statements

The interim consolidated financial statements as of September 30, 2010 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 2009, and comply with the requirements of IAS 34. They do not provide all of the information and disclosures included in complete consolidated financial statements and are therefore to be read in conjunction with the consolidated financial statements as of December 31, 2009. The accounting and valuation methods explained in the notes to the consolidated financial statements for the year 2009 have been applied unchanged. From January 1, 2010 the revisions of IFRS 3 Business Combinations and IAS 27 Consolidated and Separate Financial Statements have also been observed. There were no material changes in the composition of the consolidated group during the reporting period.

On January 26, 2010, the Executive Board of Bilfinger Berger SE decided to initiate the sale of Valemus Australia Pty. Limited (formerly Bilfinger Berger Australia Pty. Limited), Sydney, Australia. Due to the negative development of capital markets, the initial public offering of shares in that company planned for July 2010 has been postponed. This does not affect the fundamental decision to dispose completely of our Australian subsidiary. So in line with the regulations of IFRS 5, the business activities of Valemus Australia are presented in this interim report as of September 30, 2010 as discontinued operations.

The assets and liabilities of the discontinued operations classified as held for sale are presented separately within the consolidated balance sheet. In the consolidated income statement, the income and expenses of the discontinued operations are presented separately from the income and expenses of the continuing operations, and are summarized separately in one item as earnings after taxes from discontinued operations. The non-current assets classified as held for sale are no longer subject to scheduled depreciation or amortization as of the date of reclassification (January 26, 2010).

In the third quarter of this year, Bilfinger Berger decided to sell an equity interest in four projects in the Concessions business segment to an external partner. On October 1, 2010, an agreement was signed on the sale of half of the equity interest held by Bilfinger Berger in each of the four project companies. The transaction is still subject to the approval of the other parties to the projects.

The assets and liabilities of those project companies are classified at September 30, 2010 as “held for sale” and are presented separately in the balance sheet, as the sale will result in the loss of a controlling interest in those project companies.

Consolidated income statement	January 1 - Sept. 30		July 1 - Sept. 30	
€ million	**2010**	**2009**	**2010**	**2009**
Output volume from continuing operations (for information only)	5,980	5,825	2,168	2,057
Revenue	**5,970**	**5,492**	**2,190**	**1,870**
Cost of sales	– 5,214	– 4,929	– 1,917	– 1,704
Gross profit	**756**	**563**	**273**	**166**
Selling and administrative expenses	–565	– 523	– 186	– 167
Other operating income and expense	28	22	6	4
Income from investments accounted for using the equity method	12	8	3	3
Earnings before interest and taxes (EBIT)	**231**	**70**	**96**	**6**
Net interest result	– 28	– 26	– 10	–9
Earnings before taxes	**203**	**44**	**86**	**– 3**
Income tax expense / benefit	– 69	– 19	– 29	1
Earnings after taxes from continuing operations	**134**	**25**	**57**	**– 2**
Earnings after taxes from discontinued operations	**69**	**49**	**28**	**10**
Earnings after taxes	203	74	85	8
thereof minority interest	2	2	2	1
Net profit	**201**	**72**	**83**	**7**
Average number of shares (in thousands)	44,140	38,251	44,140	38,251
Earnings per share (in €)*	4.55	1.88	1.88	0.19
thereof from continuing operations	2.99	0.60	1.25	–0.08
thereof from discontinued operations	1.56	1.28	0.63	0.27

* Basic earnings per share are equal to diluted earnings per share.

Revenue from continuing operations in the first nine months of the year increased by 9 percent to €5,970 million (9M 2009: €5,492 million). In order to present the Group's entire output volume – including our proportion of the output volume generated by joint ventures – for information purposes we also disclose our output volume in the consolidated income statement. It amounts to €5,980 for the first nine months of this year (9M 2009: €5,825 million).

Gross profit increased to €756 million (9M 2009: €563 million). In relation to output volume, the gross margin increased to 12.6 percent (9M 2009: 9.7 percent). The prior-year result was burdened by a risk provision of €80 million for a highway project in Doha. Selling and administrative expenses increased to €565 million (9M 2009: €523 million) or 9.5 percent of output volume (9M 2009: 9.0 percent). EBIT increased to €231 million (9M 2009: €70 million), with positive contributions being made by all business segments.

Amortization of €32 million has been carried out on intangible assets from acquisitions (9M 2009: €18 million) and is included in cost of sales. The increase primarily reflects the first-time consolidation of MCE at the end of 2009. Depreciation of property, plant and equipment amounted to €87 million (9M 2009: €78 million).

The net interest expense amounted to €28 million (9M 2009: €26 million). Current interest income was €10 million, as in the prior-year period, while current interest expense increased to €21 million (9M 2009: €18 million). The interest expense from the allocation to pension provisions increased due to first-time consolidation to

€12 million (9M 2009: €10 million). The interest expense for minority interest decreased to €5 million (9M 2009: €8 million).

The resulting earnings from continuing operations amount to €203 million before taxes (9M 2009: €44 million) and €134 million after taxes (9M 2009: €25 million). The income-tax rate for the year 2010 is 34 percent.

Earnings after taxes from the discontinued operations of our Australian business increased to €69 million (9M 2009: €49 million) due to exchange-rate effects and the discontinuation of scheduled depreciation and amortization as of January 26, 2010. There is an opposing effect from expenses relating to the sale process of approximately €9 million.

The Group's net profit for the period increased to €201 million (9M 2009: €72 million).

Consolidated statement of comprehensive income

	January 1 - Sept. 30		July 1 - Sept. 30	
€ million	**2010**	**2009**	**2010**	**2009**
Earnings after taxes	**203**	**74**	**85**	**8**
Gains / losses on hedging instruments				
Unrealized gains / losses	–228	3	–145	–116
Reclassifications to the income statement	46	27	14	12
	– 182	30	– 131	– 104
Currency translation differences	85	64	– 19	15
Actuarial gains / losses from pension plans	– 37	– 14	– 24	– 19
Unrealized gains / losses on investments accounted for using the equity method	– 34	– 19	– 6	– 15
Income taxes on unrealized gains / losses	43	– 4	40	45
Other comprehensive income after taxes	**– 125**	**57**	**– 140**	**– 78**
Total comprehensive income after taxes	**78**	**131**	**– 55**	**– 70**
attributable to shareholders of Bilfinger Berger SE	78	129	– 56	– 70
attributable to minority interest	0	2	1	0

In addition to the earnings after taxes of €203 million presented in the consolidated income statement (9M 2009: €74 million), other comprehensive loss after taxes of €125 million was recognized directly in equity (9M 2009: other comprehensive income after taxes of €57 million). This is the net amount of unrealized gains and losses on hedging instruments, unrealized gains and losses from investments accounted for using the equity method also resulting from hedging instruments, currency translation differences recognized in equity, and actuarial gains and losses from pension plans. The hedging instruments relate primarily to interest-rate derivates used in the concessions business for the long-term financing of project companies. The non-recourse character of this project financing calls for long-term, predictable interest cash flows and thus requires long-term, static hedging against the risk of interest-rate fluctuations. Changes in market values occurring in this context must be reflected in the balance sheet, but they have no impact on the development of the Group due to the closed project structure.

Total comprehensive income after taxes amounts to €78 million (9M 2009: €131 million). Of that total, €78 million is attributable to the shareholders of Bilfinger Berger SE (9M 2009: €129 million).

Consolidated balance sheet

	€ million	Sept. 30 2010	Dec. 31 2009
Assets	**Non-current assets**		
	Intangible assets	1,422	1,539
	Property, plant and equipment	651	796
	Investments accounted for using the equity method	49	46
	Receivables from concession projects	1,705	2,134
	Other financial assets	172	170
	Deferred tax assets	217	230
		4,216	**4,915**
	Current assets		
	Inventories	228	270
	Receivables and other financial assets	1,816	1,869
	Current tax assets	33	30
	Other assets	72	59
	Cash and cash equivalents	375	798
	Assets classified as held for sale (Concessions)	919	–
	Assets classified as held for sale from discontinued operations	946	–
		4,389	**3,026**
	Total	**8,605**	**7,941**
Equity and liabilities	**Equity**		
	Equity attributable to shareholders of Bilfinger Berger SE	1,528	1,538
	Minority interest	15	23
		1,543	**1,561**
	Non-current liabilities		
	Retirement benefit obligation	324	287
	Provisions	83	84
	Financial debt, recourse	183	320
	Financial debt, non-recourse	1,541	1,880
	Other financial liabilities	291	187
	Deferred tax liabilities	107	116
		2,529	**2,874**
	Current liabilities		
	Current tax liabilities	114	133
	Provisions	594	613
	Financial debt, recourse	200	34
	Financial debt, non-recourse	20	22
	Other financial liabilities	1,818	2,423
	Other liabilities	228	281
	Liabilities classified as held for sale (Concessions)	866	–
	Liabilities classified as held for sale from discontinued operations	693	–
		4,533	**3,506**
	Total	**8,605**	**7,941**

Compared with December 31, 2009, the balance sheet total increased by €0.7 billion to €8.6 billion. This is primarily due to the increase in receivables from concession projects, which was partially caused by exchange-rate effects, accompanied on the liabilities side by an increase in non-recourse financial debt. When analyzing the change in balance sheet items, it is necessary to consider that at September 30, 2010, assets classified as held for sale of €919 million and liabilities classified as held for sale of €866 million of four projects in our Concessions business segment are presented as separate items. As in the first and second quarter, assets classified as held for sale of €946 million and liabilities classified as held for sale of €693 million of Valemus Australia are also presented as separate items. The composition of those items is explained in the notes to the interim consolidated financial statements.

With the elimination of the corresponding items of Valemus Australia in the prior-year period, the total of inventories and current receivables and other current assets increased. At the same time, the total of corresponding current provisions and current liabilities decreased. The negative working capital decreased to minus €604 million. The comparable working capital for the continuing operations at December 31, 2009 was minus €1,039 million. Cash and cash equivalents decreased to €375 million. The comparable figure at December 31, 2009 was €635 million. Other cash and cash equivalents of €227 million are included in the assets classified as held for sale. Recourse financial debt increased to €383 million from €287 million at December 31, 2009.

The increase in the retirement benefit obligation resulted from a reduction in the discount rate to 4.5 percent (December 31, 2009: 5.5 percent) caused by the lower level of market interest rates. The increase in non-current other financial liabilities reflects an increase in the negative market value of hedges in the Concessions business segment, also due to the lower level of market interest rates.

Consolidated statement of changes in equity

€ million	Share capital	Capital reserve	Retained earnings and unappropriated retained earnings	Hedging instruments reserve	Currency translation reserve	Treasury shares	Total	Minority interest	Equity
	Equity attributable to the shareholders of Bilfinger Berger SE								
				Other reserves					
Balance at January 1, 2009	**112**	**523**	**829**	**– 127**	**– 117**	**– 100**	**1,120**	**21**	**1,141**
Total comprehensive income	0	0	62	3	64	0	129	2	131
Capital contributions	0	0	0	0	0	0	0	0	0
Dividends paid out	0	0	– 71	0	0	0	– 71	– 3	– 74
Other changes	0	0	0	0	0	0	0	2	2
Balance at September 30, 2009	**112**	**523**	**820**	**– 124**	**– 53**	**– 100**	**1,178**	**22**	**1,200**
Balance at January 1, 2010	**138**	**759**	**882**	**– 119**	**– 22**	**– 100**	**1,538**	**23**	**1,561**
Total comprehensive income	0	0	175	– 181	84	0	78	0	78
Capital contributions	0	0	0	0	0	0	0	0	0
Dividends paid out	0	0	– 88	0	0	0	– 88	– 3	– 91
Other changes	0	0	–2	2	0	0	0	– 5	– 5
Balance at September 30, 2010	**138**	**759**	**967**	**– 298**	**62**	**– 100**	**1,528**	**15**	**1,543**

Equity attributable to the shareholders of Bilfinger Berger SE decreased by €10 million during the first nine months of 2010. Earnings after taxes led to an increase of €201 million while dividend payments led to a reduction of €88 million. Changes recognized directly in equity with no effect on profit and loss reduced equity attributable to the shareholders of Bilfinger Berger SE by €123 million. They include €84 million of positive differences on currency translation, €181 million of so-called unrealized losses on hedging instruments and €26 million of actuarial losses on pension plans, which are presented in more detail in the consolidated statement of comprehensive income. Equity attributable to minority interest decreased by €8 million due to deconsolidation and dividend payments.

Bilfinger Berger has held 1,884,000 treasury shares since April 2008. They account for €5,652,000 or 4.1 percent of the share capital at the interim balance sheet date. No cancellation of the treasury shares is currently planned.

Consolidated statement of cash flows

January 1 - Sept. 30

€ million	2010	2009
Cash earnings from continuing operations	264	110
Change in working capital	– 379	– 121
Gains on disposals of non-current assets	– 3	– 8
Cash flow from operating activities of continuing operations	**– 118**	**– 19**
Cash flow from investing activities of continuing operations	**– 220**	**– 218**
thereof property, plant and equipment	– 73	– 69
thereof financial assets	– 147	– 149
Cash flow from financing activities of continuing operations	**– 1**	**– 26**
thereof dividends paid to shareholders of Bilfinger Berger SE	– 88	– 71
thereof dividends paid to minority interest	– 3	– 3
thereof borrowing	90	48
Change in cash and cash equivalents of continuing operations	**– 339**	**– 263**
Cash flow from operating activities of discontinued operations	127	50
Cash flow from investing activities of discontinued operations	– 17	– 24
Cash flow from financing activities of discontinued operations	– 3	2
Change in cash and cash equivalents of discontinued operations	**107**	**28**
Other adjustments to cash and cash equivalents	36	29
Cash and cash equivalents at January 1	798	720
Cash and cash equivalents of discontinued operations at September 30	216	–
Cash and cash equivalents included in assets classified as held for sale (Concessions) at September 30	11	–
Cash and cash equivalents at September 30	**375**	**514**

The cash flow from operating activities reflects a significant increase in cash earnings with a substantial increase in working capital. This is primarily due to the seasonal nature of our business. Additional reasons for the higher level of working capital are the lower volume of project business (which features a high degree of advance payments) due to the planned reduction of our construction activities and the lower level of orders received in connection with new power plant construction by our Power Services division. The cash flow from operating activities of continuing operations therefore decreased to a cash outflow of €118 million (9M 2009: cash outflow of €19 million).

The balance of investments with proceeds from disposals for continuing operations was nearly unchanged at €220 million (9M 2009: €218 million). For property, plant and equipment, cash outflows amounted to €84 million (9M 2009: €78 million) while cash inflows totaled €11 million (9M 2009: €9 million). €148 million was invested in financial assets (9M 2009: €157 million). Of that total, €86 million was for acquisitions in the services business (9M 2009: €49 million) and €62 million (9M 2009: €108 million) comprised capital contributions and loans in the concessions business. The disposal of financial assets led to a cash inflow of €1 million (9M 2009: €8 million).

The cash outflow from financing activities of continuing operations of €1 million (9M 2009: €26 million) reflects net borrowing of €90 million (9M 2009: €48 million) and dividend payments of €91 million (9M 2009: €74 million). In total, changes in cash and cash equivalents of continuing operations amounted to a net cash outflow of €339 million (9M 2009: net cash outflow of €263 million).

The cash flows of discontinued operations resulted in a cash inflow of €107 million (9M 2009: cash inflow of €28 million).

Changes in currency exchange rates led to an arithmetical increase in cash and cash equivalents of €36 million (9M 2009: €29 million).

Of the Group's total cash and cash equivalents at September 30, 2010, an amount of €216 million is included in the item "Assets classified as held for sale of discontinued operations" and €11 million in the item "Assets classified as held for sale (Concessions)." Accordingly, the cash and cash equivalents of continuing operations presented in the balance sheet amounted to €375 million.

Segment reporting	Output volume		External revenue		Internal revenue		EBIT	
	January 1 - Sept. 30		January 1 - Sept. 30		January 1 - Sept. 30		January 1 - Sept. 30	
€ million	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Industrial Services	2,159	1,686	2,154	1,647	12	5	100	87
Power Services	824	745	821	744	3	1	62	49
Building and Facility Services	1,673	1,913	1,628	1,837	8	16	52	30
Construction	1,294	1,484	985	816	13	32	18	– 89
Concessions	58	33	378	440	0	0	12	6
Consolidation, other	– 28	– 36	4	8	– 36	– 54	– 13	– 13
Continuing operations	**5,980**	**5,825**	**5,970**	**5,492**	**–**	**–**	**231**	**70**

Segment reporting corresponds to our internal reporting by business segment.

In view of the intended reduction of the construction business and in particular the planned sale of Valemus Australia, the reporting structure was adjusted at the beginning of the year 2010. This reflects the growing importance of our services business. The Industrial Services and Power Services divisions, which were previously allocated to the Services business segment, have now become separate reporting segments. The new Building and Facility Services segment comprises the activities of the German Building division as well as the Facility Services division, which was previously part of the Services business segment. The activities of Bilfinger Berger Nigeria, which were previously allocated to the Civil and the Building and Industrial segments, have also been placed into the new Building and Facility Services segment. The new Construction segment consists of the continuing operations of the old Civil business segment. The composition of the Concessions segment remains unchanged.

The segment reporting depicts only the Bilfinger Berger Group's continuing operations. The prior-year figures have been adjusted to the new reporting format.

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

Assets and liabilities classified as held for sale (Concessions)

The concession companies classified as a disposal group relate to the Canadian highway projects Northwest Anthony Henday Drive and Kicking Horse Pass, as well as the Kent Schools project in England and the M 80 motorway project in Scotland.

The assets and liabilities classified as held for sale from the disposal group consist mainly of "Receivables from concession projects" and "Financial debt, non-recourse" and are comprised as follows:

€ million	Sept. 30 2010
Assets	
Receivables from concession projects	863
Other non-current assets	37
Current assets	8
Cash and cash equivalents	11
Assets classified as held for sale	**919**
Liabilities	
Financial debt, non-recourse	737
Other financial liabilities	129
Liabilities classified as held for sale	**866**

The disposal group's cumulative expense recognized in other comprehensive income after taxes amounts to €56 million.

Discontinued operations

Valemus Australia is one of Australia's biggest companies in the fields of civil engineering, building construction and industrial construction, as well as industrial and infrastructure services.

The results of the discontinued operations of Valemus Australia are comprised as follows:

	January 1 - Sept. 30		July 1 - Sept. 30	
€ million	**2010**	**2009**	**2010**	**2009**
Output volume (for information only)	2,385	2,016	876	683
Revenue	1,939	1,677	702	561
Income / expenses	–1,844	–1,607	–663	–546
EBIT	**95**	**70**	**39**	**15**
Net interest result	8	1	5	0
Earnings before taxes	**103**	**71**	**44**	**15**
Income tax expense	–34	–22	–16	–5
Earnings after taxes from discontinued operations	**69**	**49**	**28**	**10**

Earnings after taxes from discontinued operations are fully attributable to the shareholders of Bilfinger Berger SE.

The assets and liabilities of Valemus Australia, classified as held for sale, are comprised as follows:

€ million	**Sept. 30 2010**
Assets	
Goodwill	142
Non-current assets	226
Current assets (excluding cash and cash equivalents)	362
Cash and cash equivalents	216
Assets classified as held for sale	**946**
Liabilities	
Financial debt	72
Other liabilities	621
Liabilities classified as held for sale	**693**

At September 30, 2010, Bilfinger Berger SE has a liability towards Valemus Australia of €175 million (December 31, 2009: €65 million).

The discontinued operations' cumulative other comprehensive income after taxes, which is recognized directly in equity, amounts to €44 million.

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.

All transactions conducted with companies or persons in a close relationship with Bilfinger Berger (related-party transactions) take place at arm's length.

Contingent liabilities

Contingent liabilities exist in a total amount of €32 million (December 31, 2009: €33 million) with regard to guarantees, primarily for associated companies. In addition, we are jointly and severally liable as partners in companies constituted under the German Civil Code and in connection with consortiums.

Mannheim, 9. November 2010

Bilfinger Berger SE
The Executive Board

Herbert Bodner	Joachim Müller	Joachim Enenkel
Klaus Raps	Prof. Hans Helmut Schetter	Thomas Töpfer

Review report

To Bilfinger Berger SE
(formerly Bilfinger Berger AG)

We have reviewed the interim condensed consolidated financial statements, comprising the income statement, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and selected explanatory notes, and the interim group management report of Bilfinger Berger SE (formerly Bilfinger Berger AG), Mannheim, for the period from January 1 to September 30, 2010, which are part of the quarterly financial report pursuant to Sec. 37x (3) WpHG ["Wertpapierhandelsgesetz": German Securities Trading Act]. The preparation of the interim condensed consolidated financial statements in accordance with IFRSs on interim financial reporting as adopted by the EU and of the group management report in accordance with the requirements of the WpHG applicable to interim group management reports is the responsibility of the Company's management. Our responsibility is to issue a report on the interim condensed consolidated financial statements and the interim group management report based on our review.

We conducted our review of the interim condensed consolidated financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the review to obtain a certain level of assurance in our critical appraisal to preclude that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU and that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports. A review is limited primarily to making inquiries of company personnel and applying analytical procedures and thus does not provide the assurance that we would obtain from an audit of financial statements. In accordance with our engagement, we have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU or that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

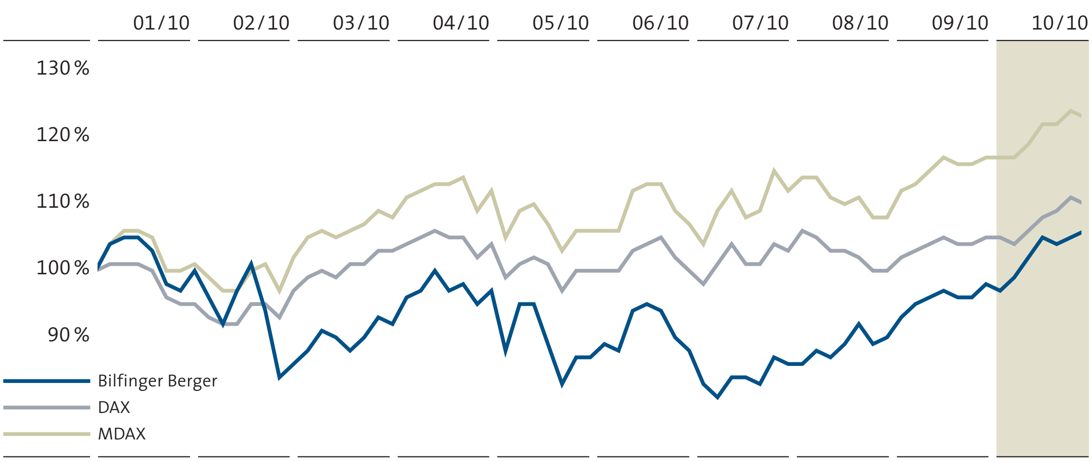
Mannheim, November 9, 2010

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Peter Wollmert	Thomas Müller
Wirtschaftsprüfer	Wirtschaftsprüfer
[German public auditor]	[German public auditor]

Bilfinger Berger shares

Relative performance of our shares



Stock markets remained volatile in the third quarter. In October, investor sentiment improved and many equities reached their peaks for the year to date. Companies' good results and unexpectedly good economic data for Germany supported this trend.

Bilfinger Berger's share price developed very positively in the third quarter – it was able to reverse the negative trend of the first half of the year and reduced its differential to the market performance.

From the beginning of the year until the end of October, the DAX rose by ten percent and the MDAX by 23 percent, while Bilfinger Berger's share price increased by six percent.

Key figures on our shares January 1 - Sept. 30

€ per share		2010
Highest price		58.80
Lowest price		40.75
Closing price [1]		50.56
Book value [2]		34.60
Market value / book value [1,2]		1.5
Market capitalization [1,3]	in € million	2,327
MDAX weighting [1]		3.3%
Number of shares [1,3]	in thousands	46,024
Average daily volume	no. of shares	423,449

All price details refer to Xetra trading
[1] Based on September 30, 2010
[2] Balance-sheet shareholders' equity excluding minority interests
[3] Including treasury shares

Basic share information

ISIN / stock exchange symbol:
DE0005909006 / GBF

Main listings: XETRA / Frankfurt

Deutsche Boerse segments / indices:
Prime Standard, MDAX, Prime Construction Perf. Idx.,
DJ STOXX 600, DJ EURO STOXX,
DJ EURO STOXX Select Dividend 30, MSCI Europe

Financial calendar

	2011
February 14	Preliminary report on the 2010 financial year
March 30	Press Conference on financial statements
May 12	Interim Report Q1 2011
May 31	Annual General Meeting*
August 11	Interim Report Q2 2011
November 14	Interim Report Q3 2011

*Congress Centrum Rosengarten
Mannheim, 10 a.m.

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