Annual Report 2010

The Multi Service Group. BILFINGER BERGER

Key figures

€ million		2008	2009	2009[1]	2010
Output volume		10,742	10,403	7,727	8,123
Orders received		10,314	11,129	7,696	8,048
Order backlog		10,649	11,704	8,362	8,585
Capital expenditure		697	530	496	343
Property, plant and equipment		237	162	135	141
Financial assets		460	368	361	202
Employees (at year-end)		60,923	67,199	61,027	58,312
Balance sheet					
Balance-sheet total		6,773	7,941	7,941	7,937
Equity capital		1,141	1,562	1,562	1,812
Equity ratio	in %	17	20	20	23
Working capital		–890	–1,222	–1,039	–913
Cash and cash equivalents		720	798	635	537
Liabilities to banks, recourse		328	354	287	272
Liabilities to banks, non-recourse		1,518	1,902	1,902	1,643
Capital employed		1,594	1,925		2,080
Earnings					
EBIT		298	250	173	343
Net profit		200	140		284
Cash flow from operating activities		357	368	365	245
Cash flow per share	in €	9.22	9.94	9.86	5.56
Earnings per share	in €	5.18	3.79		6.43
Dividend per share	in €	1.85	2.00		2.50
Profitability					
Return on output (EBIT)	in %	2.8	2.4	2.2	4.2
Return on equity (ROE)	in %	16.6	11.3		17.6
Return on capital employed (ROCE)	in %	23.2	15.6		22.1
Value added		202	98		292

[1] Figures relate exclusively to continuing operations

Cover photo
Paying close attention to detail: Construction Managers Martin Schweizok and Carsten Kuenning along with Surveyor Kenny Marshall are responsible for the M80 near Glasgow, currently the biggest roads project in Scotland. Bilfinger Berger is turning a strained roadway into a motorway and will subsequently operate it for a period of 30 years.

Business segments

Industrial Services

€ million	2010	2009	Δ in %
Output volume	2,932	2,249	+30
Orders received	3,253	2,402	+35
Order backlog	2,601	2,040	+28
Capital expenditure	73	49	+49
EBIT	134	118	+14
Employees	28,054	27,372	+2

Output volume in %	
Abroad	72
Germany	28

Power Services

€ million	2010	2009	Δ in %
Output volume	1,106	1,017	+9
Orders received	1,281	1,024	+25
Order backlog	1,371	1,137	+21
Capital expenditure	33	28	+18
EBIT	83	73	+14
Employees	7,193	8,094	–11

Output volume in %	
Abroad	48
Germany	52

Building and Facility Services

€ million	2010	2009	Δ in %
Output volume	2,333	2,529	–8
Orders received	2,379	2,481	–4
Order backlog	2,217	2,181	+2
Capital expenditure	13	17	–24
EBIT	80	58	+38
Employees	15,714	16,750	–6

Output volume in %	
Abroad	41
Germany	59

Construction

€ million	2010	2009	Δ in %
Output volume	1,725	1,938	–11
Orders received	1,054	1,749	–40
Order backlog	2,323	2,962	–22
Capital expenditure	20	38	–47
EBIT	31	–73	
Employees	6,737	8,210	–18

Output volume in %	
Abroad	65
Germany	35

Concessions

Number / € million	2010	2009	Δ in %
Projects in portfolio	29	26	+12
thereof, under constr.	10	8	+25
Committed equity	358	340	+5
thereof, paid-in	160	140	+14
Net present value	268	202	+33
EBIT	40	14	+186
Employees	135	135	0

Equity investments in %	
Abroad	82
Germany	18

Bilfinger Berger is an international services and construction Group for industry, real estate and infrastructure with a leading position in its markets. The Company's strategic goal is to improve its risk profile and enhance its profitability by expanding its services business and curtailing construction activities. The Group's activities consist of the Industrial Services, Power Services, Building and Facility Services, Construction and Concessions business segments.

Bilfinger Berger provides services for the repair, maintenance and modernization of industrial plants, primarily for industrial sectors including oil and gas, refineries, petrochemicals, chemicals and agro-chemicals, pharmaceuticals, food and beverages, power generation as well as steel and aluminum. Included among the services provided are piping systems, machine and apparatus as well as plant assembly. Services also include electrical measurement and control engineering, laboratory and analysis technology as well as insulation, scaffolding and corrosion protection.

Power Services is focused on maintenance, repair, efficiency enhancements and lifetime extensions at existing plants as well as the manufacture and assembly of components for power plant construction. The focus of business activities in Power Services is on steam generation, piping technology, energy and environmental technology as well as machine and plant engineering.

The Building and Facility Services business segment comprises real-estate services in Europe and the United States, our German building construction activities as well as construction-related services for the Nigerian business. We consistently pursue a lifecycle approach in the design, construction maintenance and operation of buildings. Through close cooperation and exchange of knowledge and experience among designers, builders and facility managers, Bilfinger Berger can make sustainable, energy efficient and usage optimized buildings a reality for its clients.

A high degree of technical competence and decades of experience mean that Bilfinger Berger has the expertise necessary to design and execute major infrastructure projects. Our civil engineering activities are focused on Germany and other European countries. Outside of Europe we act primarily as technology partner for local companies. Through the successful execution of complex civil engineering measures, we have earned a strong reputation.

On the basis of long-term concession contracts, Bilfinger Berger delivers and operates transport and social infrastructure projects as a private partner to the public sector. Important markets include Australia, Germany, the United Kingdom and Canada.

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The Multi Service Group. BILFINGER BERGER

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Foreword

**Dear Shareholders and Business Associates,
Ladies and Gentlemen,**

In 2010, Bilfinger Berger took another major step forward with its strategic realignment. With the sale of our subsidiary, Valemus Australia, the former Bilfinger Berger Australia, we are disposing as planned of a substantial proportion of our construction business. We will make use of the proceeds for the ongoing expansion of our services activities, to help us strengthen our already leading position in many areas and to penetrate new markets.

The development of earnings last year shows that our basis for financial success has improved considerably. EBIT and net profit doubled. Even after eliminating the special effect of a risk provision connected with a project in Doha in 2009, EBIT still increased 36 percent.

Our construction units also contributed to the good result. Construction remains a core business; the further improvement of margins and the right approach to handling risks particular to the project business continue to have highest priority.

In light of significant growth in the importance of our services activities, we adjusted our reporting segments at the beginning of 2010. These now include the business segments Industrial Services, Power Services and Facility Services in addition to Construction and Concessions.

Bilfinger Berger Industrial Services is Europe's market leader for industrial maintenance in the process industry. Last year, we expanded our presence in the Benelux countries and Scandinavia by means of acquisitions. Along with the accelerating recovery of industrial production in our key markets, demand for industrial services has also recovered. Partnerships with important industrial clients were further developed and we strengthened our leading market position in Europe.

Bilfinger Berger Power Services is a specialist for improving the efficiency and extending the lifetimes of existing power plants, and gained major new orders in this segment in 2010. With the benefit of its research and development activities, the company is able to support climate protection and the conservation of scarce resources while helping its clients to meet their energy requirements. The rising demand for energy and the modernization of energy supplies will lead to strong demand for our services in all of our markets for decades to come. Despite the growing proportion of energy generated from renewable sources, enormous sums will also flow into the new construction and modernization of conventional power plants.

Our units active in the Building and Facility Services business segment cooperate closely in order to achieve competitive advantages in the market with our lifecycle approach to the construction and operation of buildings. Our German building construction unit's expertise in sustainable construction makes it the ideal partner for value-oriented property developers. Competence in energy management, a broad service portfolio and the high proportion of services provided with its own personnel are key components in the success story of our facility services business.

In the Construction business segment, we focus our activities mainly on Germany and other European countries. We see good opportunities in particular in Scandinavia and Poland. Outside Europe, we are active as a technology partner for local companies and accept only limited project risks.

Due to the media discussions on the safety and quality of civil-engineering work triggered by the events relating to the north-south urban rail line in Cologne, we have arranged for detailed investigations to be carried out with the involvement of independent experts. The results have confirmed our conviction that our civil-engineering work is safe and reliable in operation and that our quality-assurance systems are of a very high standard.

In what is still a difficult environment, our Concessions business segment expanded its portfolio with the addition of three new projects and attracted financing of close to €1 billion – evidence that the financial markets also believe we are selecting the right projects with good risk profiles. In line with our business model, we have sold equity interests in four projects, once again demonstrating the intrinsic value of our portfolio. The proceeds of the transaction are significantly higher than the projects' net present value in our accounts, and resulted in an additional contribution to the business segment's earnings.

With the transformation of Bilfinger Berger AG into a European company in October 2010, we have taken on a legal form appropriate to the focus of our business activities. The size of our Supervisory Board has been reduced from 20 to 12 members and is still composed of equal numbers of members representing the shareholders and members representing the employees, as are its committees.

Bilfinger Berger has the right strategic positioning. The company has a sound financial base and effectively pursues its goals. Substantial funds are available for the ongoing development of our services and construction Group. Together with my colleagues on the Executive Board, I look forward to receiving your continued support.

Sincerely yours,

Herbert Bodner
Chairman of the Executive Board
Bilfinger Berger SE

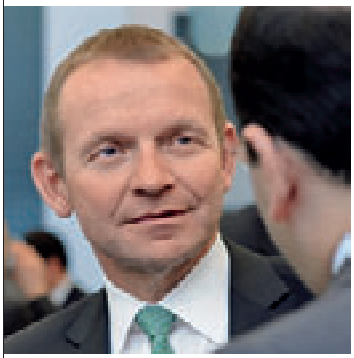
Bilfinger Berger SE
Executive Board

Herbert Bodner
(Chairman)

Born 1948 in Graz, Austria.
He studied Civil Engineering at the University of Stuttgart and started a career in the construction industry after completing his studies. Herbert Bodner joined the Bilfinger Berger Group in 1991. He has been a member of the Executive Board since 1997 and its Chairman since 1999. He is also responsible for Corporate Development, Human Resources (Labor Director), Project Controlling, Legal, Compliance and Communications.

Roland Koch
(from March 1, 2011)

Born 1958 in Frankfurt. After a degree in Law at the University of Frankfurt, Roland Koch worked as a lawyer specializing in corporate and labor law. From 1987 to 2010 he was a member of the state parliament in Hesse and from 1999 to 2010 he was Premier of the state of Hesse. Roland Koch joined the Executive Board of Bilfinger Berger on March 1, 2011 and will succeed Herbert Bodner as Chairman of the committee on July 1, 2011.



Joachim Enenkel
(from October 8, 2010)

Born 1962 in Sindelfingen. After a degree in Civil Engineering from the University of Technology in Stuttgart and positions with various engineering offices and construction companies, Joachim Enenkel joined the Bilfinger Berger Group in 1996. He assumed management functions in Germany and abroad and was appointed to the Executive Board on October 8, 2010. He is responsible for Technology, Civil, Power Services and Nigeria.

Board responsibilities
as of January 1, 2011

Klaus Raps

Born 1960 in Nördlingen. He joined the company in 1986 after studying Civil Engineering at the University of Applied Science in Munich as well as Business Administration and Engineering at the Technical University of Berlin. Klaus Raps assumed leading management positions in various branches of Bilfinger Berger and was appointed member of the Executive Board in 2007. He is responsible for Building, Facility Services and Government Services.

Joachim Müller

Born 1959 in Eberbach. After studying Economics at the University of Heidelberg, Joachim Müller worked in the field of finance and accounting at several international industrial and IT companies. He was appointed to the Executive Board of Bilfinger Berger in 2008 and has been Chief Financial Officer since 2009 with responsibility for Accounting, Finance, Investor Relations, Controlling, Purchasing, Internal Audit, Tax and IT Management.

Thomas Töpfer

Born 1961 in Frankfurt. After studying Business Administration at the University of Nuremberg and Economics at the University of Würzburg, he joined a consulting company. In 1995, Thomas Töpfer then joined what is now Bilfinger Berger Industrial Services GmbH. He has been a member of the Executive Board at Bilfinger Berger since 2009 and is responsible for Health, Safety, Environment and Quality as well as Concessions and Industrial Services.

Bilfinger Berger SE
Supervisory Board

Honorary Chairman:
Gert Becker

Dr. h.c. Bernhard Walter, Chairman
Formerly Speaker of the Executive Board at Dresdner Bank AG, Frankfurt am Main

Stephan Brückner, Deputy Chairman
Employee of BIS HIMA GmbH, Heinsberg

Volker Böhme
Employee of BIS Industrieservice Nordwest GmbH, Dortmund

Dr. John Feldmann
Member of the Executive Board of BASF SE, Ludwigshafen am Rhein

Thomas Kern
Employee of HSG Zander Rhein-Main GmbH, Neu-Isenburg

Rainer Knerler
Regional Manager Berlin-Brandenburg of the industrial trade union Construction-Agriculture-Environment, Berlin

Slawomir Kubera
Employee of Bilfinger Berger Budownictwo S.A., Warsaw / Poland

Thomas Pleines
Formerly Member of the Executive Board of Allianz Deutschland AG
Formerly Chairman of the Executive Board of Allianz Versicherungs AG, Munich

Dietmar Schäfers
Deputy Federal Chairman of the Industriegewerkschaft Bauen-Agrar-Umwelt (Construction, Agriculture and Environment Trade Union), Frankfurt am Main

Bernhard Schreier
Chairman of the Executive Board of Heidelberger Druckmaschinen AG, Heidelberg

Udo Stark
Formerly Chairman of the Executive Board of MTU Aero Engines Holding AG, Munich

Prof. Dr. Klaus Trützschler
Member of the Executive Board at Franz Haniel & Cie GmbH, Duisburg

Presiding Committee:

Dr. h.c. Bernhard Walter
Stephan Brückner
Dr. John Feldmann
Dietmar Schäfers

Audit Committee:

Udo Stark
Volker Böhme
Rainer Knerler
Prof. Dr. Klaus Trützschler

Nomination Committee:

Dr. h.c. Bernhard Walter
Dr. John Feldmann
Udo Stark

Special Committee:

Dr. h.c. Bernhard Walter
Stephan Brückner
Volker Böhme
Dr. John Feldmann
Thomas Kern
Rainer Knerler
Udo Stark
Prof. Dr. Klaus Trützschler

Report of the Supervisory Board

Dr. h. c. Bernhard Walter
Chairman of the Supervisory Board

Ladies and gentlemen,

An important event in financial year 2010 was the transformation of Bilfinger Berger AG into a stock company in accordance with European law (Societas Europaea, SE). The transformation was approved by the Annual General Meeting on April 15, 2010 and took effect upon entry in the commercial register on October 8, 2010. At that point in time, the mandates of the Supervisory Board members of Bilfinger Berger AG lapsed. As part of the transformation into an SE, the size of the Supervisory Board was reduced from twenty to twelve members. The determining factor for the size and composition of the Supervisory Board of Bilfinger Berger SE are the SE regulations, the Articles of Incorporation of Bilfinger Berger SE and the agreement on employee participation reached between company management and the European employee representatives on July 15, 2010. The Supervisory Board of Bilfinger Berger SE was constituted on September 8, 2010 and is composed of an equal number of representatives from shareholders and employees. The shareholder representatives belonging to the committee were determined in the Articles of Incorporation which was approved by the Annual General Meeting on April 15, 2010. The employee representatives in the Supervisory Board were determined in the agreement on employee participation from July 15, 2010. The period in office for all members of Bilfinger Berger SE's first Supervisory Board ends with the completion of the Annual General Meeting on May 31, 2011. An overview of the members of the Supervisory Board and its committees is included in the section of the Annual Report entitled 'Boards of the Company' (see page 244).

Cooperation between the Supervisory Board and the Executive Board

During the year under review, the Supervisory Board performed the duties incumbent upon it in accordance with the law and the Articles of Incorporation. The cooperation with the Executive Board was characterized by an intensive and open dialogue. The Executive Board extensively and regularly informed the Supervisory Board, in both written and verbal form, on the situation of the company and the progress of business. The Supervisory Board discussed the reports from the Executive Board in detail and also received additional information. The Supervisory Board continuously monitored the work of the Executive Board on the basis of this reporting and provided advice regarding the management and strategic development of the company. The Supervisory Board was involved at an early stage in decisions of substantial importance. The benchmarks for the supervision of the Executive Board by the Supervisory Board were, in particular, the legality, correctness, suitability and profitability of the Group-wide management of the business by the Executive Board. The content and scope of reporting from the Executive Board fulfilled the requirements placed on it by the law, by the principles of good corporate governance and by the Supervisory Board. Article 15 Paragraph 1 of the Articles of Incorporation and a catalog prepared by the Supervisory Board, embedded in the Executive Board and Supervisory Board rules of procedure and regularly reviewed for any necessary adjustments, lists the transactions and measures of fundamental importance which require the approval of the Supervisory Board. The Supervisory Board decided on transactions and measures submitted to it and requiring its approval after reviewing them and discussing them with the Executive Board.

A further focus of consultations in the plenary sessions of the Supervisory Board was the Group's earnings development. The Supervisory Board was informed by the Executive Board, on an ongoing basis, on the development of critical major projects, concession projects and on the findings of Risk Management. In addition, detailed examinations were also carried out on corporate planning, capital expenditure, return-on-capital-employed controlling, and comparison of the course of business with the expected figures.

The Supervisory Board also dealt intensively with compliance questions. Through its Audit Committee, the Supervisory Board accompanies and monitors the framework, development and application of the Bilfinger Berger compliance system.

The Chairman of the Supervisory Board regularly exchanged information with the Chairman of the Executive Board, also outside of Supervisory Board meetings. The Supervisory Board was constantly informed of current business development and significant events.

Supervisory Board meetings

There were seven meetings of the Supervisory Board in financial year 2010. The Supervisory Board of Bilfinger Berger AG met four times (March 4, April 15, July 30, September 8), the Supervisory Board of Bilfinger Berger SE met three times, including its constituent meeting (September 8, October 29, December 7).

At all meetings of the Supervisory Board, the Executive Board reported on current business development and the Chairmen of the Supervisory Board committees informed the Plenum about the activities of the bodies they lead. Further, the meetings of the Supervisory Board also dealt with the following issues:

In the meeting of March 4, 2010, the Supervisory Board, in addition to the individual and consolidated financial statements for financial year 2009, dealt with the transformation of Bilfinger Berger AG into a European stock company (SE), the further proposed resolutions for the Annual General Meeting and intensively with events related to the construction of the north-south urban rail line in Cologne as well as the Wehrhan Line project in Düsseldorf and the Nuremburg-Ingolstadt high speed rail line. The measures introduced by the Executive Board to look into these issues, in particular the establishment of two independent work groups to investigate current and completed civil engineering projects with regard to potential structural integrity risks as well as to review quality management at Civil were approved by the Supervisory Board. Beyond that, on the basis of a proposal from the Presiding Committee and the Audit Committee, the Supervisory Board resolved to create a Special Committee to deal with the issues of structural integrity risks in civil engineering projects and quality assurance at Building and Civil and to propose any necessary measures to the Committee. To provide support in this issue, the Supervisory Board also calls on the services of expert external consultants.

In the meeting on April 15, 2010 the Annual General Meeting, which took place on the same day, was prepared and current developments in connection with the events at the north-south urban rail line project in Cologne were once again discussed.

On July 30, 2010 in an extraordinary meeting, the Supervisory Board dealt intensively with the report of the Special Committee on its activities (see the comments on the Special Committee in this report). Also on this day, the Supervisory Board dealt with the amended version of the Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (AktG).

Issues dealt with at the meeting of the Supervisory Board on September 8, 2010 included current business development, the activities of the committees, the shareholder structure and personnel issues in the Executive Board. The Supervisory Board also dealt with the sale of stakes in four concession projects and approved such a sale.

At its constituent meeting on September 8, 2010, the Supervisory Board of Bilfinger Berger SE elected its Chairman and its Deputy Chairman and created a Presiding Committee, an Audit Committee, a Nomination Committee and a Special Committee which will take on the same tasks as the committee created on March 4, 2010. Furthermore, the Supervisory Board, in view of the termination of the term in office of the AG Executive Board to take effect parallel to the transformation, elected the members of the first Executive Board of Bilfinger Berger SE.

At its meeting on October 29, 2010 the Supervisory Board focused on personnel issues in the Executive Board and, as is usual at its fall meeting, with the corporate strategy and its implementation. Current issues from the areas of Project Controlling, Internal Auditing and Compliance were also on the agenda.

On December 7, 2010 the Supervisory Board dealt primarily with corporate planning, investments, the development of junior managers in the Group and the risk management system. In addition, the Supervisory Board undertook an initial extensive analysis regarding the naming of objectives for the future composition of the Supervisory Board in accordance with Section 5.4.1 Paragraph 2 Sentence 1 of the German Corporate Governance Code.

The disposal of the company's activities in Australia were repeatedly the subject of discussions in the Supervisory Board. The Supervisory Board approved the sale of Valemus Australia to a strategic investor in December 2010.

Work of the committees

In order to ensure the efficiency of its activities, the Supervisory Board has formed a Presiding Committee, an Audit Committee and a Nomination Committee. For a limited period of time, there is also the above-mentioned Special Committee. In addition, until October 8, 2010, in accordance with Article 11, Paragraph 2 of the Articles of Incorporation of Bilfinger Berger AG, a committee was formed to perform the duties described in Section 31, Paragraph 3 of the German Industrial Codetermination Act (Mediation Committee).

Presiding Committee of the Supervisory Board

Since September 8, 2010, the Presiding Committee of the Supervisory Board has consisted of four members, until the transformation into an SE it had consisted of three members. Its main tasks include, in particular, regulating the personnel issues of the Executive Board, unless the provisions of the German Stock Corporation Act and the German Corporate Governance Code stipulate that they are to be regulated by the Plenum of the Supervisory Board, and decisions on certain legal dealings and transactions. The Presiding Committee also prepares the plenary meetings and makes recommendations on important resolutions.

In financial year 2010, a total of seven meetings of the Presiding Committee of the Supervisory Board took place. The Presiding Committee of the Supervisory Board for the AG met four times and the Presiding Committee of the Supervisory Board for the SE met three times. In addition, a number of resolutions were made in writing. The Presiding Committee, within the scope of its competence, dealt primarily with ten major projects, two acquisitions, the disposal of three companies as well as one concession project and approved of these projects and measures. The focus of the personnel issues in the Executive Board which were dealt with by the Presiding Committee were the appointment of a new Chairman of the Executive Board effective July 1, 2011, further personnel changes in the Executive Board as well as the remuneration and service contracts of the Executive Board.

At a joint extraordinary meeting with the Audit Committee in February 2010, the Presiding Committee took a detailed look at the events at the north-south urban rail line project in Cologne. Both committees commissioned the Group's Internal Auditing and the Chief Compliance Officer with further investigations and recommended that the Supervisory Board Plenum create a special committee and that suitable external consultants be called in.

Audit Committee

Since the transformation of the company into an SE, the Audit Committee, which had previously consisted of three members, has also consisted of four members. It monitors accounting, the risk management system as well as the functionality and effectiveness of the internal control system. It also deals with questions relating to auditing and compliance. Members of the Audit Committee include, along with Mr. Udo Stark and Dr. Klaus Trützschler, two independent members who, in accordance with Section 100 Paragraph 5 AktG, possess expertise in the areas of accounting and auditing and who have particular experience in the application of internal control procedures.

In the five meetings of the Audit Committee held over the course of the past financial year, the main issues that were dealt with included the consolidated financial statements for 2009 and the quarterly reports for 2010, including the corresponding interim financial statements. The Committee reviewed the independence of the external auditor and recommended that the Supervisory Board propose their election by the Annual General Meeting 2010. The Audit Committee also issued the audit assignment and made the fee agreement with the external auditor. It also dealt with the non-audit services provided by the external auditor and reviewed compliance with the relevant legal limits for such services. The Chairman of the Audit Committee met with the Chief Financial Officer, also outside of committee meetings, and in face-to-face discussions reviewed the interim financial statements and the consolidated financial statements.

The Audit Committee received information on the development of the risk situation from the quarterly reports of the Executive Board, which were also submitted to the Presiding Committee of the Supervisory Board. Furthermore, the Audit Committee dealt extensively with the activities of Project Controlling and Internal Auditing. For the audit of risk management, the two corporate departments submitted annual reports to the Committee. The Audit Committee reviewed the functionality of the internal control and risk management system in relation to the accounting process. The Audit Committee is of the opinion that the internal control system currently in place, including the internal auditing system and the risk management are appropriate to fully meet the demands that are made of them.

The Audit Committee also dealt extensively with questions of compliance. External consultants commissioned by the Committee analyzed the framework of the compliance system and confirmed its functionality. The Chief Compliance Officer issued quarterly reports on his activities to the Committee (see page 25).

Nomination Committee

The Supervisory Board has formed a Nomination Committee in accordance with the recommendation in Section 5.3.3 of the Germany Corporate Governance Code. This committee is made up entirely of shareholder representatives whose purpose it is to recommend suitable candidates to the Supervisory Board for its own recommendations to the Annual General Meeting. The Nomination Committee did not meet in financial year 2010.

On February 9 and on March 21, 2011 the Nomination Committee met with regard to the Annual General Meeting on May 31, 2011 which is responsible for the election of the shareholder representatives in the Supervisory Board and dealt extensively with the filling of the shareholder positions in the Supervisory Board and recommended candidates for election to the Supervisory Board. This recommendation can also be found under Item 8 in the invitation to the Annual General Meeting.

Special Committee

The Special Committee formed by the Supervisory Board on March 4, 2010 consists of eight members and deals with issues relating to structural integrity risks in civil engineering projects and quality assurance at Building and Civil. As part of its activities, the Special Committee calls on the services of independent external consultants for both technical and legal questions. There were a total of three meetings of the Special Committee in financial year 2010. At the meeting on March 30, 2010, the concrete duties of the Special Committee were formulated. These include, in particular, an evaluation of the report from auditors Ernst & Young from February 23, 2010 on the functionality of the non-accounting related internal control system in the Building and Civil subgroups as well as an evaluation of the further investigation from Ernst & Young commissioned by the Audit Committee on March 4, 2010 on the effectiveness of the internal control system. An evaluation of the findings of the two independent work groups established by the Executive Board was also determined as a further key duty of the Special Committee. One work group under the leadership of Prof. Dr. Jürgen Schnell (Technical University of Kaiserslautern) and the Head of Group Project Controlling was assigned with reviewing all of Bilfinger Berger's current foundation engineering construction sites in relation to any abnormalities relevant to structural integrity. Completed projects in which foundation engineering elements were also part of the supporting structure during the usage phase and which were important to structural integrity were also included in the investigation. A second work group under the leadership of Prof. Dr. Claus Diedrichs (emeritus of the University of Wuppertal) and the Head of Group Technology analyzed the functionality and implementation of the quality assurance system at Bilfinger Berger Ingenieurbau GmbH in the execution phase.

On July 30, 2010, the Special Committee dealt extensively with the report from auditors Ernst & Young from February 23, 2010 on the functionality of the non-accounting related internal control system in the Building and Civil divisions. Ernst & Young reached the conclusion that the framework of the system was of a very good standard and that it was sufficient for the project business in the Bilfinger Berger Group. Ernst & Young recommended steps for the further optimization of the system, focusing in particular on an improvement in documentation, a heightened risk awareness among employees and on the required risk prevention. The Special Committee also dealt extensively with the findings of the independent work groups established by the Executive Board. The work group led by Dr. Schnell reviewed a total of 84 current or completed projects and none of them exhibited any indication that their structural integrity had deficits with regard to the requirements placed on them by construction authorities. The work group under the leadership of Prof. Dr. Diedrichs used 15 projects as a basis for the review of the quality assurance system in Civil and reached the conclusion that the system is fully effective and that it is being implemented appropriately. The work group issued a series of recommendations on the further development of the systems with the goal of heightening employee awareness of quality assurance, streamlining the system and eliminating redundancies. The Special Committee approvingly received the evaluations and asked the Executive Board to implement the recommendations they contain. The external technical consultant to the Special Committee, Prof. Dr. Achim Hettler (Technical University of Dortmund) participated in the meeting on July 30, 2010. He shares the opinion of the experts that no structural integrity risks exist at the foundation engineering projects. He also concurred with the positive assessment of the effectiveness of the quality assurance system at Civil.

On October 29, 2010, the Special Committee dealt with the results of the investigation from auditors Ernst & Young on the effectiveness of the operative, non-accounting related internal control systems in the Building and Civil subgroups. That investigation did not yield any results that would bring the effectiveness of the existing system into question. The most significant recommendations from Ernst & Young on the optimization of the system from the report of February 23, 2010 had already been implemented at that point in time. The results of an investigation into the operative, non-accounting related internal control systems in the remaining Group units will be available by April 2011 at which time they will be dealt with by the Special Committee as will the implementation of further measures to optimize quality assurance.

Mediation Committee

It was not necessary to convene a meeting of the Mediation Committee, which existed until October 8, 2010.

Corporate Governance and Declaration of Compliance

In financial year 2010, the Supervisory Board dealt extensively with questions of corporate governance and with the amended version of the German Corporate Governance Code. On March 4, 2010 the Executive Board and the Supervisory Board issued a declaration of compliance pursuant to Section 161 AktG. Due to recent changes, the Executive Board and Supervisory Board issued new Declarations of Compliance pursuant to Section 161 AktG on July 30, 2010 and on March 21, 2011. The Declaration of March 21, 2011 is a component of the corporate governance report (see page 20) and, as is also the case with the previous declarations, is permanently available on the company's website.

The Supervisory Board reviewed the efficiency of its activities on the basis of a question catalogue and discussed these issues at its meeting on December 7, 2010. The results confirmed the quality of the Supervisory Board's activities already established in previous years. No conflicts of interest arose in the Supervisory Board during the year under review.

Audit of the individual and consolidated financial statements

Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Mannheim has audited the annual financial statements and the management report of Bilfinger Berger SE prepared by the Executive Board in accordance with the German Commercial Code (HGB) for financial year 2010 and issued them with an unqualified audit opinion. The audit assignement had been issued by the Audit Committee of the Supervisory Board in accordance with the resolution of the Annual General Meeting of April 15, 2010. The consolidated financial statements and Group management report of Bilfinger Berger SE for financial year 2010 were prepared in accordance with Section 315a HGB on the basis of the International Financial Reporting Standards (IFRS) as adopted by the European Union. The consolidated financial statements and the Group management report were also issued with an unqualified audit opinion by the auditors. The aforementioned financial statements, the audit reports of the external auditors and the proposal of the Executive Board on the appropriation of profits were provided to the members of the Supervisory Board in good time, partially in draft form. The Audit Committee of the Supervisory Board, in preparation for the audit and treatment of these documents in the Presiding Committee of the Supervisory Board, discussed the financial statements and the audit reports as well as the proposal on the appropriation of profits in the presence of the auditors. In addition, the Audit Committee had the auditor report on the collaboration with internal auditing and others in positions relating to risk management and on the effectiveness of the internal control and risk management system, in particular with regard to accounting whereby the auditor stated that no significant weaknesses were found. The Audit Committee is of the opinion that the internal control system currently in place, including the internal auditing system and the risk management system are appropriate to fully meet the demands that are made of them.

The Supervisory Board undertook a detailed examination of the individual financial statements, the consolidated financial statements and management reports of Bilfinger Berger SE and the Group for the 2010 financial year, as well as the proposal of the Executive Board on the appropriation of profits – following an explanation of these documents from the Executive Board – and dealt with these matters in its meeting on March 21, 2011. The external auditor, represented by the two auditors who signed the audit opinion, also participated in this meeting. They explained the audit and responded to questions from the Supervisory Board on the results of the audit as well as its form and scope. They also discussed in detail with the Supervisory Board the internal control and risk management system, in particular as it relates to the accounting process. The Supervisory Board shares the opinion of the Audit Committee on the effectiveness of these systems. The Audit Committee dealt with additional services provided by the independent auditors beyond auditing services. There were no reasons to doubt the independent auditor's impartiality. The Supervisory Board was convinced that the audit by the external auditors was conducted in a proper manner. In concurrence with the recommendation of the Audit Committee, the Supervisory Board took note of and approved the results of the audit conducted by the external auditors. Following the final results of the Supervisory Board's own examination carried out on this basis, no objections were to be made; this applies also to the corporate governance statement insofar as the components of which are to be analyzed by the Supervisory Board alone. At its meeting held on Monday, March 21, 2011, the Supervisory Board approved the financial statements of the Company and the Group and the management reports for the 2010 financial year as submitted by the Executive Board. The Company's financial statements have thus been adopted.

The Supervisory Board, in its estimation of the situation of the Company, agrees with the estimation of the Executive Board in its management report. The Supervisory Board consents to the proposal of the Executive Board on the appropriation of profits particularly with regard to the stringency of accounting and dividend distribution policy, the effect on liquidity, creditworthiness and future financing needs as well as under consideration of shareholder interest. In accordance with the recommendation of the Audit Committee, it agrees with the Executive Board's proposal for the use of unappropriated retained earnings.

Auditor's review of interim consolidated financial statements and interim Group management reports

The auditor was also commissioned with the task of reviewing the interim financial statements and the interim Group management report as of June 30, 2010 and September 30, 2010. The auditor participated in the Audit Committee's discussion of the financial statements and reports and described their own auditors' review which was carried out with a positive result.

Executive Board personnel issues

At its constituent meeting on September 8, 2010, the Supervisory Board of Bilfinger Berger SE appointed Herbert Bodner Chairman of the Executive Board and Joachim Müller, Klaus Raps, Prof. Hans Helmut Schetter, Thomas Töpfer and Joachim Enenkel as members of the first Executive Board of Bilfinger Berger SE. Mr. Enenkel was previously Head of Executive Management at Bilfinger Berger Ingenieurbau GmbH in Wiesbaden. Kenneth D. Reid stepped down from the Executive Board by mutual agreement on October 8, 2010. Prof. Schetter stepped down from the Executive Board on December 31, 2010 for age reasons. On October 29, 2010, the Supervisory Board appointed Roland Koch member of the Executive Board effective March 1, 2011 and Chairman of the Executive Board effective July 1, 2011. The long-planned changing of the guard in the Executive Board is thus complete.

Supervisory Board personnel issues

On March 10, 2010, Reinhard Heller left the Supervisory Board of Bilfinger Berger AG because his mandate lapsed following the sale of Franz Kassecker GmbH. In his place, Dirk Gieß joined the Supervisory Board as elected employee representative. In the course of the transformation into an SE, the mandates of all members of the Supervisory Board lapsed on October 8, 2010. Of those who had been members of the Supervisory Board up to that point, Britta Ehrbrecht, Hans Bauer, Dr. Horst Dietz, Dirk Gieß, Andreas Harnack, Prof. Dr. Hermut Kormann, Harald Möller, Klaus Obermierbach, Dr. Rudolf Rupprecht and Rainer Schilling are not members of the Supervisory Board of Bilfinger Berger SE. Since October 8, 2010, Thomas Kern and Slawomir Kubera are the new employee representatives in the Supervisory Board.

The Chairman of the Supervisory Board would like to thank all departed members for their work and commitment in the interest of the company.

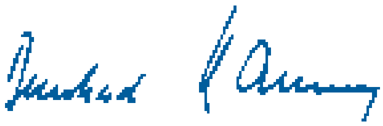
Thanks to Executive Board and employees

The Supervisory Board thanks the members of the Executive Board for the trusting and constructive cooperation and expresses its thanks and appreciation to all employees for the commitment they showed to Bilfinger and Berger in the past financial year.

Adoption of this report

The Supervisory Board adopted this report at its meeting on March 21, 2011 in accordance with Section 171 Paragraph 2 AktG.

For the Supervisory Board



Dr. h.c. Bernhard Walter
Chairman of the Supervisory Board

Mannheim, March 21, 2011

Corporate governance report

Bilfinger Berger attaches great importance to good corporate governance. The principles of good and responsible corporate governance guide the actions of the management and control functions of Bilfinger Berger SE. The term 'corporate governance' comprises the entire management and control system of a company, including its organization, its socio-political principles and guidelines as well as the internal and external monitoring and control mechanisms. Good and transparent corporate governance ensures the responsible, value oriented management and control of the company.

German Corporate Governance Code

The company supports the goal set out by the German Corporate Governance Code of enhancing the transparency and comprehensibility of the corporate governance system and fostering trust among national and international investors, customers, employees and the public in the management and supervision of German listed companies. On March 21, 2011, in accordance with Section 161 of the German Stock Corporation Act (AktG), the Executive Board and Supervisory Board issued the following statement:

> "Bilfinger Berger SE complies with all of the recommendations of the German Corporate Governance Code as amended on May 26, 2010 with the following exceptions:

- The Supervisory Board does not comply with the recommendation in Section 5.1.2 Paragraph 1 Sentence 2 Clause 2 (seeking an appropriate consideration of women) insofar as it is guided solely by the qualification of those persons available when filling Executive Board positions and, in this connection, the sex of those persons does not play a decisive role in the decision.

- The recommendation in Section 5.4.3 Sentence 3 (announcement to shareholders of proposed candidates for the Chairman of the Supervisory Board) is not followed because this recommendation does not conform with the distribution of competences as set out in the German Stock Corporation Act, which states that the election of the Supervisory Board Chairman is the responsibility of the Supervisory Board alone.
- Finally, the recommendation in Section 5.4.6 Paragraph 2 Sentence 1 Clause 2 (fixed and performance-related compensation) is not followed. The members of the Supervisory Board receive only fixed compensation. This fixed compensation system is, in our view, better suited to the monitoring tasks of the Supervisory Board members than performance-related compensation because it makes it possible to exclude any of the Supervisory Board members' own financial interests from company decisions.

Since issuing the declaration of compliance of July 30, 2010, the Company has complied with all recommendations of the German Corporate Governance Code as amended on May 26, 2010, with the exception of the recommendations in Sections 4.2.3 Paragraph 2 Sentence 4 (through December 31, 2010), 5.1.2 Paragraph 1 Sentence 2 Clause 2, 5.4.1 Paragraph 2, 5.4.3 Sentence 3 and 5.4.6 Paragraph 2 Sentence 1."

The Declaration of Compliance is published on the website of the company and is updated when changes occur.

Bilfinger Berger also fulfills nearly all non-binding suggestions of the German Corporate Governance Code. Excepted from this ruling are the components of Supervisory Board compensation based on the long-term performance of the enterprise (Section 5.4.6 Paragraph 2 Sentence 2) and the accessibility of the proxy representative of the shareholders, also during the Annual General Meeting (Section 2.3.3 Sentence 3 Clause 2). The suggestion that shareholders be given access to the Annual General Meeting through modern communication technology (Section 2.3.4) is followed insofar as the speech of the Chairman of the Executive Board is broadcast in the Inernet.

Objectives for the composition of the Supervisory Board

In accordance with Section 5.4.1 Paragraph 2 Sentence 1 of the German Corporate Governance Code, the Supervisory Board shall name concrete objectives for its composition which, while considering the specifics of the enterprise, take into account the international activities of the enterprise, potential conflicts of interest, an age limit to be specified for the members of the Supervisory Board and diversity. In accordance with Section 5.4.1 Paragraph 2 Sentence 2 of the German Corporate Governance Code, these objectives should also include appropriate consideration for the participation of women. Proposals from the Supervisory Board to the responsible election committees shall, in accordance with Section 5.4.1 Paragraph 3 Sentence 1 of the German Corporate Governance Code, give ample consideration to these objectives. The objectives and the status of their implementation shall, in accordance with Section 5.4.1 Paragraph 3 Sentence 2 of the German Corporate Governance Code, be published in the corporate governance report.

In accordance with Article 11 of its Articles of Incorporation, the Supervisory Board of the company consists of twelve members, six of which are appointed by the Annual General Meeting. The other six members of the Supervisory Board are appointed as employee representatives by the SE Worker's Council in accordance with Article 11 Sentence 4 of the Articles of Incorporation in connection with Section 21 of the agreement on employee participation in Bilfinger Berger SE of July 15, 2010. With regard to the election of those members of the Supervisory Board to be appointed by the Annual General Meeting, it is incumbent on the Supervisory Board, in accordance with Section 124 Paragraph 3 Sentence 1 AktG, to make proposals for resolution to the Annual General Meeting. With regard to the appointment of those members of the Supervisory Board to be appointed by the SE Worker's Council, the Supervisory Board has no right to make proposals. The Supervisory Board is also not involved in the selection procedure for the employee representatives in the Supervisory Board in any other way; it has no right of consultation or expression.

Against this backdrop, the Supervisory Board announces, in accordance with Section 5.4.1 Paragraph 2 of the German Corporate Governance Code and considering the specific situation of the company, the following objectives for its composition. It intends to orient itself in the resolutions it proposes to the Annual General Meeting for the appointment of Supervisory Board members on the provision that those persons whose personal and professional qualifications make them the best suited for the position be considered:

- At least two members should, as a result of their international experience, embody to a significant extent the criteria of internationality.
- At least two members should possess particular knowledge and experience in business administration and finance.
- At least two members should possess particular experience from leading positions in industrial or services companies.
- At least three members should be independent according to Section 5.4.2 Sentence 2 of the German Corporate Governance Code and have no consultative or management function at clients, suppliers, creditors or other business partners nor should they hold any position which could lead to a conflict of interest.
- At least four members should not be former members of the Executive Board.
- No member should exercise a management or consulting function with a substantial competitor of the company.
- At least one member should meet the requirements of Section 100 Paragraph 5 AktG (so-called 'financial expert').
- At least one woman should be a member of the committee.
- As a rule, no member should be over 70 years of age at the time of the Annual General Meeting which is to decide on his or her appointment as member of the Supervisory Board; exceptions are to be justified.

The composition of the current Supervisory Board, whose period in office ends with the completion of the 2011 Annual General Meeting, complies with the objectives above. Currently, however, no woman is a member of the Supervisory Board.

Corporate governance structure

Bilfinger Berger SE is a European stock company located in Germany and is subject to the European SE regulations, the German SE Implementation Act and the German Stock Corporation Act. The company has a dual management and monitoring structure consisting of the Executive Board and the Supervisory Board. The third body of the Company is the Annual General Meeting. At present, no use is made of the possibility of forming an advisory board, as allowed by Article 17 of our Articles of Incorporation.

Executive Board

The members of the Executive Board are appointed by the Supervisory Board, it currently consists of six members (see page 242). The Executive Board manages the company in its own responsibility, its tasks include the setting of corporate goals and the strategic focus of the company, the management and monitoring of the operating units as well as the implementation and monitoring of an efficient risk management system.

Details of the remuneration of the members of the Executive Board can be found in the remuneration report, which is included as a section of this corporate governance report (see page 27).

Supervisory Board

In accordance with Article 11 of the Articles of Incorporation, the Supervisory Board of Bilfinger Berger SE consists of twelve members, six of which are representatives of the shareholders and six of which are employee representatives. The members representing the shareholders are elected by the Annual General Meeting. The appointment of the employee representatives is carried out through the SE Worker's Council in accordance with the agreement on employee participation reached between company management and the European employee representatives on July 15, 2010. The Supervisory Board advises and monitors the management of the Company by the Executive Board. Decisions of fundamental importance for the company require the approval of the Supervisory Board. Within the context of its report, the Supervisory Board informs the shareholders on its activities (see page 10).

The current composition of the Supervisory Board and the committees assembled for more efficient execution of its activities can be seen in the section of the Annual Report entitled 'Boards of the Company' (see page 244).

The remuneration of the members of the Supervisory Board is shown in the remuneration report (see page 27).

Annual General Meeting

The Annual General Meeting is to be convened at least once each year. The Executive Board presents to the Annual General Meeting certain documents, including the individual and consolidated financial statements, and the management reports for the Company and the Group. The Meeting decides on the appropriation of profits and on ratifying the actions of the Executive Board and the Supervisory Board, elects the members of the Supervisory Board representing the shareholders and the external auditors. In addition, it makes decisions on amendments to the Articles of Incorporation and in certain other cases as specified by applicable law or the Articles of Incorporation. Each share entitles its holder to one vote at the Annual General Meeting.

Directors' dealings

Pursuant to Section 15a of the German Securities Trading Act (WpHG), the members of the Supervisory Board and the Executive Board, other persons with management duties who regularly have access to insider information on the Company and who are authorized to make significant business decisions, and certain persons who are in a close relationship with those persons, are legally obliged to disclose to Bilfinger Berger SE any acquisitions and disposals of Bilfinger Berger shares and related financial instruments, particularly derivatives from an amount of more than €5,000 in any calendar year. We publish details of such transactions on our website at www.bilfinger.com, among other places, without delay.

The members of the Executive Board and the Supervisory Board do not own any shares in the Company or any related financial instruments that together, either directly or indirectly, constitute more than 1 percent of the shares issued by the Company.

Compliance system

The Code of Conduct is a significant component of our compliance system. Bilfinger Berger is aware that only responsible actions and the observance of ethical principles can effectively protect the interests of the company, its employees and its partners. We have clearly defined these principles in our Code of Conduct. The principles of conduct that apply to all of the Group's employees include fundamental rules to combat corruption, bribery, prohibited agreements and illegal employment, as well as dealing with confidential information, donations and social behavior at work. Because legal and social conditions vary from country to country, the Code also includes country-specific behavioral guidelines.

A network, consisting of the Chief Compliance Officer of the Group and the compliance officers of the first tier operating units and those in other operating units that report to him as well as is responsible for the distribution application and implementation of our Code of Conduct. To supplement the position of the internal ombudsmen, we have appointed an external ombudsman to whom employees, and persons from outside the Company can report misconduct.

Any information given to the ombudsman via the compliance hotline remains anonymous because calls made to this line cannot be identified. Internal whistleblowers are protected against reprisals.

The control systems we have implemented to ensure adherence to the Code of Conduct include routine and special audits by Corporate Internal Auditing, special controls on adherence to competition regulations and employee deployment, and the regulation and monitoring of third parties' involvement in the obtaining of orders. Our Code of Conduct and the Compliance System are components of information events for employees, discussions between supervisors and employees and comprehensive training measures. With our e-learning program, we train employees in questions of compliance without them ever having to leave their desks. Through the immediate reporting of serious cases, as well as through quarterly reports from the Chief Compliance Officer, the Executive Board, the Audit Committee of the Supervisory Board and the entire Supervisory Board are informed regularly about developments in this area.

A Compliance Committee made up of the Heads of Legal, Internal Auditing and Human Resources, which meets at least once in each quarter, supports the Chief Compliance Officer in the general framework and the further development of the compliance system.

If information is received about possible compliance infringements, we take active steps with our own investigations, inform the responsible authorities, and cooperate with them on the clarification of the matter. Any misconduct that is discovered will result in personnel consequences if necessary and will be followed up with organizational measures. The insights gained from reporting, the comparison with other systems and the evaluations from external specialists all lead to the ongoing development and improvement of our Compliance System.

Remuneration of the committees

The following remuneration report is part of the management report and, at the same time, part of this corporate governance report. The Supervisory Board has included it in the approval of the Management Report and has adopted it for its reporting on corporate governance and compensation as its own.

Corporate governance statement

The Executive Board issued a corporate governance statement pursuant to Section 289a of the German Commercial Code (HGB) that has been made available to the general public on the Company's web site (www.bilfinger.com) under the heading *corporate governance statement*.

Mannheim, March 21, 2011

Bilfinger Berger SE

The Executive Board　　The Supervisory Board

Remuneration report

This remuneration report explains the remuneration system that was in force for the Executive Board until December 31, 2010 as well as the structure and level of remuneration paid to the individual members of the Executive Board for the year 2010. The new remuneration system that has been in force since January 1, 2011 is also explained. The remuneration report moreover provides details of the remuneration of the Supervisory Board in the year 2010. The remuneration report is a constituent part of the corporate governance report and the Group management report.

Remuneration system for the Executive Board until the end of 2010

Until December 31, 2010, the remuneration of the members of the Executive Board consisted of three components: an annual fixed salary, a performance-related bonus and a payment linked to the Company's long-term performance and share price (long-term incentive plan). Accordingly, the remuneration of all members of the Executive Board was regulated as follows in 2010:

Annual fixed salary

The annual fixed salary amounts to €674 thousand for the Chairman and €449 thousand for full members of the Executive Board. The remuneration of newly appointed members is at first reduced by 20 percent. This applies to Mr. Töpfer (until March 31, 2011) and Mr. Enenkel (until April 7, 2012). In addition to the fixed salary, the members of the Executive Board also receive fringe benefits (benefits in kind) for the most part in the form of insurance cover and the use of company cars, the value of which is accounted for in accordance with applicable tax law.

Bonus

Variable remuneration for the year 2010, which is due to be paid out after the Annual General Meeting on May 31, 2011, is calculated according to a profit-sharing model by which all full members of the Executive Board receive €2,400 and the Chairman receives €3,600 per €1 million of earnings before taxes (EBT) achieved by the Group. As is the case with the annual fixed salary, the bonus for newly appointed members of the Executive Board is reduced by 20 percent during the periods described above under *Annual fixed salary*. The amount of bonus paid out is limited by a cap of €640 thousand for newly appointed members and €800 thousand for the other full members of the Executive Board and €1,200 thousand for the Chairman. Furthermore, the bonus thus calculated can be reduced by up to 20 percent if EBT is significantly increased by earnings from other periods.

Long-term incentive plan

The component of remuneration with a long-term incentive effect is calculated in accordance with a long-term incentive plan (LTI) with the following main features: If the value added achieved in a certain year exceeds the agreed minimum for that year, the members of the Executive Board are granted phantom shares in the form of so-called performance share units (PSUs). Value added is defined as the difference between return and the cost of capital. Return is calculated as EBIT plus amortization of intangible assets from acquisitions, net interest income and the growth in value of the portfolio of concession projects. The cost of capital is arrived at by multiplying capital employed (average for the period) by the weighted average cost of capital (see page 232). The value of the PSUs granted varies during a waiting period of two years in line with the development of Bilfinger Berger's share price. Upon expiry of the waiting period, the value of the PSUs at that time is paid out. For Mr. Bodner, payment is made after a waiting period of two years, with 65 percent paid in cash (taxable) and 35 percent paid in the form of Bilfinger Berger shares, which may not be sold until another two-year lockup period has elapsed. A four-year waiting period has been set in the LTI for Mr. Enenkel, Mr.Müller, Mr. Raps and Mr. Töpfer, after which the total value of the PSUs is paid out in cash (taxable).

If the minimum value added agreed upon for a year is not achieved during the waiting period, this leads to the allocation of negative PSUs, reducing the number of PSUs already held (this applies to Mr. Bodner), or PSUs credited are cancelled (this applies to Mr. Enenkel, Mr. Müller, Mr. Raps and Mr. Töpfer). If Bilfinger Berger's shares underperform during a waiting period compared with Germany's midcap index, the MDAX, the award of PSUs can be reduced by up to 20 percent. There is also a cap (for the Chairman €551 thousand; for a full member €368 thousand; for newly appointed members during the waiting periods specified under *Annual fixed salary* €294 thousand), which limits the payment under the LTI to an absolute maximum annual amount.

Remuneration with a long-term incentive effect (long-term incentive plan)	Number of PSUs Status Jan. 1		Number of PSUs paid out / deducted		Number of PSUs granted		Number of PSUs Status Dec. 31	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Herbert Bodner (Chairman)	20,836	78,893	8,972	62,782	17,606	4,725	29,470	20,836
Joachim Enenkel	–	–	–	–	1,868	–	1,868	–
Joachim Müller	2,687	837	–	–	10,023	1,850	12,710	2,687
Klaus Raps	8,444	6,561	–	–	10,023	1,883	18,467	8,444
Prof. Hans Helmut Schetter	13,879	52,577	5,970	41,848	11,737	3,150	19,646	13,879
Thomas Töpfer	1,189	–	–	–	8,019	1,189	9,208	1,189
Former Members of the Executive Board	41,610	120,989	41,610	83,696	–	4,317	–	41,610
	88,645	**259,857**	**56,552**	**188,326**	**59,276**	**17,114**	**91,369**	**88,645**

	Value when granted of the PSUs granted in each year taking the cap into consideration		Theoretical amount to be paid out for PSUs taking the cap into consideration Status Dec. 31		Expense recognized for PSUs in each year Status Dec. 31	
€ thousand	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Herbert Bodner (Chairman)	551	217	1,301	1,123	698	553
Joachim Enenkel	68	–	69	–	14	–
Joachim Müller	368	77	537	145	111	28
Klaus Raps	368	79	773	436	189	104
Prof. Hans Helmut Schetter	368	151	867	748	615	387
Thomas Töpfer	294	50	369	64	74	11
Former Members of the Executive Board	–	196	–	2,070	–292	775
	2,017	**770**	**3,916**	**4,586**	**1,409**	**1,858**

Total remuneration granted for the year 2010

The total remuneration of the members of the Executive Board is shown in the table on the opposite page. Mr. Töpfer, who in addition to his Executive Board position was temporarily Chairman of the Executive Board and Managing Director at Bilfinger Berger Industrial Services GmbH during the period from November 2009 until October 2010, received a one-time payment of €150 thousand from Bilfinger Berger Industrial Services for those services. Prof. Schetter was granted a special payment of €75 thousand for his special services in connection with the transformation into a European company (SE). Mr. Reid stepped down from the Executive Board as of October 8, 2010. In connection with the termination of his contract of service, Mr. Reid received a payment of €2.85 million; this amount is below the severance cap contractually defined in compliance with the German Corporate Governance Code, according to which, severance payments including fringe benefits should not exceed the amount of two years' remuneration. A worldwide non-competition obligation was agreed upon with Mr. Reid for a period of one year. In return, Mr. Reid was granted an abstention allowance of €449,400; of that amount, €112,350 applies to the year 2010 and the remainder applies to 2011.

The members of the Executive Board received non-cash remuneration for the most part in the form of the use of company cars and contributions to insurance policies in a total amount of €354 thousand (2009: €280 thousand). No loans or advances were made to the members of the Executive Board in 2010. No remuneration was paid for positions held on supervisory boards or comparable boards of companies of the Group in 2010.

In the context of the long-term incentive plan, the members of the Executive Board were granted a total of 59,276 PSUs for the year 2010, whose maximum payout amount is limited by the cap to €2,017 thousand. The total number of PSUs granted to Prof. Schetter for the years 2008 through 2010 will be paid out after the 2011 Annual General Meeting due to his retirement for reasons of age. Mr. Reid will not receive any payments under the LTI due to the agreement concluded with him in connection with his departure from the Executive Board.

At the balance sheet date, the members of the Executive Board held a total of 91,369 PSUs. The cash flows that will result from those PSUs depend on the further development of the program parameters. On the basis of Bilfinger Berger's share price at the end of 2010 of €63.20, from today's perspective, taking the cap into consideration, this would lead to a total amount to be paid out of €3,916 thousand.

€ thousand	Annual fixed salary 2010	Annual fixed salary 2009	Bonus 2010	Bonus 2009	Total cash remuneration 2010	Total cash remuneration 2009	Long-term incentive (value when granted taking the cap into consideration) 2010	Long-term incentive (value when granted taking the cap into consideration) 2009
Herbert Bodner (Chairman)	674	674	1,200	770	1,874	1,444	551	217
Joachim Enenkel [1]	83	–	149	–	232	–	68	–
Joachim Müller	449	420	800	479	1,249	899	368	77
Klaus Raps	449	427	800	488	1,249	915	368	79
Kenneth D. Reid [2]	348	449	616	514	964	963	–	83
Prof. Hans Helmut Schetter	449	449	800	514	1,249	963	368	151
Thomas Töpfer	360	270	640	308	1,000	578	294	50
Former Members of the Executive Board	–	486	–	814	–	1,300	–	113
	2,812	**3,175**	**5,005**	**3,887**	**7,817**	**7,062**	**2,017**	**770**

[1] Executive Board member since October 8, 2010
[2] Executive Board member until October 8, 2010

€ thousand	Probable annual pension entitlement upon retirement	Payments to relief fund 2010	Payments to relief fund 2009	Capital returned to the Company from the pension fund 2010	Capital returned to the Company from the pension fund 2009
Herbert Bodner (Chairman)	345	31	327	–	–39
Joachim Enenkel	93	162	–	–	–
Joachim Müller	97	202	202	–	–
Klaus Raps	113	202	202	–	–
Kenneth D. Reid	28	162	216	–	–
Prof. Hans Helmut Schetter	235	192	196	–217	–67
Thomas Töpfer	82	144	144	–	–
Former Members of the Executive Board	–	–	208	–	–13
	993	**1,095**	**1,495**	**–217**	**–119**

New remuneration system as of January 1, 2011

Pursuant to Germany's Appropriateness of Management Board Remuneration Act of August 2009, the remuneration structure at listed companies is to be oriented towards sustainable corporate development; variable remuneration is to be based on a multi-year basis of measurement. The remuneration system upon which Executive Board remuneration was previously based did not fully comply with that requirement to the extent that the Executive Board members' contracts of service provided for an annual bonus with a basis of measurement of just one year. In order to comply with the new legislation, the Executive Board's variable remuneration is now regulated as follows, effective since January 1, 2011: Instead of a bonus and PSUs on the basis of the long-term incentive plan, the Executive Board members will receive variable remuneration according to a profit-sharing model related to the average of the earnings before taxes (EBT) achieved in the past three financial years. Of the amount of variable remuneration calculated in this way, 65 percent will be paid out immediately. The other 35 percent will only be paid out after a waiting period of two years and depending on the relative development of Bilfinger Berger's share price (in terms of total shareholder return) compared with the MDAX. As of January 1, 2011, the remuneration of all members of the Executive Board is regulated as follows:

Annual fixed salary

The annual fixed salary amounts to €449 thousand for full members of the Executive Board and €768 thousand for the Chairman of the Executive Board. As newly appointed Executive Board members, the remuneration received by Mr. Töpfer and Mr. Enenkel is reduced by 20 percent until March 31, 2011 and April 7, 2012 respectively.

Variable remuneration

As the starting amount of variable remuneration, the full members of the Executive Board receive €3,800, the new Executive Board members receive €3,040, and the Chairman of the Executive Board receives €6,600 per €1 million of the average EBT achieved by the Group in the past three years. This starting amount is limited by a cap of €1,300 thousand for full members of the Executive Board, €1,040 thousand for newly appointed Executive Board members, and €2,200 thousand for the Executive Board Chairman. 65 percent of the starting amount is paid out immediately. The remaining 35 percent (deferral) is paid out after a waiting period of 2 years depending on the development of Bilfinger Berger's share price (in terms of total shareholder return) compared with the MDAX. If the relative development of the share price is more than 60 percent worse than the MDAX, the deferral is not paid out. The deferral is limited by a cap to 150 percent of its starting value (which is 35 percent of the starting amount of the variable remuneration).

Retirement benefits

Since 2006, the system of retirement benefits for the members of the Executive Board has consisted of defined-contribution pension plans and has been transferred to external institutions (insurance-type pension fund and reinsured relief fund). This means that future pension entitlements are fully funded, so members of the Executive Board no longer place a financial burden on the Company after reaching retirement age. For the Executive Board members Mr. Enenkel, Mr. Raps, Mr. Reid and Mr. Töpfer, retirement pension commitments exist which were granted before they were appointed to the Executive Board. The obligations amount to €190 thousand for Mr. Enenkel, €93 thousand for Mr. Raps (2009: €80 thousand) and €46 thousand (2009: €44 thousand) for Mr. Reid. Mr. Töpfer has a pension commitment from Bilfinger Berger Industrial Services GmbH representing an obligation of €461 thousand (2009: €394 thousand).

The table on page 31 shows contributions to the relief fund for the year 2010 and pension entitlement already achieved, as well as capital returned to the Company from a pension fund. In the case of death, there is entitlement to a widow's pension equivalent to 70 percent of the normal pension. Prof. Schetter retired from the Executive Board as of December 31, 2010 for reasons of age. His retirement benefits are paid by external institutions (insurance-type pension fund and reinsured relief fund).

Other provisions for the members of the Executive Board

Mr. Bodner, Mr. Müller, Mr. Raps and Mr. Töpfer receive a transitional payment from the Company if their Executive Board membership ends due to revocation or non-extension of their Executive Board appointment by the Company or due to termination of their contracts of service for an important reason to be justified by the Company. In 2010, the regulation applied that entitlement to a transitional payment existed if the event causing termination occurred after the beginning of a second period of office and after the member concerned had reached the age of 50. As of the year 2011, a transitional payment will only be made if the event causing termination occurs after a period of office of a full eight years and after the member concerned has reached the age of 54.

In the case of a change of control, i.e., if a shareholder in the Company reaches or exceeds a shareholding of 30 percent of the Company's voting rights and in addition due to an allocation of responsibilities decided upon by the Supervisory Board a significant change occurs in the Executive Board members' responsibilities, or if the Company enters into a control agreement as the controlled company, the members of the Executive Board have a special right of termination for their contracts of service. A special regulation applies to the Chairman of the Executive Board due to his function; he is entitled to terminate his contract of service if the acquiring entity takes measures that effectively and materially restrict his abilities to exert control or his independence as the Chairman of the Executive Board. In the case of termination of a contract of service due to a change of control, the members of the Executive Board receive severance compensation for the remaining periods of their contracts of service subject to a maximum of three years. The severance compensation comprises the annual fixed salary and profit sharing; the latter is calculated as the average of the variable remuneration paid in the past five financial years to a full member of the Executive Board or to its Chairman (bonuses, immediate payments, PSUs paid out and deferrals). The previous regulation of remuneration applies until the end of the year 2010 and the new regulation applies as of January 1, 2011. Furthermore, following the remaining periods of their contracts of service covered by severance compensation, the Executive Board members are entitled to a transitional payment if the individual conditions for such payment are fulfilled. PSUs already granted are not compensated for the time after leaving the Executive Board. In accordance with the recommendation of Section 4.2.3 Paragraph 5 of the German Corporate Governance Code, severance compensation in the case of a change of control is limited to 150 percent of the aforementioned severance cap.

Pensions

The amounts paid to former members of the Executive Board or their surviving dependents totaled €2,496 thousand in 2010 (2009: €2,535 thousand). The present value of future pension obligations for those persons calculated according to IAS 19 amounts to €27,456 thousand (2009: €28,003 thousand).

Supervisory Board remuneration

As specified by Article 14 of Bilfinger Berger's Articles of Incorporation, which were valid until the transformation of the Company into an SE took effect, the remuneration of the members of the Supervisory Board of Bilfinger Berger AG, which was in office until October 8, 2010, comprises an annual fixed payment of €40 thousand and an annual variable payment of €300 for each cent by which the dividend exceeds €0.80 per share. The Chairman of the Supervisory Board is paid double those amounts, the chairmen of the committees with the exception of the committee established pursuant to Section 27, Paragraph 3 of the German Codetermination Act and of the Nomination Committee receive one and three quarters times those amounts. The Deputy Chairman of the Supervisory Board and the members of the committees with the exception of the committee established pursuant to Section 27, Paragraph 3 of the German Codetermination Act and of the Nomination Committee receive one and a half times those amounts. If a member of the Supervisory Board exercises several of the aforementioned functions, he or she is entitled only to the highest of the respective amounts.

In addition, the members of the Supervisory Board were reimbursed for their expenses in a total amount of €39 thousand (2009: €40 thousand). The total remuneration of the members of the Supervisory Board of Bilfinger Berger AG until October 8, 2010 thus amounts to €1,725 thousand (2009: €1,769 thousand).

The members of the Supervisory Board received no remuneration or other advantages for personal services rendered such as consulting or agency services.

Remuneration of the Supervisory Board of Bilfinger Berger AG
(through October 7, 2010)

€ thousand	2010 Fixed	2010 Variable	2010 Total	2009 Fixed	2009 Variable	2009 Total
Dr. h. c. Bernhard Walter (Chairman, Chairman of the Presiding Committee, member of the Audit Committee and of the Special Committee)	61	78	139	80	72	152
Stephan Brückner (Deputy Chairman, member of the Presiding Committee and of the Special Committee)	46	59	105	60	54	114
Hans Bauer	31	39	70	40	36	76
Volker Böhme	31	39	70	40	36	76
Dr. Horst Dietz	31	39	70	40	36	76
Britta Ehrbrecht	31	39	70	40	36	76
Dr. John Feldmann (member of the Special Committee)	41	53	94	40	36	76
Dirk Gieß [2]	23	29	52			
Andreas Harnack	31	39	70	40	36	76
Reinhard Heller [1]	7	10	17	40	36	76
Rainer Knerler (member of the Special Committee)	41	53	94	40	36	76
Prof. Dr. Hermut Kormann	31	39	70	40	36	76
Harald Möller (member of the Special Committee)	41	53	94	40	36	76
Klaus Obermierbach (member of the Audit Committee and of the Special Committee)	46	59	105	60	54	114
Thomas Pleines	31	39	70	40	36	76
Dr. Rudolf Rupprecht	31	39	70	40	36	76
Dietmar Schäfers	31	39	70	40	36	76
Rainer Schilling	31	39	70	40	36	76
Bernhard Schreier	31	39	70	40	36	76
Udo Stark (Chairman of the Audit Committee, member of the Presiding Committee and of the Special Committee)	54	68	122	70	63	133
Prof. Dr. Klaus Trützschler (member of the Special Committee)	41	53	94	40	36	76
	742	**944**	**1,686**	**910**	**819**	**1,729**

[1] Supervisory Board member until March 10, 2010
[2] Supervisory Board member from March 10, 2010 until October 8, 2010

The members of the first Supervisory Board of Bilfinger Berger SE, whose period of office ends with the Annual General Meeting on May 31, 2011, receive remuneration from October 8, 2010 until the day of the Annual General Meeting on May 31, 2011 that is to be specified by the shareholders at that meeting. The Executive Board and the Supervisory Board intend to propose to the shareholders at the Annual General Meeting that remuneration is paid for that period on a pro rata basis as specified by Article 16 of the Articles of Incorporation of Bilfinger Berger SE. Accordingly, the members of the Supervisory Board will receive fixed remuneration of €70 thousand. The Chairman of the Supervisory Board will receive two and a half times that amount, the Deputy Chairman of the Supervisory Board and the Chairmen of the Committees with the exception of the Nomination Committee will receive double that amount. The members of the committees with the exception of the Nomination Committee will receive one and a half times that amount. If a member of the Supervisory Board exercises several of the aforementioned functions, he or she is only entitled to the highest of the respective amounts. In addition, the members of the Supervisory Board receive a meeting fee of €500 for each meeting of the Supervisory Board and its committees they attend. In financial year 2010, members of the Supervisory Board of Bilfinger Berger SE were compensated for expenses in the total amount of €10 thousand.

Proposed remuneration of the Supervisory Board of Bilfinger Berger SE (October 8, 2010 until May 31, 2011)	2010	2011	Total
€ thousand	Oct 8 - Dec 31	Jan 1 - May 31	
Dr. h. c. Bernhard Walter (Chairman, Chairman of the Presiding Committee, member of the Special Committee)	43	74	117
Stephan Brückner (Deputy Chairman, member of the Presiding Committee and of the Special Committee)	35	60	95
Volker Böhme (member of the Audit Committee and of the Special Committee)	26	46	72
Dr. John Feldmann (member of the Presiding Committee and of the Special Committee)	26	45	71
Thomas Kern (member of the Special Committee)	26	45	71
Rainer Knerler (member of the Audit Committee and of the Special Committee)	26	46	72
Slawomir Kubera	18	30	48
Thomas Pleines	17	30	47
Dietmar Schäfers (member of the Presiding Committee)	26	45	71
Bernhard Schreier	18	30	48
Udo Stark (Chairman of the Audit Committee and member of the Special Committee)	34	61	95
Prof. Dr. Klaus Trützschler (member of the Audit Committee and of the Special Committee)	26	46	72
	321	**558**	**879**

A few clouds dot the morning sky as Jan-Erik Kukkonen climbs to the highest platform at the Stenungsund Borealis location near Gothenburg. From a height of 76 meters, the engineer has a view of one of the largest and most modern petrochemical industrial plants in Scandinavia – to the layman a complex tangle of pipes, boilers and silos.

Text
Stefan Scheytt

Photos
Uffe Holm

Kukkonen points toward the harbor where ships are unloading propane, butane and other gases, "those are the raw materials that are processed in the cracker," – Kukkonen's arm swings to the left – "into ethylene and propylene." His arm then moves back to the right "and over there, the mixture becomes polyethylene, from which cables, pipes and other plastic products are manufactured." Finally, he points to a railroad track that separates the two production areas: "Those tracks used to form a boundary: Although both areas were a part of Borealis, there was nearly no exchange between the maintenance teams. From today's perspective, that's inconceivable."

Jan-Erik Kukkonen is a Maintenance Manager at Bilfinger Berger Industrial Services, which operates a lucrative and growing business in Scandinavia. An important building block for this success: the outsourcing contract with plastics manufacturer Borealis. Here, for about €15 million

The Borealis location in Stenungsund is one of the largest and most modern petrochemical plants in Scandinavia.

Committed to efficiency

In Scandinavia, there is an increasing tendency among companies in the process industry to outsource their production facilities to specialized service providers. Bilfinger Berger recognized this trend early and is now market leader.

annually, Bilfinger Berger keeps pumps, valves, boilers, compressors, control panels and ventilators up and running – with the maintenance team transferred from Borealis.

Engineer Kukkonen describes the key component of the business model: since the 140 specialists from Borealis were transferred to Bilfinger Berger, there are no longer any boundaries between the various sections of the plant. It is now perfectly natural for mechanics and electricians to work in all areas of the expansive plant grounds. “But they operate much further afield than that”, says Kukkonen and points across to chemicals company AkzoNobel, which also relies on Bilfinger Berger personnel for its maintenance work. “Some of our people will even spend weeks or months at a time on an oil platform off the Norwegian coast or they will take part in a general inspection at an industrial plant in Finland.”

Outsourcing: maintenance cost savings of 20 percent and more are the norm, the availability of the plant increases.

Kukkonen then directs his listener’s attention to a production building on the outskirts of Stenungsund, the Maintenance and Competence Center. Here, service specialists are trained and prepared for new tasks with different customers.

The model’s appeal is quite obvious: When companies from the chemical and petrochemical, pulp and paper, steel or aluminum industries outsource their maintenance teams to Bilfinger Berger, a professionally managed pool of specialists in a variety of disciplines is created. The scope of their activities ranges from long-term assignments in ongoing maintenance projects to one-time special jobs including those arranged at short notice. For the companies doing the outsourcing, fixed costs for maintenance staff are transformed into variable costs. Savings of 20 percent or more are the norm and, at the same time,

Working under pressure

Water pipes and drinking bottles, electric cables and shopping bags, door trim for cars, needles at the doctor's office, mobile phone and computer casings – plastics are everywhere, but who knows where they come from and how they are manufactured. One of the largest plants in Europe is located in Stenungsund near Gothenburg, in whose modernization the Swedish plastics manufacturer, Borealis, invested more than €400 million in 2010. In the steam cracker, at the heart of the plant network, saturated hydrocarbons such as naptha, ethane, propane and butane are transformed into unsaturated hydrocarbons, primarily ethylene and propylene, through thermal cracking. The annual capacity in Stenungsund is 620,000 tons of ethylene and 228,000 tons of propylene. These materials are further processed into polyethylene which is then transported to the client in pellet form. The production of polyethylene in the approximately three-kilometer long reactor requires pressure of up to 2,800 bar, about a thousand times greater than the pressure in a car tire.

the availability of the plant increases. "Ours is very much a cost-driven industry", explains Borealis Manager Lars Tore Brimsland, "we are competing with providers from countries with labor costs that are much lower than in Scandinavia."

"We are a strategic partner for our clients"

Outsourcing is therefore an attractive tool for increasing efficiency. "The fact is that our business is production of polymers, not the maintenance of plants", he comments. "In light of the growing complexity, we are practically being forced to give repair work to specialist companies."

In recent years, Bilfinger Berger has expanded significantly in Scandinavia and established itself as a market leader in industrial services through both acquisitions and organic growth. About 4,000 employees generate a volume of nearly €500 million. The industrial services provider is represented at about 30 locations in both Sweden and Norway. They have just successfully entered the Finnish market. "Outsourcing projects are the area in which we can most clearly differentiate ourselves from the competition. It is an area that allows us to profile ourselves as a strategic partner for our clients", says Thomas Töpfer who is responsible for Industrial Services on the Executive Board of Bilfinger Berger.

An important basis for strategic partnerships with industrial clients is frank and open communication according to Morten Mathisen, Head of Bilfinger Berger Industrial Services in Scandinavia. The level of transparency is so high that even cost estimates are revealed within the partnership. "And as market leader", emphasizes Mathisen, "we are also obligated to be number one in the area of safety and environmental protection. Our clients demand trouble-free operation of their production processes and that is our commitment."

Biomass for large-scale power plant

The boiler of Electrabel's power plant at Rodenhuize previously burned oil, coal and gas. But that's about to change as Bilfinger Berger converts the plant to run on a renewable resource: From now on, it will be wood-fired.

In the future, Belgian energy supplier Electrabel, a subisidiary of GDF SUEZ, will burn wood pellets in Rodenhuize, thus generating carbon-neutral power.

Text
Anne Meyer

Photos
Eric Vazzoler

With a screeching noise to set your teeth on edge, the crane cable slowly lifts the colossal gas pre-heater out of the plant. For more than twenty years, the five-meter long block-shaped device heated gas from a temperature of 40 degrees up to 300 degrees so that it could be fed back into the burner.

Lars Dörnenburg points to the black substance trickling down the sides. “It was because of this gas residue that it was time for a replacement”, says the Construction Manager from Bilfinger Berger. The crane operator sets down the old gas pre-heater and lifts the new component into place using a computer-controlled system. The complicated maneuver takes two hours.

Lars Dörnenburg and his colleagues are modernizing the Rodenhuize power plant north of Ghent, and converting it to run on biomass. Belgian energy supplier Electrabel, a subsidiary of GDF SUEZ, intends to burn wood pellets in the plant, thus generating carbon-neutral power. The project is a pioneering venture. After the conversion, the power plant will achieve a thermal output of 560 megawatts. This is the first time that a power plant of this size has undergone such a modernization. In addition to the engineering units in Oberhausen, the company also has its own manufacturing capacities for special power

Impressive CO_2 balance

In the future, over 100 tons of wood pellets will be burned in Rodenhuize each hour. In order to ensure that there is always enough supply on hand, the raw materials are stored in three silos next to the power plant. The wood is delivered in the form of pellets, small stick-shaped tablets from wood shavings or saw dust, waste products from the timber industry. To ensure burning is efficient, the pellets are grind into grains no more than one millimeter in diameter. The amount of carbon dioxide released during the burning is no greater than the amount that the trees absorbed during their growth phase and that they would have released had they rotted naturally.

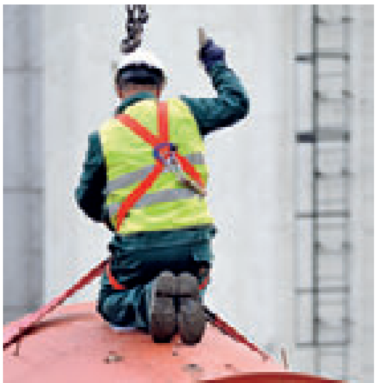
plant components and the largest installation team in Germany. Development, construction, manufacturing, installation and commissioning are thus all available from a single source.

It's not only the new fuel that makes the task at Rodenhuize a challenge. Besides biomass, Electrabel also wants to be able to burn natural gas and the blast furnace gas from the neighboring steelworks. "Burning three fuels in one boiler requires complex technology and very sophisticated planning", explains Dr. Christian Storm, Head of Technology and Engineering at Bilfinger

This is the first time that a power plant of this size has undergone such a modernization

Berger Power Services. In the planning phase, the engineers simulated all possible scenarios on the computer to ensure that the strict limits for the emission of nitrogen oxides are complied with. Dimensions had to be reworked again and again for the ventilation ducts and steam generation components until a practicable solution was on the table and the order was all wrapped up.

Bilfinger Berger adapted 24 burners to operate with wood pellets, delivered twelve new blast furnace gas burners along with the gas preheater, renewed ventilation ducts and installed a burnout air level – a module that reduces emissions by adding extra air.



Following the conversion, the power plant will achieve a thermal output of 560 megawatts.

It was the first time that engineers from Bilfinger Berger had designed a biomass combustion plant of this size. Although biomass burners are similar in design to coal-burning plants with which they have extensive experience. They were faced with the task, however, of adapting the burners to deal with the significant mechanical stress from the hardwood dust. The combustion specialists soon found a simple but effective solution. They lined the burners with particularly heat-and erosive resistant ceramic plates. “During installation, the components had to be handled very carefully”, emphasizes Project Engineer Dr. Holger Oleschko. “One false move, and you could damage the ceramic protections.”

In the power plant, Lars Dörnenburg points to a transport shaft, hardly more than two meters by two meters and not something you would take note of when passing by. “That’s the only way to get material to the boiler. Pipes, connection elements, blowers – everything has to go through here.” In the past, the plant was repeatedly converted for the use of additional fuels. That makes access more difficult today.

For their planning, the specialists relied on old construction plans which, as it turned out, were not always up to date. “There were a number of surprises waiting for us beneath the insulation”, says Dörnerburg. “But, together, we always managed to find a solution. It was exactly how I imagined a constructive cooperation should be”, confirms Frank Van den Spiegel, Project Manager at Electrabel.

“For Bilfinger Berger, Rodenhuize is an important reference project in a business that is full of promise”, says Christian Strom: “In the conversion of conventional power plants to biomass, we now have a real competitive advantage.”

As is currently the case at the therapy center in Heidelberg, in future it will also be possible to treat cancer patients with heavy ions in Kiel.

Quantum leap in the fight against cancer

Radiotherapy with heavy ions is heralded as a revolutionary method of cancer treatment, capable of saving the lives of many patients. In Kiel, Bilfinger Berger and Siemens are advancing the use of the new treatment method with the design, financing, construction and operation of a particle therapy center.

Text
Bernd Hauser

Photos
Rainer Kwiotek
Siemens

A quick handshake, "good morning!" and "moin, moin!" – a more typical greeting in this region – and then it's right down to business. There are dozens of details to be discussed here in the container office complex where the planning and construction of the North European Radiooncological Center Kiel (NRoCK) at the Schleswig-Holstein University Clinic is coordinated and monitored.

The two Project Managers, Dr. Peter Seifert and Rolf Fröhlich along with Kurt Kragelund, who will later assume responsibility for operation of the facility, meet here regularly with NRoCK General Manager Ralf Kampf to discuss what impact decisions made in planning and construction will have on the future operation of the Center: What's the best way to integrate the thresholds for the fire protection doors into the floor? Where should the access points for the ventilation ducts be located to allow for the most efficient servicing? How can the control of building technology components be further optimized?

"NRoCK is a quantum leap in the fight against cancer", says Ralf Kampf. Conventional cancer therapy with x-ray radiation not only damages the tumor, but also the healthy tissue that it has to go through to reach the tumor. That's not the case with particle therapy, which uses heavy ions. A major portion of their energy is emitted in the tumor itself. The technological effort comes with a price. A radiotherapy program with 20 sessions will cost nearly €20,000 when the first patients are treated in 2012. The precision of the method, however, means that it is predestined for use on sensitive tissue such as the brain or nerve tracts.

With an investment volume of some €260 million, the particle therapy center is the largest public private partnership in the German health care sector. That sum is being financed by Bilfinger Berger and its partner, Siemens, supplier of the complete medical technology for the project – each of whom is making an equity contribution of €10 million – along with borrowed capital from a consortium of banks. Over the 25-year concession period, the Schleswig-Holstein University Clinic will use the center in return for a contractually fixed monthly fee. The facilities will be in operation 16 hours a day, six days a week.

"The trouble-free operation of the therapy center is the focus of everything we do", explains Kurt Kragelund. A staff of three dozen will be responsible for the entire building management, for the maintenance, for the regular renewal of the building technology and for the energy management. A sophisticated meter system allows for comprehensive energy controlling. Working in three shifts, staff can guarantee short reaction times.

Ralf Kampf, General Manager of NRoCK GmbH

Focus on core competence

"Public private partnerships offer universities the opportunity to gain access to the most advanced technologies in first-class buildings with strong facility management – all from a single source. Our facility has to be in excellent condition at all times. We basically function in the same way a company that is outsourcing services would. The cooperation with Bilfinger Berger and Siemens allows us to focus completely on our core competence and provide cutting-edge medical care."

How do decisions that are made during design and construction impact operations? All details must be discussed.

"The tight time frames available to us for maintenance and the exchange of equipment present a particular challenge", explains Kurt Kragelund. Especially at those times when no medical treatment is taking place: nights, on weekends and in the week between Christmas and New Year. Already now – in the construction phase – the

"The trouble-free operation of the therapy center is the focus of everything we do"

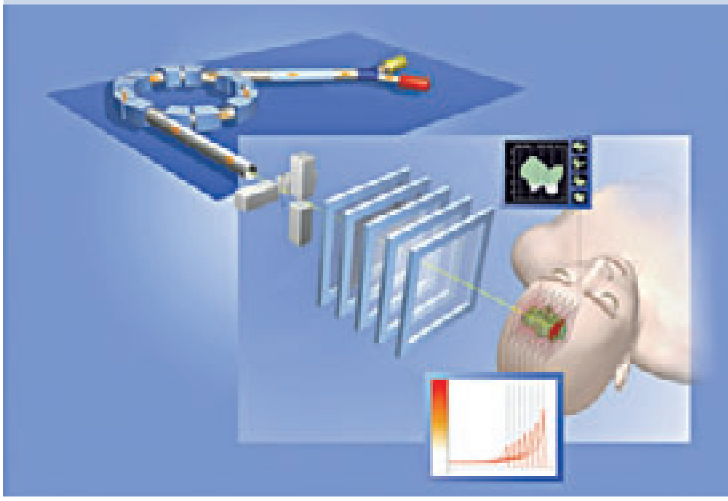
team from Bilfinger Berger are carefully considering which measures have to be taken to ensure the efficient operation of all processes.

Operational safety, in particular, occupies a significant portion of the discussions. The high-technology devices, for example, generate a great deal of heat. The original planning had called for two refrigeration units to dissipate the heat. In the end, to minimize operational risk, the specialists from Bilfinger Berger decided to install a third refrigeration unit. If one should malfunction, the other two would be capable of generating the required cooling capacity. The elevators are another example of how a building's operational requirements and lifecycle costs are taken into consideration at the planning stage. "In addition to the investment costs, we also looked carefully at the long-term maintenance costs. The contract award went to the supplier with the most economical package overall", explains Kurt Kragelund.

Project Manager Peter Seifert sums it up clearly: "We owe the client a comprehensive solution. Efficiency and quality increase substantially when a joint effort is in place from the very beginning."

Particle therapy

It feels more like you are in a research institute for physics than a clinic. Millions of microscopic projectiles race through the 70-meter long tube that is as thick as an arm: protons and carbon ions – positively charged heavy ions. The circular path is surrounded by bright red and yellow casings made of copper and iron. These electromagnets, weighing several tons each, ensure that the microscopic projectiles in the tube's high vacuum stay on course and that they can be accelerated to speeds of up to 180,000 kilometers per second. That's 60 percent of light speed. Electromagnets also guide the particle beam from the circular path in the accelerator to the three treatment rooms where it reaches the patients' tumors and destroys the cancer cells with precision.



Paving with passion

Bilfinger Berger is designing, financing and building what is currently the largest road transport project in Scotland: Near Glasgow the company is transforming an overloaded road into a motorway and will subsequently operate it for 30 years.

Text
Jan Rübel

Photos
Frank Schultze

It is already 8:30 pm when Alan Thompson, Traffic Manager from Bilfinger Berger, and Police Officer Ted Murray bend over the plans on the desk in Thompson's office. At the end of a long day, they play out situations that will only become reality in several weeks.

"At this new on-ramp, drivers are going to be traveling at high speeds when they reach the construction site", says Thompson, concerned. The Police Officer thinks about it. "It's not going to work without a set of traffic lights", he says. "But they have to be taken down again as quickly as possible." Traffic in Scotland's densely populated Central Belt should be exposed to as few disruptions as possible – regardless of the construction work for a major project. The police have assigned Murray to the M80 project. Together with specialists from Bilfinger Berger, he works out lane changes, plans speed limits and the locations of traffic signs. "Together we maneuver nearly 80,000 vehicles safely and as fluidly as possible through the construction site every day", says Thompson with a sense of pride.

Bilfinger Berger is removing an 18-kilometer long bottleneck near Glasgow. Only here, between the towns of Stepps and Haggs, is the M80 motorway not yet completed. Thousands of vehicles squeeze their way along the old road on a daily basis. Ten kilometers are now being expanded to six lanes with a further eight kilometers of new construction.

M80 motorway:
The asphalt surface has an especially fine aggregate and is applied to the road with extreme precision.

In an initial step, 1.5 million cubic meters of earth needs to be moved – enough to fill Wembley Stadium to the roof. More than 400,000 tons of asphalt is to be laid and more than 60 civil engineering structures – including ten bridges – are to be built. A detailed logistics planning is one of the key challenges of the project. "Without Bilfinger Berger's technical expertise and experience, it would be impossible to carry out a construction order of this size", explains Project Manager Roger Whiston. And: traffic has to flow, two lanes in each direction. "While we're producing one lane, traffic zooms past at 60 kilometers an hour in the next lane." No wonder that during the construction period, 19,000 traffic cones, 2,300 warning lights and 16 kilometers of temporary guard rails are required to control the flow of traffic.

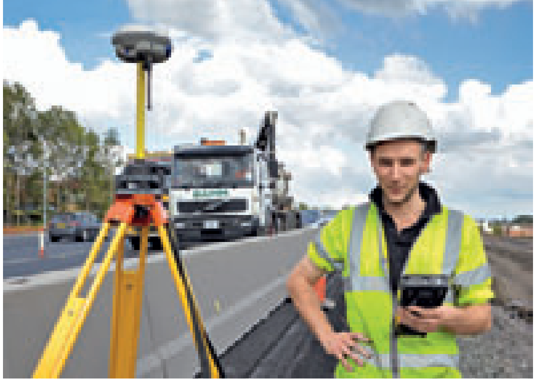
80,000 vehicles are safely maneuvered through the construction site every day

There are dozens of project protagonists, each of which wants to be consulted, informed and directed: government specialists, citizens' groups, subcontractors and the 700 employees on the project. Work has to be adapted to a wide range of requirements – including those of local residents. Night shifts are only approved in exceptional cases. "The key is to move the project forward with a great deal of sensitivity, but also purposefully", explains the Project Manager.

The final section of the M80 has to be completed by the end of 2011 according to the contract which, with all of the details, fills ten large ring binders. For Bilfinger Berger, this motorway section is an important investment in a public private partnership. The company is making an

Availability models in the expansion of transport infrastructure

In many countries, public private partnerships are implemented on the basis of availability models. The concessionaire assumes the design, construction and maintenance risks while the state bears the risks relating to traffic volume. That means: the operating company provides the structure and ensures its unrestricted availability over the long-term operating phase. In return, the company receives contractually fixed payments from the public purse. Because the private partner optimizes the project over its entire lifecycle, a significant improvement in efficiency is achieved.



equity commitment of more than €23 million in the project, which has a total investment volume of about €350 million. For the Scottish government, the project represents much more than the 15 minutes of driving time that will be saved by the expansion. "An effective transportation system is essential to increase productivity and to create sustainable growth", says Stewart Stevenson, Scotland's former Minister of Transport. In return for making the motorway available and operating it, Bilfinger Berger receives a contractually fixed sum from Scotland's public purse for a period of 30 years beginning in September 2011.

But at the moment, engineers still rule the construction site. Site Manager Carsten Künning is responsible for coordinating which parts of the motorway are to receive the daily delivery of up to 4,000 tons of asphalt. The fourth and final layer is being put down on a new lane: the surface layer is just a few centimeters thick and is characterized by the particularly fine aggregate of the bitumen utilized. "This is like painting cars", raves Künning. "The last step in the process is what makes the whole thing shine." A truck fills the container of a road paver with the black mixture. Spirals inside the machine transport the asphalt to the back where it is applied to the road with an extreme level of precision. A worker checks the temperature: 172 degrees Celsius. The freshly-laid surface makes a noise like popcorn in a microwave. Künning reaches into his pocket and looks for a penny in his wallet before throwing the coin in front of the road paver. "That should bring luck" he says, laughing.

19,000 traffic cones, 2,300 warning lights and 16 kilometers of temporary guard rails are required to control the flow of traffic.

"PPP has to be better communicated"

There is no doubt about the international success of public private partnerships (PPP). In Germany, on the other hand, they have often been the subject of heated discussions. As Premier in the state of North Rhine Westphalia and later as Federal Minister of Finance, Peer Steinbrück has always been an emphatic supporter of PPP projects.

Interview
Carl Graf von Hohenthal

Photos
Jens Schicke

Why is PPP the subject of so much criticism in Germany?

Resistance to these models can be found primarily with administrative authorities. Those who to date have controlled the field suddenly feel threatened. And in parliamentary committees, some are fond of asking whether PPP is actually economical. Public sector budgets operate in accordance with the principles of cameralistic accounting; their calculations are subject to an annuality principle. The advantages offered by PPP, especially over a longer period of time, are not tangible in such a system. Political decision makers do not work on the basis of economic rationalism, as is the case in the private sector. It has never ceased to amaze me, however, that other countries are so far ahead of us when it comes to realizing PPP projects – the United Kingdom, for example, which is a leader in Europe in this area.

What do those countries do better?

I don't think any fundamental differences exist. It has even turned out that, in Germany, local authorities, those at the municipal level, are much more open to these models than the state or federal levels. There are now a number of municipal PPP projects such as schools or administrative buildings. As far as I can tell, the municipalities are satisfied with these projects. PPP is least developed at the federal level. I had hoped that the Humboldt Forum for example – the construction of the former city palace of Berlin, which generated an astonishing range of discussion – would be

designated as a PPP project from the very beginning. Unfortunately, I was not able to push the proposal through. But just take a look at the British Embassy in Berlin, that is a classic PPP project. And, as far as I am aware, the implementation worked extremely well and has never been criticized.

These days, the United Kingdom often serves as a negative example. One need only look as far as the discussion about the condition of the national rail network.

Apples and oranges are being compared here. The privatization of state companies is completely different and cannot be equated to PPP. The criticisms are based on an invalid simplification of the situation. Which brings us to the core problem: The instrument itself has to be better communicated.

That also includes the accusation that PPP is not sufficiently transparent and too expensive.

It is the job of the private partner to make clear that such projects make good economic sense over a period of 20 or more years and that there is no disadvantage for the public sector. The risks have to be explicitly and transparently worked out and agreement must be reached on how they should

Focus on: Privatization

Public private partnerships are not privatizations. They are long-term cooperations between the public and private sectors with the aim of delivering transport and social infrastructure quicker and more efficiently. Such models shift responsibility for design, financing, construction and operation to a private partner. PPP projects do not include the sale of state assets. At the end of the concession period, the structure is returned to the public sector in sound condition.

PPP projects can ensure the provision of quality medical care even when public coffers are empty.

Public private partnerships in the education sector: nothing unusual in the United Kingdom.

be distributed. PPP projects are brought into disrepute when, during the operating phase, risks arise that had not previously been allocated.

There is some criticism that, through PPP, public sector debt is concealed. Is the charge justified?

Public debt financing is of course immediately reflected in increased borrowings for the relevant regional administrative body. By contrast, the rents for a PPP project only add up to the sum that reveals the total burden on the budget after a period of many years. The cost distribution is thus completely different. With projects like these, the public sector buys itself time; the financial burden can be more evently distributed over the entire period. There are significant advantages to this approach, which of course need to be emphasized in the political discussion.

Can it be said, then, that the transparency of PPP projects is in fact greater in the end?

Yes, as long as you're willing to stretch your thinking over a longer period of time. You have to plan over 20 years and make it clear that this is a long-

Focus on: Efficiency

The greater degree of efficiency for PPP projects can be attributed primarily to better incentive structures.

Instead of single improvements of individual phases, the lifecycle approach from design, construction, financing and operation allows for the comprehensive optimization of a project. The transfer of financing to the private partner increases his interest in the project's success. This is further intensified through an equity commitment from the private partner in the financing scheme. He also bears the risk for cost and schedule overruns.

Competition is an important efficiency driver: Public sector solutions are reviewed in a competition with privately financed alternatives. Competition among private suppliers also means that the project will be economical and available in the best possible quality over a long period of time.

Private investments in transport infrastructure: mobility is key to economic development.

term obligation. In a parliamentary democracy, that scares off a lot of politicians. There are two hurdles: the loss of control that a lot of people are not willing to accept and the prejudicial commitment of the relevant budgets over a period of several years, if not decades.

Focus on: Insolvency

In the case of the insolvency of a private operating company, the enterprises involved would lose the equity they committed to the project and the banks involved would potentially lose the financing capital that they contributed. Ownership of the structure, which was paid for by private investors, would shift to the public sector which would then have to provide for its maintenance independently from this point forward, as it would have to do in any case for a project that was carried out conventionally. Thus, there are no economic risks for the concession owner or, consequently, the taxpayer. This applies to all public private partnerships and is an important reason for the high degree of acceptance of such models in many countries.

Will the scope of such projects now become more limited or will it be opened up?

If you can achieve savings with PPP, then, of course, you open up free space. But as I said, if you enter into too many PPP projects, you occupy a portion of budget and lose a degree of flexibility.

Is there anything to the charge that the public sector suffers a loss of control through PPP?

In the subjective perception of those who to date have been responsible for administering public sector projects, there is a loss of control. And I am relatively certain that there is a de facto loss of control. Fact is that you will not find a private partner willing to back out of contract just because there is a change in the political majority.

But I believe that it is possible to allow this loss of control. The public sector cannot succumb to the idea that it can have its cake and eat it too.

Based on your experience, in what direction should PPP be developed in the future?
The greatest shortcoming lies in insufficient information and communication. There is a large number of representative projects in Germany with which it can be shown that PPP is an alternative that definitely should be used to a greater extent. I would estimate that in the United Kingdom, 15 percent of public sector infrastructure is based on PPP. In Germany, we have a long way to go before we reach that point. The communication has to reach everybody involved in public sector building construction, not only those who are department heads in federal ministries. It has to be positioned. And you can't allow these people to feel like they're being ignored, they have to be convinced with strong arguments.

Is the administrative personnel sufficiently trained to deal with PPP projects?
You should not underestimate the administrative authorities. There are no more miscalculations there than in the private sector. But the depth of knowledge with regard to public private partnerships as well as the opportunities and the structural possibilities that go along with them has to be improved.

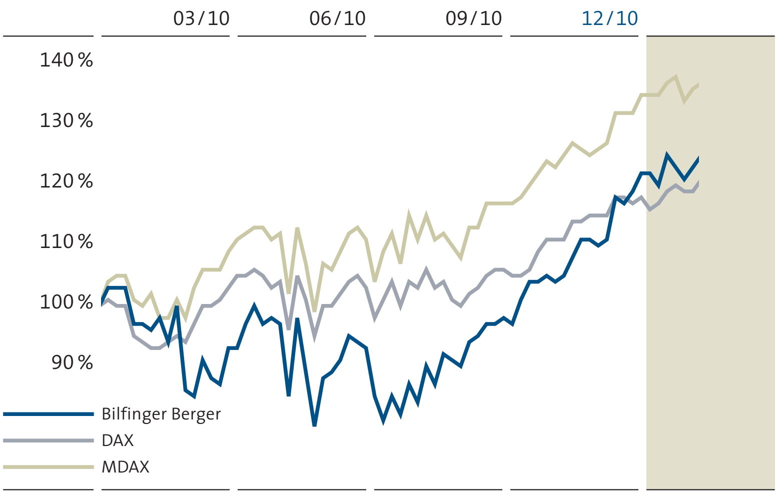
Focus on: *A* Model

Within the scope of an *A* model, the private contractor assumes responsibility for design, development, financing and operation of a defined section of the German motorway network. The refinancing of the private contractor's investment and operating costs is achieved through the forwarding of the truck toll levied on large commercial vehicles for the use of that section of the motorway. This covers the costs that are incurred in connection with investments in preservation and expansion as well as maintenance and operation of the section.

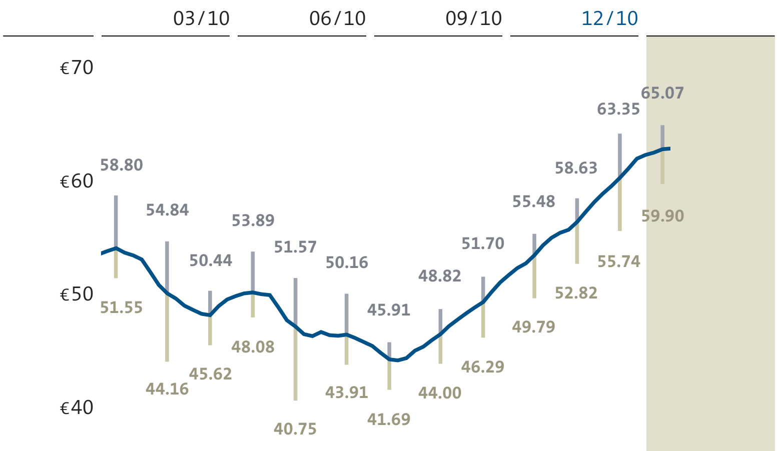
Efficiency improvement: PPP allows for the comprehensive optimization of public administration buildings.

Bilfinger Berger shares

Relative performance of our shares



Moving 30-day average in combination with monthly highest and lowest prices in €



- Strong year-end rally
- Capital market welcomes strategic focus
- Dividend increased by 25 percent

High volatility – strong year-end rally

Stock-market developments were very volatile in the first nine months of 2010, with negative effects at first from the crisis in Greece and then from the pressure on the euro. Following a brief recovery, renewed attention to government debt in some countries of the European Union caused a high degree of uncertainty in the financial markets as of late April. This resulted in more share-price falls and a continuation of high volatility through the third quarter. There was no sustained improvement in stock-exchange sentiment until September, when many shares reached their peak prices for the year. Good company results and unexpectedly good economic data for Germany supported this trend, which continued until the end of the year.

After developing significantly better than the market in general in 2009, Bilfinger Berger's share price moved with the market at the beginning of the year. Investors were unsettled by media reports about the events connected with the Cologne urban railway, so our share price fell by up to 15 percent in late February. Until the middle of the year, our stock moved mainly in parallel with the market, but at a lower level.

Key figures on our shares

€ per share		2006	2007	2008	2009	2010
Earnings		2.29	3.32	5.18	3.79	6.43
Dividend		1.15	1.66	1.85	2.00	2.50
Dividend-yield [1]		2.3 %	3.4 %	5.4 %	3.7 %	4.0 %
Pay-out ratio [2]		50 %	50 %	36 %	53 %	39 %
Highest price		51.47	68.99	59.68	54.56	64.35
Lowest price		34.81	43.71	22.06	21.57	40.75
Year-end price		51.25	48.72	34.45	53.92	63.20
Book value [3]		29.54	32.50	29.26	34.85	40.84
Market value / book value [3]		1.7	1.5	1.2	1.5	1.5
Market capitalization [5]	€ million	2,065	1,963	1,388	2,482	2,909
MDAX weighting [1]		2.2 %	2.1 %	3.1 %	4.0 %	3.5 %
Price-to-earnings ratio [1]		22.39	14.66	6.65	14.23	9.83
Number of shares (in thousands) [4,5]		37,196	37,196	37,196	46,024	46,024
Average daily volume (no. of shares)		286,756	377,923	485,628	390,746	381,287

All price details refer to Xetra trading.
Values per share for the years 2006-2008 were adjusted in accordance with the subscription rights issue.

1 Based on the year-end closing price
2 Based on earnings per share
3 Balance-sheet shareholders' equity excluding minority interest
4 Based on the year-end
5 2008 to 2010: including treasury shares

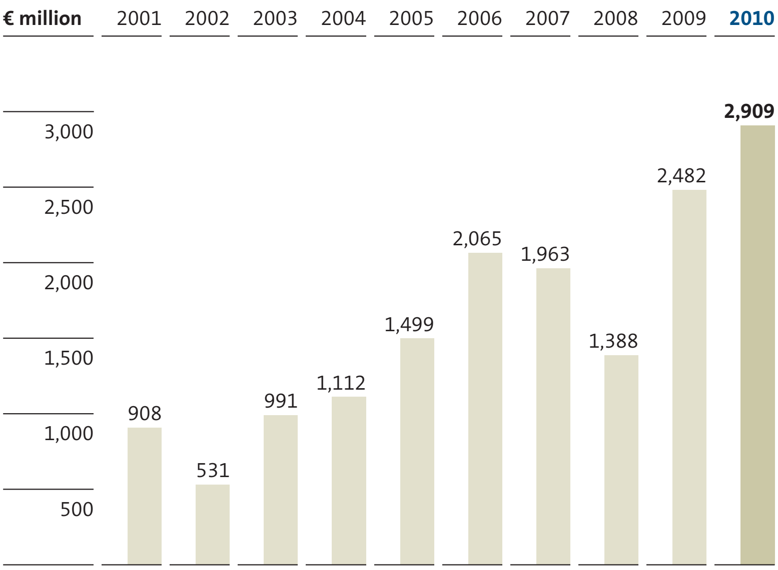
Additional data

ISIN	DE0005909006 / GBF
WKN	590900
Stock exchange abbreviation	GBF
Stock exchange	XETRA / Frankfurt, Stuttgart
Deutsche Boerse segment	Prime Standard
Component of	MDAX, Prime Construction Perf. Idx., DJ STOXX 600, DJ EURO STOXX, DJ EURO STOXX Select Dividend 30, MSCI Europe

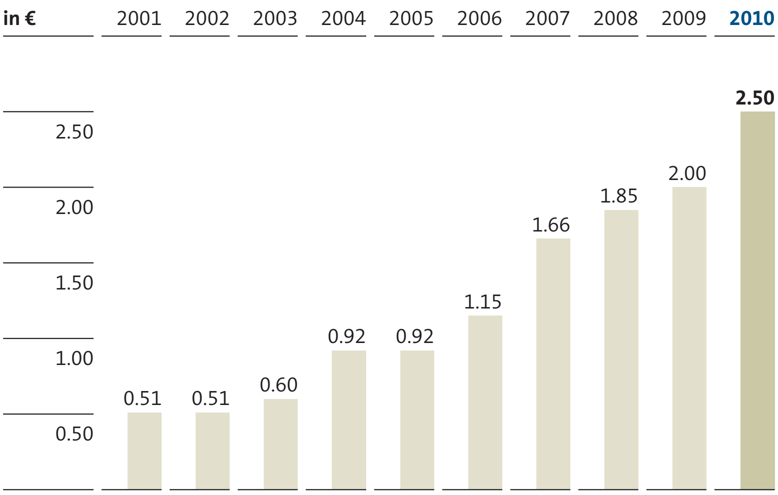
At the beginning of July, the postponement of the initial public offering of Valemus led to some disappointment. But investors continued to have a positive view of our strategy of reducing our construction activities and expanding the services business. This was then reflected by the price of our stock as of July: The Bilfinger Berger share price broke out of the negative trend of the first half of the year and reduced its lag behind the general market performance. This development accelerated in the fourth quarter, with the result that our share price had overtaken the DAX by the end of the year. Supported by the sale of Valemus on December 21, 2010, this trend continued into the new year.

Bilfinger Berger shares ended the year with a performance of plus 22 percent at €63.20, equivalent to a market capitalization of €2.9 billion. The MDAX closed at 10,128 or 35 percent above the prior-year level. The performance of the MDAX benefited from the clear recovery among cyclical equities, while the strong outperformance of our share in 2009 provided a high starting point leading into 2010. As a result, a different picture arises when one looks at a two-year period: from January 2009 until December 2010, the Bilfinger Berger share recorded a performance of 101 percent, leaving the MDAX with 81 percent well behind it.

Market capitalization Bilfinger Berger share



Dividend development of Bilfinger Berger shares not including bonus dividend



Strong weighting in the MDAX

Compared with the year 2009, trading volumes decreased slightly in 2010, but Bilfinger Berger shares were once again among the most liquid within the MDAX. In December 2010, they ranked sixth by trading volume (December 2009: fourth). The strong weighting of Bilfinger Berger shares in this stock-exchange segment is also reflected by their ranking of sixth by free-float capitalization (December 2009: fifth). Our MDAX weighting at the end of 2010 was 3.5 percent.

Broad international shareholder structure

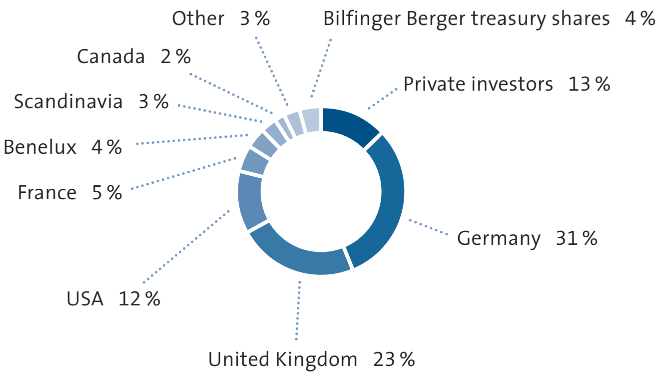
As in previous years, we carried out two shareholder surveys in 2010. The analysis of December 31, 2010 shows that once again, shareholders in Germany, the United Kingdom and the United States are the most prominent. France, Scandinavia and the Benelux countries were nearly unchanged while Canada gained ground.

Institutional investors continue to dominate our shareholder structure; the proportion of private investors remained at 13 percent. Four percent of our shares are currently held as treasury stock.

Dividend increase of 25 percent

With regard to our dividend policy, our focus is on a sustainable development: The dividend paid out on Bilfinger Berger shares has been at least held constant or increased over the past ten years. We would like our shareholders to participate in the Company's success once again this year: A proposal will be made to increase the dividend for the year 2010 by 25% from €2.00 to €2.50 per share. In relation to the share price at the end of 2010, this represents an attractive dividend yield of 4.0 percent.

Institutional investors by region (as of December 31, 2010)



In dialogue with our investors

Coverage of Bilfinger Berger's stock was given high priority once again in 2010. We are in contact with a total of 17 financial analysts, of whom twelve recommend our shares as buy and five recommend hold. We provided information to institutional investors in more than 250 individual discussions, in particular in roadshows in 16 cities in Germany and abroad, as well as by participating in ten international investor conferences.

Capital Market Day 2010 focused on our Power Services division and was held in Hamburg. Presentations from members of the operational management gave representatives of the capital market deeper insight into that division's range of services and market development, and were followed by a guided tour of the Morburg power plant, which is under construction. The strong interest in the event is evidence of the great interest in our services for the power generation industry.

The fundamental strengths of Bilfinger Berger

Strategic

› *Bilfinger Berger is an international services and construction Group for industry, real estate and infrastructure. We will continue expanding the range of services we provide. Construction remains a core activity but will be further scaled back beyond the sale of our Australian subsidiary. By shifting the focus of our business to services, we will improve the Bilfinger Berger Group's risk profile and increase profitability.*

Operational

› *Internationally positioned, we operate on a broad basis. We occupy leading positions in our markets. This is the result of our comprehensive range of premium services, a consistent focus on the needs of our clients and the deployment of qualified staff.*

Financial

› *Bilfinger Berger operates from a strong financial basis and has substantial resources from the sale of Valemus Australia. The Group's solid capital structure also gives it further scope for external financing. We have about €1 billion available for the expansion of our services business.*

Overview of 2010

2010 was a very successful year for the Bilfinger Berger Group. The medium-term goal of an EBIT margin of not less than 4 percent was achieved in the reporting year. In addition to the profitable services, our construction units also made a substantially positive contribution to the doubling of earnings. Proceeds from shares in four concession projects which were sold in line with our business model also contributed to increased earnings.

With the sale of the company's subsidiary, Valemus Australia, in December 2010, Bilfinger Berger has also made a significant step forward in the implementation of its corporate strategy. Completion of the transaction is expected in the first quarter of 2011.

In light of substantial growth in the importance of the company's services activities, we have adjusted our reporting segments which now include Industrial Services, Power Services and – together with the Building unit – Facility Services. Our civil engineering activities in Germany and Poland have been brought together in the Construction business segment and our concession projects are included in the Concessions business segment.

The transformation of Bilfinger Berger AG into a stock company in accordance with European law (Societas Europaea or SE) as approved by the Annual General Meeting on April 15, 2010, took effect with the entry into the commercial register on October 8, 2010. In the course of the transformation, the size of the Supervisory Board, while maintaining equal representation, is reduced from 20 to 12 members.

Services

In the Industrial Services business segment, output volume increased as a result of the acquisition of MCE at the end of 2009. An upturn in the business situation in the second half of the year offset the after-effects of the economic and financial crisis that could be felt in the first six months. Orders received and order backlog also grew organically. The integration of MCE completed in the reporting year significantly expanded our portfolio of industrial services as well as our regional presence. With a large number of major contract closings we were able to strengthen our foothold in European industrial production.

The Power Services business segment also grew through the addition of MCE. Despite a lack of impetus from the construction of new power plants, orders received in the maintenance, repair and rehabilitation business rose. Order backlog in our most profitable segment also increased further. Our technological competence in modernization, efficiency improvements and emission reduction in power plants will be continuously developed, equipping us to meet the coming demands faced in securing energy generation.

Our Facility Services unit is benefiting from the fact that banks, insurance companies and, increasingly, industrial companies are employing external service providers to manage their properties. We offer our major clients a special key account model which transfers real-estate management issues to us and allows the client to focus on the strategic management of their facilities.

In German construction, a majority of the business will be based on smaller and mid-sized projects. With the striking urban district 'The Seven' on the grounds of a former thermal power station in Munich, we also took on a larger project in 2010. The power plant's 56-meter high former machine tower will be retained as an industrial monument and converted to the tallest residential building in the city.

Construction

Our strategic decision to reduce the construction business has been largely carried out with the sale of Valemus Australia and the reduction of volumes in our Civil and Building units. The improvement in our risk profile led to a substantial increase in the margins achieved in our construction units. Our Polish subsidiary, Bilfinger Berger Budownictwo, also has a very successful year behind it.

A historical event took place in October 2010 with the breakthrough at the Gotthard Base Tunnel, the longest rail tunnel in the world. The central Sedrun lot, where Bilfinger Berger and its partners are working, was competed safely and on schedule despite its particular technical difficulties.

As a result of the incidents at the north-south urban rail line project in Cologne, we had the quality management of our civil engineering reviewed by independent experts. The review revealed that our quality assurance system operates at a high level and that there are no restrictions with regard to the structural integrity of the foundation engineering projects carried out by our Civil unit.

Concessions

In 2010, our concessions portfolio increased by three projects to a total of 29. Half the shares held by Bilfinger Berger in each of four projects were sold in October. Committed equity at the end of the year amounted to €358 million, of which €160 million had been paid into project companies. Despite the sale, the present value of the portfolio rose to €268 million. The M6 Tolna motorway project in Hungary went into operation.

The Bilfinger Berger Group

Strategy and business activities

Bilfinger Berger is an international services and construction group for industry, real estate and infrastructure. We will continue the expansion of our services business. Traditional construction remains a core business. We are, however, scaling it back and have disposed of our Australian activities. Within the construction business, we are reducing our dependence on major projects and anticipate a rising profit contribution to earnings as a result of our improved risk profile, among other things. In the concessions business, we intend to invest in new projects on the one hand, while at the same time realize the value growth in mature projects that we have carried out through the sale of shares.

The long-term expansion of our services business proved to be the right strategic step once again in 2010. Repair and maintenance works for the process industry are based on long-term contracts and we were able to extend partnerships with important major clients. With a focus on repair, maintenance and rehabilitation, the energy sector continued on its growth course. In facility services, the business model with a broad portfolio of services and a high degree of own delivery generated stable development.

In the construction business, the focus is on improving our profitability and risk profile. The scope of our construction activities will be scaled back according to plan. Supported by our high degree of technical expertise, we will nonetheless continue to be one of the leading competitors in Germany and other selected markets.

Through our activities in the concessions business, we aim to continuously create and realize value. Our concessions business takes advantage of the Group's comprehensive expertise to add attractive new projects to its portfolio. As part of our business model, we will also sell shares in mature, valuable projects.

Our strengths as a services and construction group are to be found in our specialist expertise, decades of experience and the wide range of services we offer and provide with highly qualified permanent staff. Two key parameters for measuring our success are EBIT and cash flow. In addition, we assess the financial success of the divisions and the Group with the use of value added, as defined by our system of return-on-capital-employed controlling. Another important measure of performance is net profit.

Pursuant to the resolution of the Annual General Meeting on April 15, 2010, Bilfinger Berger changed its legal form and, since the entry in the commercial register on October 8, 2010, has been a stock company in accordance with European law. The management bodies of the Company are the Executive Board, the Supervisory Board and the Annual General Meeting. The Group is managed in accordance with both German and international standards.

Our business operations are organized in a decentralized manner. The subgroups and their entities act as independent profit centers. Controlling and monitoring functions are based on close management by the Executive Board, strong Group headquarters with clearly defined tasks, and a risk management system that encompasses the entire Group.

Structure of the business segments

Industrial Services	Power Services	Building and Facility Services	Construction	Concessions
Bilfinger Berger Industrial Services	Bilfinger Berger Power Services	Bilfinger Berger Facility Services	Bilfinger Berger Civil	Bilfinger Berger Project Investments
		Bilfinger Berger Building	Bilfinger Berger Budownictwo	
		Bilfinger Berger Nigeria		
		Bilfinger Berger Government Services Holding		

New business segment structure

In light of the growing importance of its services activities, Bilfinger Berger has adjusted its business segments.

Since the 2010 financial year, there are five instead of the previous four business segments. Due to the significant increase in volume at Bilfinger Berger Industrial Services and Bilfinger Berger Power Services, these units will be run as separate business segments. The Building and Facility Services business segment will bring together those subgroups focused on property-related services. These include Bilfinger Berger Facility Services, Bilfinger Berger Building and Bilfinger Berger Government Services Holding. The segment also includes Bilfinger Berger Nigeria which provides services for Julius Berger Nigeria from Germany. The Construction business segment comprises Bilfinger Berger Civil and the Group's construction activities in Poland (Bilfinger Berger Budownictwo). The Concessions business segment includes the activities of Bilfinger Berger Project Investments.

The Company's Australian business, which has been sold, will be run as discontinued operations in a separate reporting segment until completion of the transaction.

Economic environment

Economic developments

In 2010, the world economy emerged from its worst recession since the Second World War. Driven by the strong development of the emerging markets in Asia, global economic growth accelerated with surprising speed to 4.8 percent (after minus 0.6 percent in 2009). The volume of world trade already reached the pre-crisis level during the course of the year, particularly to the benefit of the exporting countries. Countries with high exports of raw materials profited from the strong recovery in the prices of those materials.

In the European Union (EU), economic recovery was uneven. Growth was strong in Germany and some of the smaller member states, but rather moderate in most of the other countries. In total, the gross domestic product of the EU expanded by 1.8 percent. The economic stimulus programs initiated during the crisis continued to have a stabilizing effect. However, rapid increases in national debt proved to be an increasingly relevant risk factor for the ongoing recovery in some countries. A crisis of confidence concerning the members of the euro zone with particularly high levels of debt was only averted – temporarily at least – by far-reaching credit commitments and support arrangements. Countries such as Greece, Spain, Ireland and Portugal had to intensify their austerity measures and remained in recession.

Germany's growth rate for the year of 3.6 percent was well above the average for the EU. The German economy, which had been hard hit by the crisis due to its export dependency, experienced a strong recovery due to the sudden revival of world trade. As the year progressed, fears faded that the German labor market would react to the crisis by shedding jobs after a certain time lag. On the contrary, there was a continuous reduction in unemployment, which dropped below the three-million mark once again in autumn for the first time since before the financial crisis started. The export-driven recovery was increasingly aided by livelier domestic demand. Consumer spending was encouraged by the good situation of the labor market and rising real incomes. At the same time, companies' willingness to invest increased as a result of normalizing capacity utilization and in many cases a return to strong profitability.

Many of the smaller economies which had been enjoying strong growth before the crisis were unable to match Germany's dynamism in 2010. In Austria, Belgium and the Netherlands, economic output increase by only about 2 percent.

Following a dynamic start to 2010, growth in the United Kingdom slowed down as the year progressed, resulting in GDP expansion of 1.8 percent in the full year. The slowdown was caused by far-reaching government spending cuts implemented with the aim of reducing its deficit, currently running at about 10 percent of GDP. Growth was temporarily stabilized before the end of the year, however, as the increase in value-added tax decided on for 2011 led to some consumer spending being brought forward.

Economic developments in Northern Europe were stable, benefiting from the sound situation of government finances in the Scandinavian countries. Sweden posted a particularly high growth rate of 4.8 percent.

In the countries of Central and Eastern Europe, economic developments were extremely varied. The Polish economy was the only one in the region to pass through the financial crisis without falling into recession, and expanded by 3.5 percent in 2010. The country profited from strong growth in Germany, the most important market for Polish exports, and from strong private consumption. The recovery of the automotive industry resulted in a significant increase in industrial output in the Czech Republic and Slovakia. However, economic output remained flat in Hungary and the recession of the previous year continued in Romania. Among the EU entry candidates, Turkey stood out with GDP growth of nearly eight percent. Russia emerged from the severe recession of the previous year and achieved growth of four percent, partially due to rising raw-material prices.

In the Gulf region, the economies of the oil-exporting countries responded to the rapid increase in the price of oil and to extensive stimulus programs. The financial difficulties of some groups of companies in Dubai, Kuwait and Saudi Arabia had only limited impact. The region's biggest economy, Saudi Arabia, already returned to strong growth of 3.8 percent. Qatar was well above that with a rate of 16 percent.

Africa also benefited from the global economic upturn in 2010. Nigeria's investment conditions improved thanks to a return to more stability in the Niger delta. The country achieved a strong growth rate of more than seven percent.

In North America, there were significant economic differences between the United States and Canada, despite their close economic links. Canadian households suffered lower asset losses from falling real-estate prices during the crisis, and were not faced with such high unemployment rates. Another factor is that there was no contraction of lending to private households and companies in Canada. Furthermore, the situation of public finances is much better in Canada, where the government deficit of 4.9 percent was well below that in the United States (11.1 percent). As a result, the overall economic development in Canada was rather more favorable with GDP growth of 3.0 percent compared with 2.7 percent in the United States.

Australia continued to profit from its close trading relations with Asian countries, the ongoing strong growth of the Chinese economy and the upward development in raw-material prices. Unemployment began to fall again and Australia posted GDP growth of a good three percent.

GDP growth in selected regions and countries

%	2010	2009
Germany	3.6	–4.7
Euro zone	1.8	–4.1
United Kingdom	1.8	–5.0
United States	2.7	–2.7
Australia	3.3	1.2

Industrial Services

Companies' investments in plant and equipment in industrialized countries recovered in 2010 from the sharp drop of the previous year. The upswing was particularly strong in Germany, with an increase of 9 percent after a fall of 23 percent in 2009. There were substantial differences in the various sectors, however. While the pharmaceuticals industry had hardly reacted to the crisis, the recovery was particularly strong in the chemicals industry. Utilization of production capacity in that industry had already returned to a normal level for the industry by the second quarter, and output increased by approximately 11 percent in the full year. On the other hand, growth in the pharmaceutical industry weakened somewhat.

The German market for industrial services reflected this development with a time lag of about six to eight months. Signs of recovery had become increasingly clear since early summer 2010 and the decreases in the first quarter were compensated for over the full year. Overall, the year 2010 remained flat, but a return to growth is anticipated for 2011.

The situation in other major European markets was similar to that in Germany in 2010, in particular in the Benelux countries, the United Kingdom, Austria, Poland, Switzerland and Scandinavia, while the situation in some other European markets was significantly worse.

Power Services

The market for industrial services in the field of power plants and energy is generally stable. Expansion in Germany, however, was limited by the postponement of new construction for political reasons.

Also worldwide, the financial crisis has led to the postponement of investment in new power plants. But with an improvement in financing conditions, there were indications that this situation was normalizing already in 2010. For example, Saudi Arabia presented a new strategy for nuclear and renewable energy in order to satisfy the country's sharply increasing energy requirements. In Poland, the market is about to receive new stimulus from the planned privatization of the state provider. The government has also decided on the construction of the first nuclear power plant, with four more to follow. South Africa is making efforts to resolve its acute bottlenecks in electricity supply and to achieve more diversified production in the coming years. By the year 2025, the country's electricity-generation capacity is to be nearly doubled.

Facility Services

The market for facility management services in Germany has meanwhile attained considerable economic importance, with a volume of approximately €60 billion. In terms of domestic revenue, the economic crisis in 2009 did not reduce the leading companies' business, but merely reduced their growth rates to just under 5 percent. Facility management companies are assumed to have enjoyed growth of 7 percent in 2010. However, the industry reacts to economic fluctuations with a certain time lag due to long-term contracts, so the year 2010 was still affected by the crisis in the prior year. The proportion of German companies' revenue generated abroad was still at a comparatively low level, but rising. In Germany, the increasing transaction volume in the market for commercial real estate had a positive impact.

The structure of suppliers continues to change due to the ongoing trend towards consolidation in the industry. On the clients' side, only slow structural changes are to be observed. Banking and insurance is the leading sector, with a share of 20 percent, followed by the public sector (13 percent), IT and telecommunication (12 percent) and health care (12 percent). The outsourcing process is already well advanced in the financial sector. Interest in such solutions has recently been increasing also in other sectors, especially the automotive, chemicals and pharmaceuticals industries.

German construction industry

As in many other industrial countries, public-sector construction investment profited also in Germany in 2010 from the processing of projects initiated during the crisis as part of the economic stimulus program. As a result, public-sector construction investment enjoyed renewed growth of 3.4 percent. In the area of residential construction, private households' willingness to invest was positively affected by rising rents, low mortgage rates and growing economic optimism. In the area of commercial construction, an increasing number of projects were realized that had been postponed during the financial crisis. After a slow start due to the hard winter, this led to some acceleration during the year, so that total construction investment grew by 2.8 percent in 2010.

International construction industry

The situation of the construction industry in the United Kingdom went through a complete change: Whereas the first new stimulus was apparent in residential construction after the crisis year, public-sector construction already started to feel the impact of the government's strict spending cuts.

Developments in Eastern Europe reflect the highly diverse economic situations. In Poland, which passed through the recession relatively unscathed, some major new public-sector investment projects have been started again, such as the construction of a high-speed railway network. In Hungary, however, which is suffering much more from the crisis and government debt, construction activity decreased by another five percent.

In Switzerland, current extensive infrastructure projects such as the construction of the Gotthard Base Tunnel are maintaining high volumes. In September, the Swiss upper chamber of parliament announced further infrastructure investment of up to 170 billion Swiss francs for the period of 2010 to 2030. The construction industry in neighboring Austria was hit harder by the crisis, with a contraction of more than two percent. One positive aspect there, however, was the substantial expansion of the country's railway network.

The construction industry in Scandinavia developed disparately. Growth in Sweden of seven percent was the highest rate of expansion of the construction industry in the entire EU. But construction activity in Denmark and Norway continued to decline. In Norway, this applied to both residential and commercial construction, while infrastructure projects remained unaffected.

Concession projects

The aftermath of the financial crisis continued to affect the worldwide market for concession projects. A shortage of equity at many banks combined with a limited willingness to take risks restricted financing possibilities. The urgent need for budgetary consolidation in the public sector, however, will continue to drive the search for efficient solutions for infrastructure modernization. This is boosting demand for privately financed models.

Despite the setback caused by the financial crisis, the volume of new projects in the German market totaled just over €1 billion. Nearly two thirds of that was accounted for by building-construction projects and just over one third by transport projects. The bandwidth of building construction widened, and included schools, universities and nurseries as well as prisons and sport facilities. The federal state of North Rhine-Westphalia once again played a leading role, accounting for nearly a third of all concession projects in Germany.

Outside Germany, Canada, the United Kingdom and Australia are our most important markets for concession projects. In Canada, the number of PPP projects continued to grow, with regional focuses in British Columbia, Ontario, Alberta and Quebec. This development was encouraged by the establishment of the 'P3 Canada Fund', from which co-financing for partnership projects is awarded. From the applications for financing from the fund, it can be seen that in addition to the provinces, the municipalities are showing increasing interest in PPP projects.

With experience of PPP projects stretching back into the early nineteen-nineties, the United Kingdom is a mature market for concession models. The new government has also prioritized cooperation with private-sector lenders and concession companies for the modernization of the country's infrastructure. The strict spending cuts that have been initiated mean that privately financed and concession-operated models are increasingly becoming the only option to maintain a modern infrastructure.

The focus of the PPP market in Australia is on transport projects and social infrastructure. The average project size there is much higher than in Canada, the United Kingdom or Germany.

Business development in 2010

- **Output volume increased**
- **Earnings doubled**
- **Significantly higher dividend proposed**

Bilfinger Berger successfully closed out the 2010 financial year. Output volume, orders received and order backlog all continued to grow while EBIT and net profit doubled. The medium-term goal of an EBIT margin of not less than 4 percent was already achieved in 2010. Shareholders are to participate in this positive development in the form of a significantly increased dividend of €2.50 per share (2009: €2.00).

Unless otherwise stated, all of the figures quoted here refer to the Bilfinger Berger Group's continuing operations. Valemus Australia is not accounted for as a continuing operation in the 2010 financial statements. The prior-year figures have been adjusted accordingly.

Output volume increased by 5 percent to €8,123 million. The proportion of output volume accounted for by the services business increased to 80 percent. In total, 59 percent of output volume was generated in our international markets (2009: 57 percent).

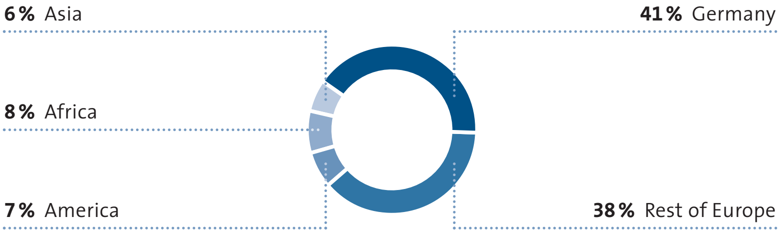
Orders received increased by 5 percent to €8,048 million and the order backlog rose by 3 percent to €8,585 million.

Output volume, orders received, order backlog

€ million	2010	2009	Δ in %
Output volume	8,123	7,727	+5
Orders received	8,048	7,696	+5
Order backlog	8,585	8,362	+3

Output volume by region

€ million	2010	2009	Δ in %
Germany	3,358	3,330	+1
Rest of Europe	3,030	2,535	+20
America	591	638	–7
Africa	635	625	+2
Asia	483	500	–3
Australia	26	99	–74
	8,123	7,727	+5



EBIT increased to €343 million (2009: €173 million). It was 98 percent higher than prior-year EBIT, which was reduced by a risk provision of €80 million for a highway project in Doha. Net profit doubled to €284 million (2009: €140 million). All business segments and the discontinued operations contributed to the substantial increase in earnings.

Revenue / output volume

Revenue increased by eight percent to €8,007 million (2009: €7,381 million) and output volume rose by five percent to €8,123 million (2009: €7,727 million). The reduction as planned in the output volume of the construction business was more than offset by an increase in the services business due to first-time consolidation.

Revenue primarily comprises revenue received for the provision of services and from production orders, but also for goods and services supplied to joint ventures as well as our proportionate share of joint ventures' profits and losses. Revenue does not include our share of the output volume generated by joint ventures. For the presentation of the total output volume generated by the Group, we therefore report on output volume rather than revenue in the management report. For the reconciliation of revenue to output volume, goods and services supplied to joint ventures and profit and loss transfers from joint ventures have to be deducted and our proportionate share of the revenue generated by joint ventures has to be added.

Due to the growing importance of our services activities, we introduced a new business segment structure effective as of the beginning of the year 2010 (see page 69).

Industrial Services

Due to the acquisition of MCE in Austria at the end of 2009, the output volume of the *Industrial Services* business segment increased again by €683 million to €2,932 million (2009: €2,249 million). International business accounted for an unchanged 72 percent of output volume while business in Germany once again accounted for 28 percent.

The segment's most important markets, accounting for 61 percent of output volume (2009: 56 percent), are the European countries outside Germany, especially Scandinavia, Austria, the Benelux countries, the United Kingdom and Eastern Europe. 10 percent of output volume was generated in the North American market (2009: 15 percent).

Power Services

Capacities continue to be well utilized in the *Power Services* business segment. Output volume of €1,106 million was higher than in the prior year, also due to the first-time consolidation of MCE (2009: €1,017 million). Business in Germany accounted for 52 percent of output volume (2009: 53 percent). Another 24 percent of output volume was generated in other European countries (2009: 20 percent) with a focus on Finland and Poland. Other important international markets were South Africa with 15 percent of output volume (2009: 14 percent) and the Gulf Region with 8 percent (2009: 12 percent).

Building and Facility Services

In the *Building and Facility Services* business segment, output volume decreased according to plan by 8 percent to €2,333 million (2009: €2,529 million). While the volume of building construction was reduced, as planned, the development of facility services activities was stable.

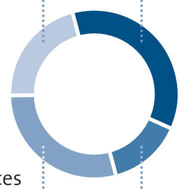
59 percent of the segment's output volume was generated in Germany (2009: 62 percent). The main international markets are in Europe, with 12 percent of output volume (2009: 11 percent) and a focus on Switzerland and Austria, and in North America with 8 percent of output volume (2009: 7 percent). 20 percent of the segment's output volume relates to Nigeria (2009: 18 percent). These include construction-related services which we provide from Germany to our associated company, Julius Berger Nigeria.

Construction

The reduction as planned in our building construction activities led to a decrease in the output volume of the *Construction* business segment of €214 million or 11 percent to €1,725 million (2009: €1,938 million). Of the segment's total output volume, approximately 75 percent is generated in Europe (2009: 74 percent) and 20 percent in the Gulf Region (2009: 16 percent).

Output volume by business segment

€ million	2010	2009	Δ in %
Industrial Services	2,932	2,249	+30
Power Services	1,106	1,017	+9
Building and Facility Services	2,333	2,529	–8
Construction	1,725	1,938	–11
Consolidation, other	27	–6	
	8,123	**7,727**	**+5**



Output volume in Germany decreased by 3 percent to €611 million (2009: €630 million).

In Europe excluding Germany, output volume decreased by 14 percent to €688 million (2009: €796 million). The important markets in this region are the United Kingdom, Poland, Scandinavia, Austria, Hungary and Switzerland.

In the Gulf Region, our activities are focused on Doha, Qatar. Output volume in this region amounted to €349 million (2009: €301 million).

Cost of sales

The main components of cost of sales are material expenses and personnel expenses. Other items reported under cost of sales include depreciation of property, plant and equipment and amortization of intangible assets from acquisitions, as well as other costs directly allocable to the sale process. The level of these costs in relation to sales revenue differs from period to period and fluctuates from one order to another, mainly depending on the extent that subcontractors are used. Whereas order processing of the Group's own output volume is reflected both in material expenses and in personnel expenses, all costs for the use of subcontractors are allocated to material expenses.

Cost of sales increased by €433 million to €6,966 million (2009: €6,533 million). In relation to revenue, cost of sales amounted to 87.0 percent (2009: 88.5 percent). Of that total, material and personnel expenses accounted for 78.5 percentage points (2009: 80.8 percentage points).

Cost of sales also included amortization of intangible assets from acquisitions of €41 million (2009: €23 million), representing scheduled amortization of capitalized items from acquired order backlogs and long-term customer relations from acquisitions in the services business. The increase resulted from the acquisition of the MCE Group at the end of 2009. Depreciation of property, plant and equipment amounted to €125 million (2009: €105 million), of which €95 million was allocated to cost of sales (2009: €79 million). The remaining depreciation of property, plant and equipment is allocated to selling and administrative expenses.

Gross profit

Gross profit increased significantly to €1,041 million (2009: €848 million). In relation to output volume, the gross profit margin increased to 12.8 percent (2009: 11.0 percent). It is necessary to take into consideration that the prior-year figure was reduced by €80 million due to the risk provision for a highway project in Doha.

Selling and administrative expenses

Selling and administrative expenses increased to €783 million (2009: €718 million). In relation to output volume, they increased to 9.6 percent (2009: 9.3 percent). This resulted from the rising proportion of the services business, which has a different cost structure from that of the construction business.

Other operating income and expenses

The balance of other operating income and expenses increased to €63 million (2009: €27 million). €21 million of the increase comprises the gain realized on the sale of equity in four concession projects.

Income from investments accounted for using the equity method

Income from investments accounted for using the equity method is composed of the income and expenses from associated companies and joint ventures and amounts to €22 million (2009: €16 million).

EBIT

EBIT increased to €343 million (2009: €173 million). In relation to output volume, the EBIT margin was 4.2 percent (2009: 2.2 percent).

The *Industrial Services* business segment's EBIT increased due to the acquisition of MCE at the end of 2009 to €134 million (2009: €118 million). The EBIT margin decreased to 4.6 percent as a result of higher amortization of intangible assets from acquisitions (2009: 5.2 percent). The EBITA margin was 5.5 percent (2009: 5.8 percent).

EBIT in the *Power Services* business segment increased to €83 million (2009: €73 million). Here too, the increase was mainly due to the first-time consolidation of MCE. The EBIT margin rose to 7.5 percent (2009: 7.2 percent).

In the *Building and Facility Services* business segment, EBIT increased significantly to €80 million (2009: €58 million). The EBIT margin reached 3.4 percent (2009: 2.3 percent).

Consolidated income statement (abridged)

€ million		2010	2009
Output volume (for information only)		8,123	7,727
Revenue		8,007	7,381
Cost of sales		–6,966	–6,533
Gross profit		**1,041**	**848**
Selling and administrative expenses		–783	–718
Other operating income and expenses		63	27
Income from investments accounted for using the equity method		22	16
Earnings before interest and taxes (EBIT)		**343**	**173**
Net interest result		–40	–38
Earnings before taxes		**303**	**135**
Income tax expense		–95	–52
Earnings after taxes from continuing operations		**208**	**83**
Earnings after taxes from discontinued operations		**79**	**60**
Earnings after taxes		287	143
thereof minority interest		3	3
Net profit		**284**	**140**
Average number of shares	in thousands	44,140	37,005
Earnings per share	in €	6.43	3.79
thereof from continuing operations		4.65	2.17
thereof from discontinued operations		1.78	1.62

EBIT

€ million	2010	2009
Industrial Services	134	118
Power Services	83	73
Building and Facility Services	80	58
Construction	31	–73
Concessions	40	14
Consolidation, other	–25	–17
Continuing operations	**343**	**173**

Along with a reduction in output volume as planned, EBIT of the *Construction* business segment was improved significantly to €31 million (2009: minus €73 million). It is necessary to consider that the prior-year result was negatively affected by a risk provision of €80 million for a highway project in Doha. The EBIT margin was 1.8 percent.

In the *Concessions* business segment, EBIT increased to €40 million (2009: €14 million); it includes a gain of €21 million realized on the sale of equity in four concession projects.

To assess the success of our concessions business, we also take into consideration the annual changes in the present value of future cash flows. The development of the value of our concessions portfolios is explained in detail in the chapter of this Annual Report on the Concessions business segment (see pages 236 ff.).

EBIT not allocated to the business segments amounted to minus €25 million (2009: minus €17 million).

Net interest result

The net interest result worsened slightly to an expense of €40 million (2009: expense of €38 million). Interest income amounted to €12 million (2009: €13 million) and regular interest expenses were unchanged compared with 2009 at €25 million. The interest expense from the increase in the retirement benefit obligation – netted with the income from the plan assets – increased due to the effects of first-time consolidation to €16 million (2009: €13 million). The interest expense for minority interests decreased to €11 million (2009: €13 million).

Earnings before taxes / Income tax expense

Earnings before taxes increased to €303 million (2009: €135 million) and the income tax expense increased to €95 million (2009: €52 million). It is necessary to consider that the gain of €21 million realized on the sale of equity in four concession projects is nearly tax free. Excluding this effect, the effective tax rate was 34 percent.

Earnings after taxes from continuing operations increased to €208 million (2009: €83 million). The discontinued operations of Valemus Australia contributed €79 million (2009: €60 million) to the Group's total earnings after taxes, which doubled to €287 million (2009: €143 million).

Minority interest

Profit attributable to minority interest amounted to €3 million, as in 2009.

Net profit / Earnings per share

Net profit doubled to €284 million (2009: €140 million).

Earnings per share amounted to €6.43 (2009: €3.79), of which €4.65 was accounted for by continuing operations (2009: €2.17).

Increased dividend of €2.50 per share proposed

The net profit for 2010 of Bilfinger Berger SE, whose company financial statements are prepared according to the accounting regulations of the German Commercial Code (HGB), amounts to €111.3 million (2009: €88.3 million). Including the profit brought forward of €3.8 million (2009: €3.8 million), unappropriated retained earnings amount to €115.1 million (2009: €92.1 million).

A proposal will be made to pay out a dividend of €2.50 per share (2009: €2.00). This represents a total dividend distribution of €110.4 million (2009: €88.3 million) in relation to the number of shares entitled to a dividend as of February 24, 2011.

Value added

One of the key features of the Bilfinger Berger Group's financial management system is return-on-capital-employed controlling. With this method, we measure the value added by our business segments and by the Group. We specifically employ our capital where high value growth can be achieved.

The basic idea behind this concept is that positive value added is only achieved when the return on capital employed (ROCE) exceeds the cost of capital. The weighted average cost of capital (WACC) for the Group amounted to 10.0 percent before taxes in 2010 (2009: 10.5 percent). In order to reflect the business segments' various risk profiles, we apply specific cost-of-capital rates for each segment.

Details and an explanation of the calculation are provided in the chapter of this Annual Report dealing with return-on-capital-employed controlling (see pages 232 ff.).

Average capital employed increased to €2,408 million in 2010 (2009: €1,925 million). This was mainly due to the higher level of equity caused by the capital increase in October 2009 as well as positive earnings and currency effects, in addition to higher provisions for pensions primarily resulting from first-time consolidation.

Due to a significantly increased return, however, the Group's ROCE increased to 22.1 percent (2009: 15.6 percent) and value added increased to €292 million (2009: €98 million). Of that total, €213 million was accounted for by continuing operations (2009: €35 million).

At the Industrial Services business segment, ROCE decreased despite higher EBIT to 16.0 percent (2009: 18.7 percent). This was caused by a significant increase in capital employed to

Value added	Capital employed € million		Return € million		ROCE %		Cost of capital %		Value added € million	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Industrial Services	1,005	705	161	132	16.0	18.7	9.5	9.0	65	68
Power Services	270	197	91	78	33.7	39.5	9.5	9.0	65	60
Building and Facility Services	394	389	94	71	23.8	18.3	9.5	9.4	57	35
Construction	249	265	42	–66	17.1	–24.9	12.5	13.0	11	–100
Concessions	223	192	65	23	29.3	11.9	9.0	9.8	45	4
Consolidation, other	–61	0	–32	–20	–	–	–	–	–30	–32
Continuing operations	2,080	1,748	421	218	20.2	12.5	10.0	10.5	213	35
Discontinued operations	328	177	112	82	34.2	46.2	10.0	10.5	79	63
Consolidated Group	**2,408**	**1,925**	**533**	**300**	**22.1**	**15.6**	**10.0**	**10.5**	**292**	**98**

1,005 million, primarily due to the acquisition of MCE at the end of 2009 (2009: €705 million). Value added of €65 million was at the prior-year level (2009: €68 million).

The high ROCE of the Power Services business segment fell to 33.7 percent, also due to an increase in capital employed primarily resulting from first-time consolidation (2009: 39.5 percent). Value added increased to €65 million (2009: €60 million).

At the Building and Facility Services business segment, because of the higher EBIT, ROCE increased with almost unchanged capital employed to 23.8 percent and value added rose to €57 million (2009: 18.3 percent and €35 million).

The Construction business segment's ROCE of 17.1 percent and value added of €11 million were positive again after the loss-making prior year (2009: minus 24.9 percent and minus €100 million).

In the Concessions business segment, the calculation of return takes into account not only EBIT, but also the portfolio's growth in value compared to a year earlier. The calculation of the segment's value added of €26 million (2009: €9 million) is explained in detail in the Concessions chapter of this Annual Report (see pages 236 ff.).

As a result of capital contributions to project companies, capital employed increased again to €223 million (2009: €192 million). With ROCE of 29.3 percent (2009: 11.9 percent), value added increased significantly to €45 million (2009: €4 million). It is necessary to take into consideration that there was an additional return of €21 million in 2010 from the sale of equity in four concession companies.

Headquarters / Consolidation

The value added by headquarters and consolidation was negative in 2010 at minus €30 million (2009: minus €32 million).

The discontinued operations of Valemus Australia achieved a ROCE of 34.2 percent (2009: 46.2 percent) and value added of €79 million (2009: €63 million).

Financial position

For the analysis of the financial position, in order to gain better comparability with December 31, 2010, the assets and liabilities of discontinued operations are shown separately in an item on the assets side and an item on the liabilities side of a pro-forma balance sheet as of December 31, 2009.

Total assets remained unchanged at €7.9 billion.

Exchange-rate effects increased total assets by €580 million, whereas the deconsolidation of four concession projects led to a reduction of €850 million.

On the assets side, non-current assets decreased to €4,460 million (2009: €4,622 million).

Intangible assets, which primarily comprise acquired goodwill of €1,318 million (2009: €1,239 million) and intangible assets from acquisitions of €120 million (2009: €149 million), increased to €1,457 million (2009: €1,406 million).

Property, plant and equipment increased only slightly to €663 million (2009: €650 million). Receivables from concession projects and other non-current assets in the Concessions business segment decreased to €1,981 million (2009: €2,257 million). The increases from the ongoing business and from exchange-rate effects were more than offset by the deconsolidation of four concession projects.

Current assets decreased slightly to €1,890 million (2009: €1,923 million).

Cash and cash equivalents amounted to €537 million at the end of the year (2009: €635 million). Financial debt – excluding project financing on a non-recourse basis – was reduced to €272 million (2009: €287 million).

Non-recourse debt, for which the Group is not liable, decreased in line with receivables from concession projects to €1,643 million (2009: €1,902 million). Most of this amount represents the financing of concession projects.

The retirement benefit obligation increased to €313 million (2009: €287 million), primarily due to the reduction in the discount rate to 5.0 percent (2009: 5.5 percent).

Of the decrease in other non-current liabilities to €574 million (2009: €656 million), €84 million resulted from the reclassification to current liabilities of the tranche of the promissory note loan that fell due in July 2011.

Current liabilities decreased despite this reclassification to €2,892 million (2009: €2,980 million). This was due to a decrease in other financial liabilities of €237 million, the largest portion of which comprised advance payments received of €156 million.

This led to an increase in working capital, but it was still very negative at a level of minus €913 million (2009: minus €1,039 million).

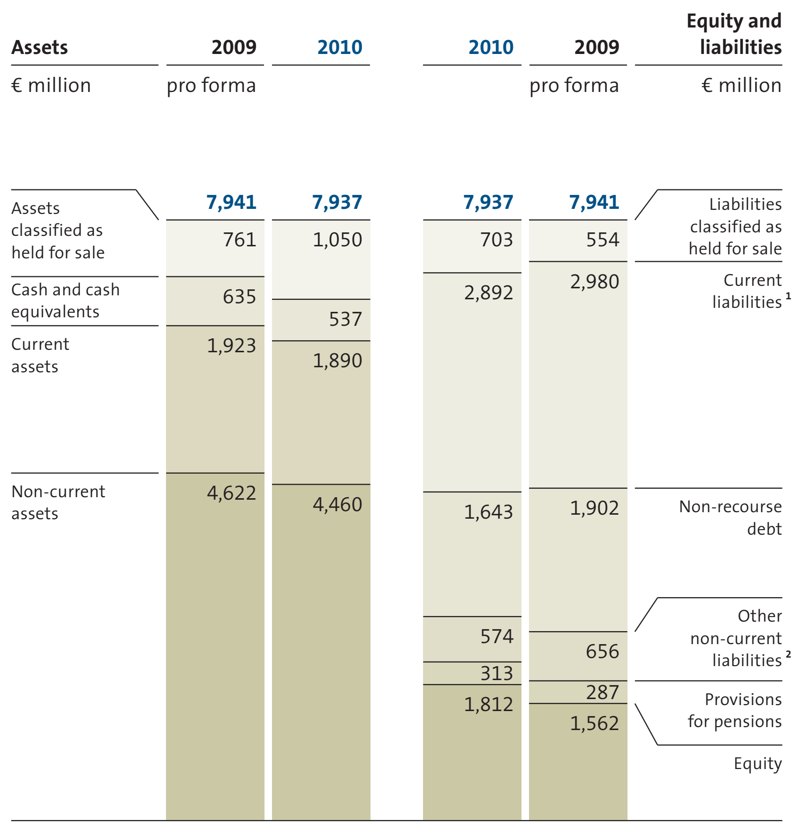
The assets and liabilities held for sale of Valemus Australia increased primarily due to exchange-rate effects to €1,050 million and €703 million respectively (2009: €761 million and €554 million).

Equity increased by €250 million to €1,812 million (2009: €1,562 million), mainly due to the earnings after taxes of €287 million, but reduced by the dividend payout of €91 million. Exchange-rate effects made a positive contribution of €138 million. The increase in negative fair values of interest-rate hedges in the Concessions business segment reduced equity by €56 million. Other items had a net negative effect of minus €28 million.

The equity ratio therefore amounted to 23 percent (2009: 20 percent). The elimination of non-recourse debt, which has the effect of extending the balance sheet, results in an equity ratio of 29 percent (2009: 26 percent).

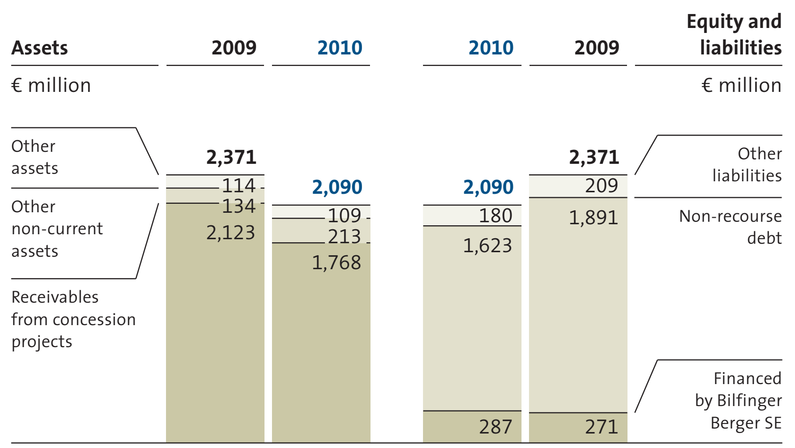
Liquidity and capital resources

Structure of consolidated balance sheet



¹ Including financial liabilities of €89 million (2009: €18 million)
² Including financial liabilities of €183 million (2009: €269 million)

Structure of Concessions balance sheet



The structure of the balance sheet in the Concessions business segment clearly shows the influence of the segment on our consolidated balance sheet.

Principles and objectives of financial management

The prime objective of financial management is to maintain liquidity and limit financial risk. In addition, we regard financial flexibility as an important precondition for our further corporate development and the optimization of our portfolio structure.

The main aspects of the Group's financial policy are determined by the Executive Board of Bilfinger Berger SE. As the parent company, Bilfinger Berger SE carries out the implementation at the Group as well as regular risk management. Departmental responsibility is at Group Treasury, which manages the application of available surplus liquidity as well as the provision and utilization of bank credit and guarantees at the Bilfinger Berger Group.

We report in detail on our management of financial risk in the risk report on pages 144 ff. and in the notes to the consolidated financial statements under Note 29, Risks related to financial instruments, financial risk management and hedging transactions.

Financing

The main source of funds for corporate financing is our business operations and the cash they generate. This is based not only on operating profits, but also on effective management of working capital.

For the purpose of general corporate financing, our main banks have provided a firmly committed, syndicated credit facility of €300 million, available until 2012, which had not been utilized at the balance sheet date. We also have additional short-term bilateral credit commitments of approximately €150 million.

We have credit by way of bank guarantees of approximately €3.5 billion available to meet the needs of the project business, which is not fully utilized. €950 million of that total consists of a syndicated credit line maturing in September 2011. We also have numerous bilateral credit lines in a total volume of approximately €2.5 billion.

Detailed information on existing financial debt with maturities and interest rates is provided in the notes to the consolidated financial statements under Note 25, Financial debt.

Financial debt – excluding non-recourse debt – totaled €272 million at December 31, 2010 (2009: €287 million). Of that total, €183 million is long term (2009: €269 million) and €89 million is short term (2009: €18 million). It includes financial leasing of €21 million (2009: €22 million).

We finance our concession projects with the use of project-specific non-recourse financing. The lenders have no access to Bilfinger Berger's assets or cash flows outside the respective companies. Due to the deconsolidation of four project companies following the sale of some of their equity, non-recourse debt decreased to €1,643 million at the end 2010 (2009: €1,902 million).

In connection with the financing of acquisitions for the expansion of our services business, we issued a long-term promissory note loan of €250 million in 2008, with tranches falling due in mid-2011 (€84 million) and mid-2013 (€166 million).

Approved capital of €69 million is available for future capital increases.

Bilfinger Berger also has conditional capital of €14 million to be used to grant conversion and/or warrant rights in the case of convertible bonds being issued.

We report in detail on the existing authorizations of the Executive Board to raise capital in the management report on pages 150ff., as part of the disclosure required pursuant to Section 315 of the German Commercial Code.

Free cash flow

Cash earnings increased to €371 million due to the growth in earnings after taxes and higher depreciation and amortization (2009: €193 million). Working capital increased, mainly due to the decrease in the project business (which features high levels of advance payments) following the reduction as planned of our construction volume and a lower volume of orders received in connection with new power-plant construction by our Power Services segment. The gains on the disposal of non-current assets that are to be deducted from the cash flow from operating activities increased substantially to €41 million (2009: €5 million). This reflects the sale of equity in four projects in our concessions business as well as the gain realized on the sale of Bilfinger Berger Umweltsanierung GmbH in connection with discontinuing the area of Remediation Services. The latter gain was fully offset by the costs of winding up the remaining activities in that area.

The cash flow from operating activities of continuing operations of €245 million was lower than in the prior year due to the increase in working capital (2009: €365 million).

Investments in property, plant and equipment and intangible assets of €141 million were at the prior-year level (2009: €135 million). These outflows were reduced by an inflow of €18 million (2009: €13 million), resulting in a net cash outflow of €123 million (2009: €122 million). The disposal of financial assets resulted in a cash inflow of €35 million (2009: €17 million).

The free cash flow from continuing operations amounted to €157 million (2009: €260 million).

Investments in financial assets of €202 million were lower than the high level of the prior year (2009: €361 million). €131 million of the total was invested in the financial services business (2009: €248 million), primarily for increasing equity interests and earn-out obligations of

Statement of cash flows

€ million	2010	2009
Cash earnings from continuing operations	**371**	**193**
Changes in working capital	–85	177
Gains on disposals of non-current assets	–41	–5
Cash flow from operating activities of continuing operations	**245**	**365**
Investments in tangible and intangible assets	–141	–135
Proceeds from the disposal of property, plant and equipment	18	13
Cash outflow for tangible and intangible assets	**–123**	**–122**
Proceeds from the disposal of financial assets	**35**	**17**
Free cash flow from continuing operations	**157**	**260**
Investments in financial assets	**–202**	**–361**
Cash flow from financing activities of continuing operations	**–97**	**172**
Capital increase	0	260
Dividends	–91	–74
Borrowing (+) / repayment of loans (-)	–6	–14
Change in cash and cash equivalents of continuing operations	**–142**	**71**
Change in cash and cash equivalents of discontinued operations	**124**	**–25**
Other adjustments	**63**	**32**
Changes in cash and cash equivalents	**45**	**78**
Cash and cash equivalents at January 1	798	720
Cash and cash equivalents included in assets classified as held for sale at year end	306	0
Cash and cash equivalents at December 31	**537**	**798**

€88 million. Payments for acquisitions totaled €43 million, mainly for the acquisition of Rotring in the Power Services business segment and Brabant in the Industrial Services business segment. €71 million was applied for capital contributions and the granting of loans in the concessions business (2009: €113 million).

The cash flow from financing activities of continuing operations was negative at minus €97 million. The positive cash flow of €172 million in 2009 was affected by the cash inflow from the capital increase carried out in October 2009.

€88 million was paid out to the shareholders of Bilfinger Berger SE as a dividend for the year 2009 (prior year: €70 million) and €3 million was paid out to minority interests (2009: €4 million). €6 million was applied for the repayment of loans (2009: €14 million).

The change in cash and cash equivalents of continuing operations amounted to a decrease of €142 million (2009: €71 million). Cash and cash equivalents of discontinued operations increased by €124 million, compared with a decrease of €25 million in 2009. Exchange-rate movements led to an arithmetical increase in cash and cash equivalents of €63 million (2009: €32 million).

After the deduction of the cash and cash equivalents of €306 million of Valemus Australia, which is classified as assets of discontinued operations at December 31, 2010, the Group's cash and cash equivalents at the end of the year decreased to €537 million (2009: €798 million).

Industrial Services

> *We are a global leader in the delivery of industrial services with a focus on the process industry and the energy sector. We support our clients with a wide-ranging competence in the design, management and execution of complex service tasks and a broad service spectrum that includes full-service solutions.*

Industrial Services

- **Leading position in Europe expanded**
- **Comprehensive services for the process industry**

Bilfinger Berger Industrial Services specializes in the repair, maintenance and modernization of industrial plants, mainly in the oil and gas, refineries and petrochemicals, chemicals and agro-chemicals, pharmaceuticals, food and beverages, energy production, and steel and aluminum sectors. The business segment's service offering includes piping systems, machine and apparatus service as well as the assembly of machinery and equipment. Other services provided are in the fields of electrical, control and instrumentation technology, laboratory and analysis technology, insulation, scaffolding and corrosion protection. The subgroup is active in many European countries and in the United States.

With the accelerating recovery of industrial production in our European markets, demand for industrial services improved last year. This applied in particular to the chemical industry as well as the oil and gas segment. Demand also recovered slowly in the United States. Low levels of capacity utilization among some of our competitors led to significant price pressure in some market segments. The upswing in the second half of the year offset the after-effects of the economic and financial crisis which could still be felt in the first half of the year. The higher utilization of capacities has reduced pressure on prices.

The acquisition of MCE in late 2009 and the revival of demand in key sub-markets led to increases in output volume, orders received and earnings in the Industrial Services business segment, especially in the second half of the year. Output volume rose by 30 percent to €2,932 million. Orders received were up by 35 percent to €3,253 million and EBIT reached €134 million. The number of employees increased to 28,054.

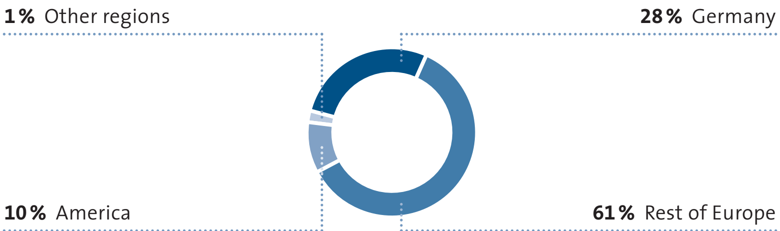
We further extended our leading position in the European services business in 2010. Bilfinger Berger Industrial Services is the top-ranked German company for industrial maintenance by a large margin. In addition to the volume growth caused by the consolidation of MCE, our leading

Key figures for Industrial Services

€ million	2010	2009	Δ in %
Output volume	2,932	2,249	+30
Orders received	3,253	2,402	+35
Order backlog	2,601	2,040	+28
Capital expenditure on P, P & E	73	49	+49
Depreciation	53	36	+47
EBIT	134	118	+14
Employees (number at December 31)	28,054	27,372	+2

Industrial Services: Output volume by region

€ million	2010	2009	Δ in %
Germany	821	623	+32
Rest of Europe	1,784	1,256	+42
America	300	327	–8
Other regions	27	43	–37
	2,932	**2,249**	**+30**



position in the market is the result of our comprehensive services concept. Being able to provide a complete range of services from one source with our own qualified personnel is the key to our success. We cover a broad range of services that are focused on the needs of the process industry. Our employees are constantly present at the production plants we look after and are well acquainted with the clients' situation. With the advanced degree of internationalization in our Industrial Services segment, we will be able to offer these high standards throughout Europe and beyond.

The acquisition of a majority interest in the Dutch company Brabant-Mobiel has strengthened our market position in the field of industrial corrosion protection in the Benelux countries. The company generates annual output volume in excess of €20 million. And through the takeover of Oy Oripipe, a piping and mechanical specialist, Bilfinger Berger is now established with its own company in the Finnish industry, in addition to the existing project business. With this acquisition, we are pushing forward with our expansion in the Nordic countries.

The integration of the MCE Group was a key feature of our industrial services business in the year 2010, particularly in Germany and Austria. The process ran smoothly; the restructuring aimed at harmonizing and streamlining the organization will be completed in 2011.

Not only is Bilfinger Berger the leading provider of industrial services, it also puts great effort into the training of specialist personnel. In the context of Maintain, the trade fair in Munich for industrial maintenance, Bilfinger Berger Industrial Services and partners from various companies and educational institutions started an initiative for the establishment of a training network. The goal is to expand educational opportunities in the area of industrial maintenance.

Industrial Services concluded a series of major framework agreements running for periods of several years once again in 2010:

With BASF, we extended contracts for insulation, scaffolding, corrosion protection and piping systems at its plants in Ludwigshafen and Schwarzheide. The outsourcing of maintenance agreed upon three years ago for the company BASF PharmaChemikalien in Minden has completely fulfilled the client's expectations. That maintenance contract has also been extended; at the same time, two framework agreements have been signed for the execution of plant modifications and extensions.

With Statoil, the Norwegian energy group, we concluded new framework agreements in a total volume of more than €250 million. Those agreements include service packages for insulation, corrosion protection and scaffolding work for the maintenance of offshore oil and gas rigs and processing vessels in the North Sea as well as onshore locations in Norway and Denmark.

Bilfinger Berger Industrial Services has concluded new framework agreements with international oil and gas companies for 4 sites in England and Scotland with a volume of €230 million. They primarily involve services for the maintenance and downtimes of production facilities. The strategic goals of the cooperation are to reduce costs and enhance efficiency with unchanged requirements in terms of safety, environmental protection and quality.

As part of an outsourcing project, we will be responsible for maintenance services, plant support and engineering for Swiss pharmaceuticals company Siegfried at its main location in Zofingen. Bilfinger Berger will take over a staff which is well acquainted with the production facilities and will apply its methodical expertise in order to optimize the plant's operations. The outsourcing project has a volume of €50 million.

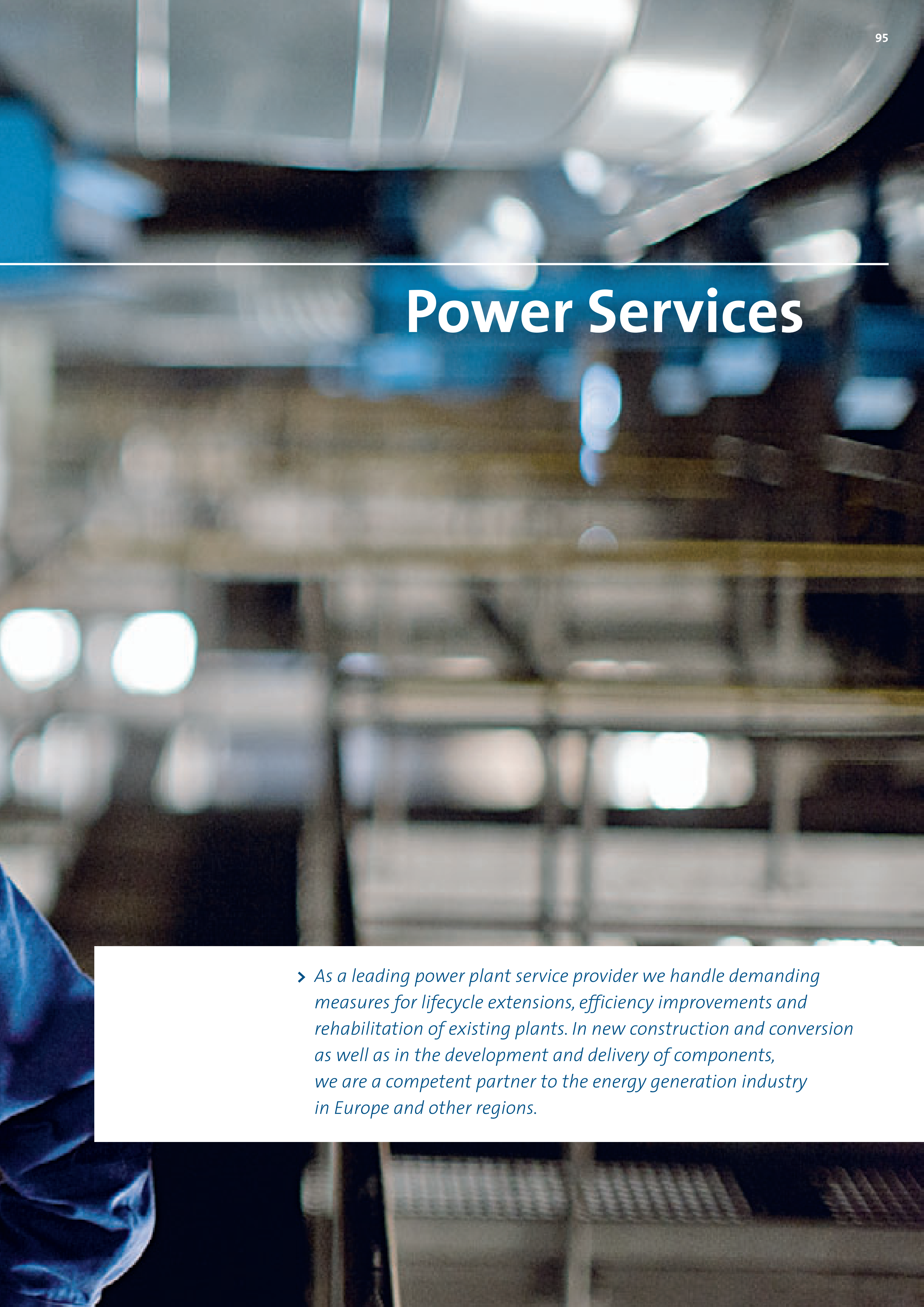
After the balance sheet date, Industrial Services received a major order from the American oil industry valued at approximately €130 million. In one of the most important oil and gas fields in the United States, the Group will design, manufacture and build five pump stations and tank storage systems which are part of a new, nearly 250-kilometer long pipeline. The client is Enterprise Products, a major North American supplier in the transport and storage of oil and natural gas.

The order allows Bilfinger Berger to expand its position in the United States. Recently, the company has generated annual volumes of €300 million in that market. The American government is supporting investments in the development of oil and gas fields in the country, which means that a further increase in demand can be expected in this sector.

Outlook

As a result of strong demand for chemical products, major projects will soon be awarded for the expansion of production capacities and the modernization of production facilities. We are already preparing for such projects and, provided the economic recovery continues, we assume that they will be realized as soon as the planning and approval requirements are fulfilled.

Despite the economic revival, demand for our services has not yet improved in all of our clients' industries and regions. Overall, we anticipate stable repair and maintenance business along with growth in output volume and earnings driven by new projects. Acquisitions with the aim of rounding off our product range will also contribute to this positive development. At the beginning of the year 2011, we acquired ATG, a British provider of industrial services, further expanding our capacities in the field of electronic measurement and control technology.



Power Services

> *As a leading power plant service provider we handle demanding measures for lifecycle extensions, efficiency improvements and rehabilitation of existing plants. In new construction and conversion as well as in the development and delivery of components, we are a competent partner to the energy generation industry in Europe and other regions.*

Power Services

- **Very successful financial year**
- **Modernization of European power plants**

Bilfinger Berger Power Services increased its output volume and earnings once again in 2010. This growth was partially due to the power plant business of MCE, which was acquired in late 2009. Output volume amounted to €1,106 million, 9 percent above the prior-year level. Orders received grew by 25 percent to €1,281 million. Earnings of €83 million were 14 percent higher than in 2009. The number of persons employed by the business segment decreased to 7,193.

Bilfinger Berger Power Services is active in the fields of repair, maintenance, efficiency improvements and lifetime extensions of existing power plants as well as the production and installation of components for power plant construction. The focus of its activities is on steam generators, piping systems, energy and environmental technology, and mechanical engineering and apparatus assembly.

Strong need for investment in power plants

The energy concept presented by the German government at the end of September 2010 sets the target of generating 50 percent of the country's electricity needs from renewable energy sources by the year 2030. This is a very ambitious goal. On the way to achieving it, both new construction and modernization of existing conventional power plants will be essential: According to a study from the Institute for Economic Research, securing Germany's electricity supply during a changeover to renewable energies will require investment in conventional power plants until 2030 totaling €35-42 billion.

According to current estimates, annual energy consumption in the European Union will increase by about a quarter to 3,700 billion kilowatt hours by the year 2020. In view of the age structure of the existing power plants in Europe and climate-protection targets, new power-generating capacity of approximately 476,000 MW will have to be created in the next ten years. And to achieve the targeted proportion of 35 percent of electricity from renewable energy sources by the year 2020, new power-generating capacities of approximately 295,000 MW will be required from renewable sources. By far the biggest part of the necessary CO_2 reduction is from power plants fired with fossil fuels, and can only be achieved through consistent replacement with highly efficient plants and the addition of new capacities of some 17,000 MW.

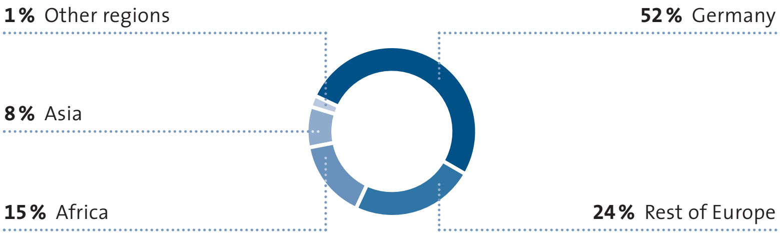
Political discussions about the environment are currently making new construction projects more difficult, especially for large-scale conventional plants in Germany. In addition to its regular business, Power Services is increasingly being

Key figures for Power Services

€ million	2010	2009	Δ in %
Output volume	1,106	1,017	+9
Orders received	1,281	1,024	+25
Order backlog	1,371	1,137	+21
Capital expenditure on P, P & E	33	28	+18
Depreciation	16	10	+60
EBIT	83	73	+14
Employees (number at December 31)	7,193	8,094	-11

Power Services: Output volume by region

€ million	2010	2009	Δ in %
Germany	574	536	+7
Rest of Europe	261	203	+29
Africa	169	146	+16
Asia	84	123	-32
Other regions	18	9	+100
	1,106	**1,017**	**+9**



commissioned with the modernization of existing plants. We are occupied with the technically achievable output, consumption and emission parameters as well as with reducing costs and the downtime required for refitting.

Such modernization projects are also required in the countries of Eastern Europe. This applies in particular to those countries that joined the EU in 2004 and which must modernize their power plants to meet European emission limits during a transitional period lasting until the year 2016.

In South Africa, where Bilfinger Berger maintains and repairs about 70 percent of the country's installed power generation capacity, there is still an urgent need for additional plants. In Pretoria, we have established a new production facility for power plant components, which is already working on several major orders. At the end of April 2010, the continent's first large-scale induction-bending plant for high-pressure piping went into operation. We have invested more than €30 million in South Africa since 2008.

Business in the Middle East continues to develop satisfactorily. The focus is currently shifting away from the United Arab Emirates to Saudi Arabia, where we have received an order for the comprehensive modernization of the Qurayyah power plant, for example. We are also very well positioned in the market in Qatar. We expect the award of the soccer World Cup 2022 to the country to lead to increased investment – also in the power generating industry.

Power Services has extended its product portfolio in the field of supplying components for power plants with the acquisition of Rotring Engineering AG in Buxtehude. This company's range of services includes the design, supply and installation of complete plants for processing liquid and gaseous fuels. Rotring Engineering has a leading position in this key technology for the operation of turbines. Its clients are renowned companies in the power plant industry.

The energy market is in a state of flux; in the future, energy production will increasingly take place in a mix of large plants and smaller local units. Bilfinger Berger Power Services has reacted to this trend and together with the Technical University of Cottbus is developing a mobile cogeneration unit on the basis of a micro gas turbine to provide electricity and heat to commercial parks, shopping centers, hotels, conference centers, companies and residential areas. The advantages of this unit are its compact design and high reliability in combination with low maintenance costs, clean emissions and quiet operation with low vibrations. The first prototype, which had not yet been optimized by the research project, went into operation with an output of 30 KW in autumn 2010, and since then has been supplying our plant in Dortmund with electricity and heat. When this product with a wide range of applications is ready for the market, we plan to build it at a dedicated production facility.

Bilfinger Berger has received a major order worth €460 million for the modernization of Europe's biggest lignite-burning power plant. In Belchatow, Poland, Bilfinger Berger Power Services is replacing the steam generators in six power plant blocks. The objective of the modernization is to upgrade the plant using the latest technology so that it meets EU environmental standards.

With this order, the operator company PGE Gornictwo i Energetyka Konwencjonalna S.A. is continuing a successful relationship: Bilfinger Berger is already responsible for modernizing three other steam generators and is also equipping two power plant blocks with systems for the utilization of residual heat. As part of this new order, the company is designing, producing and installing the furnace, pressure section and related systems. The project is being implemented in stages and will run for a total of 70 months. As a result of the modernization, the 4,400 MW power plant's emissions will be reduced substantially, while its efficiency and availability will be improved significantly and its lifetime will be extended by 30 years.

Bilfinger Berger Power Services is breaking new ground with a contract to convert the Rodenhuize 4 power plant in Belgium to operate on biomass and blast furnace gas. The 560 MW power plant near Gent will be the first conventional plant of this size to be converted from coal to wood pellets. The order was placed by the operator company, Electrabel, part of the GDF Suez Group, and includes the conversion of 24 existing burners, the replacement of air ducts, and the supply and installation of 12 new burners for blast furnace gas. In addition to biomass, excess blast furnace gas from the adjacent steel plant will be used intermittently for power generation. The power plant supplies electricity to approximately 320,000 households.

In France, we were commissioned by EDF to upgrade the boiler of Block 3 of the Cordemais power plant in order to reduce the emission of nitrogen oxides. The planned work comprises the supply and installation of 24 special burners, an overfire air system including ducts and valves, and the required modification of the pressure section in the furnace. The conversion of the oil-fired power plant blocks will reduce the emission of pollutants so that the applicable European limits can be fulfilled. Another major order is for the supply and installation of high-pressure piping for a power plant in Eemshaven, the Netherlands.

For the Petra III particle accelerator of the DESY research center in Hamburg, our specialists for magnet technology have supplied undulator magnets – the central components of a facility for researching into material structures. These special magnets force the electron beam in the ring accelerator onto a predefined zigzag course. The electrons then emit extremely intensive x-ray beams to be used for measuring, allowing the tiniest structures of materials under investigation to be made visible. Scientists of various disciplines can use these high-energy and sharply focused x-rays to deliver high-definition images of nanostructures and biological materials. The ultimate objective of this research is to develop high-performance materials and new pharmaceuticals.

Outlook

Following a very successful year, we expect Power Services to achieve a stable output volume and earnings of at least the level of the prior year thanks to strong international business.

The focus of our activities will continue to be the maintenance and modernization of existing power plants. As one of the market's leading service providers for the energy industry, we intend to grow not only organically, but also to extend our competence to other power plant activities by means of acquisitions. We also aim to expand and gain new clients regionally in order to safeguard our future growth.

The close cooperation and exchange of knowledge and experience among designers, builders and facility managers allows us to make sustainable, energy efficient and usage-optimized buildings a reality for our clients. The long and consistent dedication to the lifecycle approach forms the basis of our competence.

Building and Facility Services

Building and Facility Services

- **Lifecycle approach for sustainable real estate**
- **Operating costs as competitive factor**

Total output volume and orders received declined in the Building and Facility Services business segment. Whereas the volume of building construction was scaled back as planned, development was stable for activities in facility services. Output volume was €2,333 million, orders received amounted to €2,375 million. The business segment's EBIT increased substantially, reaching €80 million. All of the business segment's divisions made a positive contribution to this earnings development. The number of employees declined to 15,714.

The Building and Facility Services business segment comprises our facility management services in Europe and the United States, our building construction in Germany, and construction-related services for the business in Nigeria. We consistently pursue a lifecycle approach in the design, construction, maintenance and management of buildings. The intensive exchange of knowledge and experience between the designers, construction personnel and facility managers of the various units within the business segment enables Bilfinger Berger to realize sustainable and energy-efficient buildings that are optimized for their customers' needs.

Investors and project developers are increasingly focusing on the importance of the so-called second rent in the form of a building's energy and operating costs. Energy consumption and the costs of maintenance, cleaning and repairs account for up to 70 percent of a building's total costs over its entire lifetime, and this percentage is generally rising. These costs can be reduced if experts from the areas of construction and facility management pool their expertise during the design and planning stage. This phase is crucial to minimize the supplementary costs incurred later. Bilfinger Berger's all-round expertise in the construction and management of buildings allows the overall optimization of projects. Good energy and cost efficiency is increasingly important not only for the use of the building by its owner, but also in the context of renting or selling a building. A low 'second rent' therefore constitutes a key competitive factor that generates significantly higher rents and sale prices already today.

Facility Services

Bilfinger Berger Facility Services operates in Germany, many other parts of Europe, and selected markets outside Europe. Its product offering includes integrated facility management, technical building equipment, asset and property management, infrastructure services and healthcare services, as well as water technologies. The division generally has a good level of capacity utilization. The outsourcing trend is continuing in the German facility-services market and there are signs of an upturn in demand in Eastern Europe. In the field of asset management and property management, transaction rates are rising in the German and European real-estate markets.

Bilfinger Berger provides most of its facility services with the division's own staff of more than 12,000 specialists. International competitors are often limited to the management of bought-in services. Our broad service portfolio and the high proportion of services provided with our own personnel are the basis of a business model that has proven itself in Germany, and with which we are now convincing our clients abroad. Globally active major clients that issue international invitations to tender for facility services are increasingly important for our business. We have developed a special key-account management model with which we

Key figures for Building and Facility Services

€ million	2010	2009	Δ in %
Output volume	2,333	2,529	–8
Orders received	2,379	2,481	–4
Order backlog	2,217	2,181	+2
Capital expenditure on P, P & E	13	17	–24
Depreciation	20	14	+43
EBIT	80	58	+38
Employees (number at December 31)	15,714	16,750	–6

Building and Facility Services: Output volume by region

€ million	2010	2009	Δ in %
Germany	1,367	1,560	–12
Africa	462	457	+1
Rest of Europe	286	264	+8
America	192	188	+2
Other regions	26	60	–57
	2,333	**2,529**	**–8**

relieve our major clients of their facility management, allowing them to focus on the strategic management of their properties. Our services include the technical maintenance of industrial plants, commercial administration and rental management, as well as specialties such as fire prevention, workplace availability and budget management. We utilize the management authority transferred to us under this model to further develop and optimize the areas entrusted to us. In this context, our clients are comprehensively informed about all developments by means of detailed reporting and consultation processes, and profit from the cost savings we achieve.

Of the orders received during 2010, the following new contracts or extensions of existing framework agreements with periods of three to eight years are especially noteworthy: For Deutsche Bank, we are responsible for the facility management of the entire branch network, the headquarters in Frankfurt am Main (GreenTowers) and more than 70 administrative buildings in Germany, Switzerland, Spain and Russia. Under this contract, we provide technical, commercial and infrastructure facility management for approximately 1,300 properties of Deutsche Bank. For IBM, Bilfinger Berger performs the facility management of properties in 24 countries, mainly in Europe and the MENA region (Middle East North Africa). Alstom has once again made us fully responsible for the facility management of its office and production buildings at seven sites in Switzerland. BASF commissioned Bilfinger Berger Facility Services with the performance of complex technical FM services at 23 locations in 13 countries.

At Munich Airport, the technical facility management for all buildings used by Lufthansa for flight operations, passenger care, aircraft maintenance, catering and administration is in our hands. Bilfinger Berger has taken over the fund management of the Westfonds for the German bank WestLB. The AXA Group has awarded us a contract for the property management of approximately 140 buildings, and we take care of more than 200 properties for IVG.

The specialists of our Facility Services division are responsible for the operation of more than 30 shopping centers in Germany alone. This includes the provision of all technical services and infrastructure services, as well as letting and all related commercial services, event management and marketing and public relations.

In the United States, our subsidiary Centennial generated a stable output volume. The company specializes in the market segment of job order contracting and carries out repair, maintenance, conversion and extension work on buildings on the basis of long-term framework agreements. Due to the high quality of its services, Centennial is a valued partner for public-sector institutions such as the US Armed Forces, schools, universities and municipal administration, as well as private-sector clients. Clients in the public sector are increasingly placing particular priority on sustainability. Centennial has adjusted to this requirement and is able to offer qualified solutions.

We also work for the US Armed Forces in Europe, providing construction and other services mainly on the basis of framework agreements. This business has been bundled into Bilfinger Berger Government Services, which is active in Germany, Italy and several other European countries.

Starting from the 2011 financial year, the very similar businesses of Bilfinger Berger Government Services and Centennial will be managed as Bilfinger Berger Government Services Holding.

We have disposed of our activities in the field of environmental remediation and disposal, which are no longer part of Bilfinger Berger's core business.

Building construction in Germany

Developments were mixed in the German market for building construction: While demand for public-sector building construction decreased, there was some stimulus from commercial construction, although at a low level. The projects in question are primarily small to mid-sized.

Public-sector clients are turning more often to a lifecycle approach for their projects. With our specialist expertise in sustainable construction and energy management, we stand ready as a qualified partner, for the implementation of buildings for educational and health-care purposes in particular. We offer these competences to our clients within the scope of partnering models.

The adjustment of our German building construction organization that we concluded in 2010 was a success. Most of the business is being carried out in small and medium-sized projects, managed by our regional branches. They maintain close customer contacts, know their geographical areas very well and have low administrative expenses; but if required, they can access the entire technical and commercial expertise of the Building division. Major projects are processed by a central unit, in which our competences for particularly demanding projects are bundled. The cost savings resulting from this structure and the enhanced risk management that we reported on last year led to a substantial improvement in profitability.

Our specialists' know-how in sustainable and energy-efficient construction has been placed into our bauperformance subsidiary. This company advises its clients independently of any contracts that might be placed with Bilfinger Berger. Its service offering ranges from the provision of expertise, technical building analyses, energy audits, simulations of operating costs and energy monitoring, to sustainability consulting and the award of sustainability certifications. Apart from new construction and revitalization projects, it also supports its clients in advance of real-estate transactions, in connection with project development, or on questions of strategic property and facility management. Demand for building certification is increasing. This seal of approval is increasingly important not least for the marketing of real estate.

We were able to extend our successful public-private partnership with the city of Halle (Saale) in 2010. After modernizing or building nine schools for the municipality in recent years, we were commissioned to refurbish two schools and a childcare center. And the city of Erfurt placed a contract with us to construct a sports hall accommodating 1,500 spectators. When those buildings are complete, Bilfinger Berger will operate them for periods of 20 and 25 years. In Germany alone, we are thus realizing municipal educational and sport facilities on a PPP basis with a total volume of €130 million.

In Munich, we are constructing a distinctive inner-city district, The Seven, on an area previously occupied by a cogeneration plant for heat and electricity. The power plant's 56-meter-high former turbine hall will be conserved as an industrial monument and converted into the highest residential building in the city center. In addition, there will be new construction of an atrium building with offices and shops, an underground parking garage and infrastructure facilities.

Outlook

With a good utilization of its capacities, Facility Services is focusing its further development on opening up new regional markets both within and beyond Europe's borders in the medium term as well as on expanding its client base. Here we are targeting major industrial clients in particular. For our German building construction activities, we anticipate stable development for the planned volume levels that have now been reached.

Overall for 2011 in the Building and Facility Services business segment, further volume and earnings growth is anticipated in a highly competitive environment.

Construction

> *We are a leading international supplier of infrastructure projects. We also have extensive expertise in foundation engineering and hydraulic engineering. We focus our activities on selected countries: in Europe, these countries are mainly Germany, Austria, Switzerland, Poland and other Eastern European countries, the United Kingdom and Scandinavia. Beyond Europe, our activities are currently focused on the Gulf region.*

Construction

- **Earnings improved significantly**
- **Systematic volume reduction**

With the decision to realign and reduce volumes in our construction business, we are focusing our civil engineering activities on Germany and other European countries. Outside Europe, we are active as a technology partner to local companies and thus assume limited project risks. This changed risk profile enables us to strengthen our profitability on a sustained basis.

Our capacities are fully utilized with the processing of current projects. We have stable demand in our core markets of Germany and selected European countries, and see particular opportunities in Scandinavia and Poland. The limitation of our output volume makes it easier for us to consistently select projects according to our risk criteria. We meet the challenge of intense competition by concentrating on technologically sophisticated work such as the construction of foundations for offshore wind parks.

The division's output volume was scaled back as planned and amounted to €1,725 million. Orders received were reduced to €1,054 million. Due to the realignment, EBIT improved significantly compared with the prior year and at €31 million again made a positive contribution to the Group's earnings. The prior-year result was reduced by a risk provision of €80 million for the Doha Expressway project in Qatar. The number of persons employed decreased to 6,737.

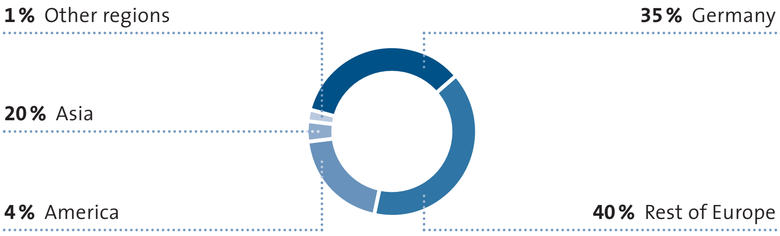
On October 15, 2010, we were involved in the historic breakthrough at the Gotthard Base Tunnel, the world's longest railway tunnel with a length of 57 kilometers. Together with partner companies from Switzerland and Italy, Bilfinger Berger has been constructing the centerpiece of the new route through the Alps since 2002. The breakthrough took place at the southern end of the tunnel with great interest from the public and the media. The Sedrun section, where we are working, is 8.6 kilometers long and was opened up safely and swiftly despite its particular technical difficulties. Following its inauguration, which is scheduled for 2017, the Gotthard Base Tunnel will reduce train journey times between Zurich and Milan by over an hour.

Key figures for Construction

€ million	2010	2009	Δ in %
Output volume	1,725	1,938	–11
Orders received	1,054	1,749	–40
Order backlog	2,323	2,962	–22
Capital expenditure on P, P & E	20	38	–47
Depreciation	31	41	–24
EBIT	31	–73	
Employees (number at December 31)	6,737	8,210	–18

Construction: Output volume by region

€ million	2010	2009	Δ in %
Germany	611	630	–3
Rest of Europe	688	796	–14
Asia	349	301	+16
America	64	108	–41
Other regions	13	104	–88
	1,725	**1,938**	**–11**



Germany

Work on the new ICE high-speed railway line in Thüringen is making good progress. We are constructing three tunnels with a total length of approximately 10 kilometers, including the 7.5 kilometer Silberberg Tunnel.

The north-south urban rail line in Cologne is more than 90 percent complete. With the exception of the Waidmarkt excavation, this construction project should be concluded by the autumn of 2011. The work at Waidmarkt cannot be continued until all archives have been salvaged and all evidence secured.

The first tunnel section of the Düsseldorf urban rail line was completed by Bilfinger Berger one month earlier than originally planned. The 75-meter-long tunnel boring machine cut through the 1.3-kilometer section in less than seven months. It was then transported to the starting shaft for the second section of tunnel and will start work again in spring 2011 after a general overhaul. The new urban rail line is to go into operation in 2015.

The widening of the A1 autobahn between Bremen and Hamburg is proceeding as planned. Seven of the 13 construction sections were completed and opened for traffic by the end of 2010.

Europe and other regions

Bilfinger Berger is planning and constructing another section of the Stockholm beltway to the north of Sweden's capital city. Our volume of orders received for the construction of the Norra Länken highway, which includes very complex tunnels in terms of both planning and construction, has thus increased to more than €200 million. In the Thames Estuary, our work on the foundations of 175 wind turbines and two transformer stations for the London Array offshore wind park is progressing as planned. When completed, the London Array will generate 1,000 MW of electricity and cover the needs of 750,000 households.

In Scotland, our Construction business segment is responsible for an 18-kilometer section of the M80 motorway north of Glasgow. For about half of that distance, an existing highway will be widened to six lanes by October 2011; the remaining section is a new construction and will go into operation early this year. This concession project is being realized under the management of our Project Investments unit.

Poland continues to invest in its infrastructure with substantial support from the European Union. The capacities of our subsidiary Bilfinger Berger Budownictwo, a leading provider of road, bridge, and foundation engineering services, are fully utilized. In 2010, we received major new orders for ring roads near Danzig and Warsaw, the widening of National Road 8, and a railway tunnel to connect Warsaw Airport with the city center.

Work on the Barwa City project for the construction of a new residential district for 20,000 inhabitants in Doha, Qatar, is once again proceeding at full speed. The project has a total value of approximately €1 billion; it includes the entire infrastructure as well as turnkey construction of nearly 6,000 residential units. At peak times, approximately 9,000 people are working on the construction site. The complete project is to be handed over to the client by the end of 2011.

Outlook

We anticipate that public sector budget cuts will lead to a decrease in demand for civil engineering, despite the ongoing need for infrastructure measures. With the sale of our Australian activities we have made a significant step forward in achieving the target structure for our construction business. The Construction business segment will, as planned, further reduce its volume in 2011. With this limitation and the associated strict selection procedure in terms of the projects we pursue, we improve the risk profile and the profitability of our construction business. Accordingly, we anticipate a further increase in EBIT margin for the Construction business segment .

Quality assurance

The north-south urban rail line project in Cologne led to extensive media coverage of Bilfinger Berger in 2010. This coverage included speculation about a possible connection between the misconduct of individual employees and the collapse of the Cologne municipal archive. We were able to eliminate the possibility of such a connection for technical reasons right from the start. The Cologne Public Prosecutor's Office has now also confirmed that the collapse was not caused by an insufficient quantity of reinforcement parts.

We have made use of these events to review our quality management and the structural integrity of the foundation engineering projects carried out by our civil engineers, with the inclusion of independent experts. The two groups of experts involved have attested to the high standard of Bilfinger Berger's quality assurance system and have affirmed the structural integrity of the projects they examined. We are implementing their recommendations on the further development of our quality management.

Concessions

- *As a private partner to public-sector clients, we design, finance, build and operate schools, hospitals, prisons, administrative buildings and roads on the basis of long-term concession agreements. Key markets for our concessions business are continental Europe, the United Kingdom, North America and Australia.*

Concessions

- **Intrinsic value of the portfolio confirmed**
- **Attractive new projects**

At the end of 2010, our concessions portfolio comprised 29 projects with an investment volume of €7.6 billion. Our committed equity increased to €358 million, €160 million of which had been paid into project companies at the end of the year. The net present value of the portfolio increased to €268 million while EBIT, including additional earnings from the partial sale of our shares in four projects, improved to €40 million.

As part of our business model, we have sold shares in a portion of our portfolio, once again proving its intrinsic value. HSBC Infrastructure has acquired half of our stake in each of four projects and thus an equity volume in the total amount of €51 million. The projects in question are the Anthony Henday Drive and Kicking Horse Pass highways in Canada, the M80 motorway in Scotland and Kent Schools in England. Proceeds from the transaction in the amount of approximately €70 million exceed the net present value of the four projects as reported by us. Including the necessary revaluation of the remaining project shares, this leads to an additional contribution to earnings of €21 million in the Concessions business segment.

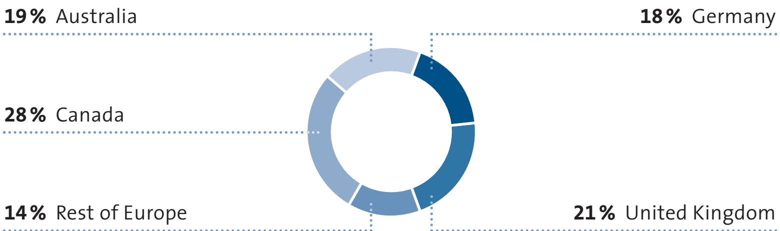
In an environment that remains difficult, our Concessions business segment was able to add three new projects to its portfolio in the reporting year along with two further tranches in the LIFT framework agreement (Local Improvement Finance Trust) in the United Kingdom.

Key figures for Concessions

Number / € million	2010	2009	Δ in %
Projects in portfolio	29	26	+12
thereof under construction	10	8	+25
Committed equity	358	340	+5
thereof paid-in	160	140	+14
Net present value	268	202	+33
EBIT	40	14	+186
Employees (number at December 31)	135	135	0

Concessions: Equity investment by region

€ million	2010	2009	Δ in %
Germany	63	63	0
United Kingdom	75	103	–27
Rest of Europe	50	51	–2
Canada	100	95	+5
Australia	70	28	+150
	358	**340**	+5



These new partnerships have an investment volume totaling €1.1 billion and we are making an equity investment of about €70 million.

We handed over the M6 Tolna motorway project to our client on schedule. Currently, 19 of our 29 projects are in operation, three more will follow in 2011.

In the Australian state of Victoria, a project company under the leadership of Bilfinger Berger has been commissioned with the design, financing, construction and, over a 25-year period, operation of the 25-kilometer long Peninsula Link Highway. The new route will improve the traffic situation on the Mornington Peninsula southwest of Melbourne. The public private partnership project has an investment volume of €561 million; our equity commitment amounts to €26 million. The Group has a one-third equity interest in the concession company. During the operation phase, the company will receive contractually fixed payments from the public sector.

The state of Victoria has commissioned Bilfinger Berger with a further important project: the expansion of the Ararat Prison. A project company under our leadership will design, finance and build a new 358-bed facility, including supplementary buildings. The company will operate the complex for a period of 25 years and during this time receives contractually fixed payments from the state. The investment volume for the project amounts to about €190 million, Bilfinger Berger holds a 50 percent stake in the project company and is making an equity investment of €16 million.

In Canada, we have been entrusted with a particularly demanding hospital project. With an investment volume of €350 million, the existing Women's College Hospital in Toronto is receiving new buildings and an underground parking garage. The project company is wholly-owned by Bilfinger Berger Project Investments, which is making an equity investment of €27 million. This project, too, is based on an availability model: the province of Ontario pays a fixed fee for the availability of the building and for facility services during the 30-year operating phase. Once completed, the Women's College Hospital will treat about 400,000 patients annually.

Despite the positive development in many economies in which our Project Investments is active, the financial markets have not fully recovered. Improvements in the availability and conditions of borrowed capital for the financing of concession projects have not yet materialized to the extent hoped for. Bilfinger Berger Project Investments nevertheless realized financing in the reporting year in the amount of nearly €1 billion for new projects. We see this as confirmation of the quality of our work and, in particular, our project selection under consideration of various risk aspects.

The core markets of our concessions business remain Europe, Canada and Australia. In the future we will continue to pursue concession projects only in those countries and regions which have a proven and stable political, legal and economic environment. In these markets we will continue to target appropriate projects in the sectors of social and transportation infrastructure. In social infrastructure we finance, design, construct and operate education and health facilities, detention facilities and public-sector administration buildings. In transportation infrastructure we focus on roads, highways and their associated infrastructure, primarily bridges and tunnels. In the future, too, we will only accept availability models or projects with a limited volume risk.

The valuation of the project portfolio in the concessions business segment is explained on pages 236 ff.

Outlook

The sale of mature projects or the involvement of partners in our portfolio remain components of our business model in the Concessions business segment. By the end of 2011, it is expected that three projects will enter the operating phase. The operation and management of completed facilities will thus take up a greater share of our concessions business, leading to an increase underlying operating profit.

In terms of new business, we expect 2011 to be a transition year following the good number of projects received in the past. Development of markets in continental Europe and the United Kingdom is reserved. In Australia, on the other hand, a number of interesting projects are coming to the market in which we could apply the extensive knowledge we have gained from the building construction projects that we have successfully carried out recently. In particular, our long-standing local presence in the health care and justice system markets should be of benefit to us. In Canada, too, we see promising indications for an expansion of our portfolio in the health care, prisons and highway sectors.

Valemus – discontinued operations

- **Sale of Australian activities**
- **Good development in the reporting year**

As planned, we sold our subsidiary, Valemus Australia, formerly Bilfinger Berger Australia. The Australian construction and real-estate group, Lend Lease, acquired all shares in the company. The transaction is subject to approval from the Australian anti-trust authorities, with completion expected in the first quarter of 2011 so that the capital gain from the sale can be realized in the current year.

Valemus Australia is benefiting from the good economic development in its home market in financial year 2010. Strong investment in transport infrastructure offset stagnation in building construction.

The company's output volume and earnings grew further in the financial year as a result of exchange rate effects. Output volume of €3,208 million exceeded the prior-year figure by 20 percent. Orders received decreased slightly to €3,176 million. EBIT amounted to €110 million. The number of employees increased to 6,746.

In spring 2010, Valemus completed construction of the Crown Metropol in Melbourne. With 600 rooms, the hotel is one of the largest in Australia and is prepared to meet the highest expectations. In the state of Queensland, the company is modernizing the Mackay Base Hospital and expanding it to double its previous capacity. In Brisbane, construction work has begun on the new Children's Hospital which will integrate two existing childeren's hospitals. In Cairns, Valemus will construct the main building at the base hospital and will also convert and renovate three existing hospital wings while they remain in operation.

For the Australian National University in the capital of Canberra, the company was commissioned with the construction of a building complex with apartments for more than 550 students, a diverse range of leisure facilities and an underground parking garage with 700 parking spaces. The Australian Catholic University in Melbourne is receiving a new building which will offer students the most modern lecture halls, seminar rooms and sport opportunities. The projects are designed for a certification of five and six stars respectively from the Australian Green Building Council. Six green stars are only awarded in exceptional cases for especially high levels of energy efficiency.

With the M7 Clem Jones Tunnel (previously the North South Bypass Tunnel) and the Sir Leo Hielscher Bridge (previously the Gateway Bridge), both in Brisbane, two important transport infrastructure projects were completed in the financial year.

In Melbourne, Valemus is playing a key role in the strengthening of the sewage system which will significantly increase both the quality and the volume of water treated and its usefulness as service water. In New South Wales, Valemus has

Key figures for Valemus Australia

€ million	2010	2009	Δ in %
Output volume	3,208	2,676	+20
Orders received	3,176	3,433	–7
Order backlog	4,043	3,342	+21
Capital expenditure on P, P & E	38	27	+41
Depreciation	2	21	–90
EBIT	110	77	+43
Employees (number at December 31)	6,746	6,172	+9

received a further major order for the expansion of the motorway network. The company is designing and building a 26-kilometer long section of the Hunter Expressway between the cities of Branxton and Kurri Kurri. In addition to comprehensive earth and road construction works, more than 20 bridges and numerous noise protection structures will also be built, as will rest stations and the required service facilities.

In the Pilbara mining region in Western Australia, Valemus' services division provides maintenance services for the electrical and mechanical systems of ore and mining companies such as BHP Billiton. Included among the locations served are the Mt. Whaleback Mine in Newman and the ore loading station in Port Hedland. Another important activity of Valemus is the maintenance and operation of power plant generators including general overhauls and modernizations. The company manages about a third of the power plant capacity in Queensland, New South Wales and the Capital Territory.

Social and environmental responsibility

Corporate

Research and development

› *Our research and development activities are targeted toward climate protection and the conservation of scarce resources through the optimization of power plants, industrial facilities and buildings. These activities are oriented toward clients' needs and lead to practical solutions that make economic sense. We are making an important contribution to meeting the challenges of our time through nearly 100 different R&D projects.*

Human resources

› *We offer a diverse range of secure career opportunities in Germany and abroad. Our human resources activities are systematic and ensure that talent is supported and given the opportunity to develop throughout the Group. We place particular emphasis on the recruitment of qualified employees and the development of our managers. Improving workplace safety is a constant objective to which we ascribe as much importance as we do to the health of our employees.*

Social responsibility

› *Our corporate units and their employees support numerous organizations worldwide with monetary donations, contributions in kind, and personal involvement. We support humanitarian activities in many countries around the globe. We promote science and education through close cooperation with leading universities. We support an endowed chair in 'Business Administration and Corporate Governance' which looks at the question how companies can act as responsibly as possible toward the general public.*

Research and development

Our activities in the area of research and development aim to protect the climate and to conserve scarce resources through the optimization of power plants, industrial plants and buildings. Our key projects include the optimization of energy generation in power plants and the reduction of energy requirements over the lifecycle of buildings. Our research and development activities focus on client requirements and lead to practical solutions that make economic sense. We are making an important contribution to meeting the ecological challenges of our time with around 100 different research and development projects.

Conserving resources with efficient energy generation

Compared to the traditional generation of electricity in large-scale power plants, the local generation of electricity with small plants is increasingly gaining importance. Such power plants are of a scale to suit requirements and can be used flexibly; they save the expense of long power-supply lines and avoid the energy losses associated with long-distance transmission. In the future, power will therefore be generated with an efficient combination of large-scale plants and smaller decentralized plants primarily using regenerative energy sources.

Cogeneration plants simultaneously generate electricity and heat for heating buildings or as process heat for production purposes. With this technology, high rates of primary-energy efficiency can be achieved wherever local users are available for the heat produced. Together with the Department for Combustion and Airplane Engines of Brandenburg Technical University in Cottbus, Bilfinger Berger is developing a mobile micro-gas turbine unit with an electrical output of 50-250 kW for the supply of electricity and heating for commercial properties, shopping centers, hotels, conference centers and residential complexes. This project is supported by the Federal State of Brandenburg and aims to increase plant efficiency while reducing operating costs. The turbines are designed to run not only on natural gas or diesel but also on gases with low calorific values such as fermentation gas and other forms of biogas. By using renewable energy, the new micro-gas turbines are also making a contribution towards climate protection and the conservation of resources.

Other research projects in the field of power-plant technology aim to achieve higher efficiency in the use of primary energy, to save fuel and to reduce exhaust emissions. We are involved, for example, in various joint research projects on high temperature steam generation. The higher the temperatures and pressures in steam power plants, the higher the efficiency levels that can be achieved. While modern power plants currently reach steam temperatures of 600 degrees Celsius, new material concepts for temperatures of 700 degrees Celsius are being tested as part of the research projects, for example at Mannheim power station.

Another project aims to increase the efficiency of energy production using lignite. Lignite has a high natural moisture content, which causes some of the combustion energy to be used in evaporating the water. One research project being carried out by our power-plant specialists, which is supported by the Federal Ministry of Economics and Technology, involves steam fluidized bed drying. In this process, the ground lignite is swirled in a pressurized container and then dried over a group of heat surfaces that utilize waste heat generated by the turbines in a previous combustion process.

With these innovations, Bilfinger Berger is making an important contribution towards significantly increasing the efficiency of coal-fired power plants worldwide.

Bilfinger Berger Power Services supplied the flue-gas desulfurization equipment for the pilot plant using the oxy-fuel method of burning coal in pure oxygen at the site in Schwarze Pumpe. In order to obtain CO_2 that is as pure as possible, this equipment filters the sulfur dioxide created in combustion almost completely out of the flue gases. The pure CO_2 created in the oxy-fuel process is compressed and liquefied. If the research engineers succeed in answering the open questions with regard to storing this liquid CO_2 in old natural-gas deposits or salt mines, the technology will become a key instrument for climate protection. Bilfinger Berger Power Services is supporting the test operation of the pilot plant, which will deliver the required results and findings for the construction of a bigger power plant to develop the final oxy-fuel technology suitable for large-scale application.

Sustainable construction

A building can only be optimized if all costs incurred over its entire lifetime are taken into consideration in the planning phase. This includes the construction processes and their energy consumption, the materials used and their primary energy needs and potential for recycling as well as future operating costs. The question of the long-term use of the building, i.e. a potential conversion or subsequent demolition must also be considered. Making use of the knowledge and experience we have gained in the design, construction, maintenance and operation of buildings, this holistic approach has become standard practice at Bilfinger Berger. We continuously expand this specialized expertise with the results of our research and development work.

Sustainable construction also means constructing buildings quickly and with the least possible negative impact on the environment. Our service provider bauserve is committed to this task with the goal of optimally planning and managing the necessary supply and disposal logistics on construction sites where many companies are involved. bauserve was awarded the Logistic Service Award 2010 from the German Logistics Association for outstanding and innovative logistics services. The award related to the major PalaisQuartier project in Frankfurt am Main, in which bauserve coordinated a total of 840 contracting companies and up to 3,000 employees on the construction site. Almost 200 trucks a day had to be directed so that the traffic in the city center continued to flow smoothly. At the award ceremony, the president of the jury, Professor em. Peter Klaus, Friedrich Alexander University Erlangen Nuremberg highlighted the reduction in the construction period as well as costs and the reduced impact on the environment with regard to noise and exhaust generation as a result of bauserve's sophisticated logistics.

Our expertise in sustainable construction also has a role to play in academic education. The students at Bergischen University Wuppertal, for example, received specialist support from Bilfinger Berger Building in their participation in the Solar Decathlon Europe 2010 competition, organized by the Spanish government. The aim of the competition, in which the Wuppertal team's completely solar-powered house took an excellent sixth place out of over one hundred participants, was for the students to learn about renewable energies and sustainable construction.

Interactive energy management

According to recent studies, buildings in the industrialized countries cause 40 percent of all CO_2 emissions, a large part in the operating phase. From both ecological and economic points of view, the operation of buildings must be planned as efficiently as possible and CO_2 emissions must be reduced. For this purpose, we are developing an interactive energy management system with which a building's energy consumption and energy flows can be measured, analyzed and presented – in detail and continuously. Weather conditions and factors related to a building's use also flow into the calculations. On this basis, excessive energy consumption can be identified and located, and countermeasures can be taken such as initiatives to clarify users' behavior, energy-oriented renovation of existing buildings or changes to equipment configurations. The effectiveness of such actions can then be measured using the new consumption data. With this system, the specialists in our Facility Services division are able to offer clients a maximum of quality with regard to energy-efficient building operation.

Procurement

With a purchasing volume of 50 percent of our output volume, the financially optimized procurement of materials and subcontractor services represents a key factor for our Group's success. By realigning our purchasing activities, we set the course in the reporting year for improved use of our purchasing potential.

Along with the economic recovery in 2010, prices in our procurement markets increased. Supplier and subcontractor production capacities that had previously been reduced could not be rebuilt fast enough, resulting in bottlenecks in the supply of goods and services in individual cases. This situation proved the value of our long-term partner management in the form of collaboration with suppliers, wholesalers and subcontractors, which enabled us to avoid procurement-related production downtimes.

The procurement volume was €4.1 billion in the reporting year, 64 percent of which was accounted for by subcontractor services and 36 percent by materials.

As part of an Excellence Program, the existing purchasing network between Group Purchasing and the purchasing organizations of the operating units was expanded and the processes coordinated. The main guiding body for Group-wide activities is a purchasing board, composed, in addition to the Chief Financial Officer, of the purchasing managers of the operating units and the Head of Group Purchasing. Group purchasing guidelines regulate the key procurement processes. The provisions contained in these guidelines are implemented in detail by the operating units.

One of the consequences of our strong expansion via acquisitions in recent years was a non-uniform structure of the software used in procurement. This non-uniformity was resolved through substantial investments in IT, with the result that expenditure across all business segments is now transparent using a uniform product group code. Valid framework agreements with uniform terms and conditions can be made on this basis for the entire Group and the pooling of demand ensures the best possible conditions. Another result of the product group management is the possibility to define Group-wide benchmarks and model cost structures for additional optimization measures.

We have further expanded our partnerships with suppliers and subcontractors, agreed long-term contracts with preferred partners and added new suppliers to our portfolio. In addition to monetary aspects, performance, reliability and compliance considerations play an essential role in our choice of partners. We have set out the compliance standards that are binding for our subcontractors and suppliers in a Code of Conduct.

We have further expanded existing tools such as the intranet procurement portal with its wide range of information on markets, master data, procedures, contracts and premium partnerships.

In order to ensure that purchasing can meet its challenging tasks, Bilfinger Berger is increasingly investing in the training and development of its buyers. This is a structured process based on comprehensive qualification profiles and an individual qualification profile.

Communication and marketing

Our communication activities are directed at investors, business associates, employees and the public. We provide them with information quickly and reliably, enabling them to gain a clear picture of our Group. Via internal and external communication channels, we explain our transformation from a construction company to a services and construction group, describing the background, goals and implementation of our strategy and supporting the integration of the newly acquired services companies.

In the reporting year, a total of €10.4 million (2009: €8.3 million) was invested in corporate communication. We spent €2.7 million on publications (2009: €2.6 million), €4.0 million on trade fairs and exhibitions (2009: €2.9 million), €1.3 million on new media (2009: €1.0 million) and €2.4 million on other activities (2009: €1.8 million).

Corporate branding

Our corporate brand and all our operating brands are represented according to a corporate design with worldwide validity. The various brands are linked with each other through an overall Bilfinger Berger brand, which signals unity and strength. The details of the effective and coherent corporate design for our varied and international Multi Service Group are laid down in corporate guidelines.

Corporate website

On our corporate website www.bilfinger.com visitors can find general information on Bilfinger Berger, current job offers, press releases and financial data. Selected projects and the online edition of the Bilfinger Berger Magazine (www.magazin.bilfinger.com), which is integrated into the homepage, illustrate the Group's business activities. In spring 2010, we provided our homepage and the online magazine with a new look and an expanded range of information.

We are following the subject of social media with great interest and are looking into how Bilfinger Berger can participate in this social and technological change. In this regard, a social bookmarks function was set up. Using this function, selected contents can be shared quickly and easily on current social networks and Web 2.0 platforms such as Twitter or Facebook. In addition, we developed guidelines which can serve as orientation for employees who are active in social networks or other relevant platforms in connection with their work for our Company.

More than 60,000 users visit our website on average each month. The highest number of visitors continues to be registered by our career portal www.karriere.bilfinger.com.

Public Relations

We provide regular and comprehensive information on the Group's financial situation. Our quarterly and annual reports, press releases, telephone and press conferences are directed at the business editors of news agencies, daily and weekly newspapers, magazines and electronic media. By maintaining close contacts with the press, radio and television, we ensure that relevant information about Bilfinger Berger reaches the public. We regularly explain key aspects of our business activities to local journalists on-site. Discussions between members of the Executive Board and individual journalists provide accurate background information. All analysts who follow our Company are intensively supported in the context of our investor relations activities (see page 63).

Information for employees

The Group-wide employee magazine blueprint is another efficient communication tool Bilfinger Berger has at its disposal, which takes into account our employees' need for high quality company information. The magazine, which is printed twice a year, is published in two languages – German and English. It is currently distributed to employees in all divisions in a print run of around 40,000 copies. The articles, which are international in focus and meticulously researched, aim to provide all employees with an overview of the large number and diversity of the Group's business fields in an entertaining and yet effective way. Choosing to employ journalistic devices, apart from reports on people's experiences, blueprint also includes interviews, commentaries, personal profiles, short news stories and extended photo stories.

In addition, 'blueprint extra' was set up this financial year as a means of communicating information about specific issues, for example 'Civil engineering projects in focus' and 'Risk awareness'. As a result of its tabloid-like format and small number of pages, internal communication with blueprint extra makes company information accessible to a wide range of employees in print form with relatively little preparation.

Employees are also kept up to date on what's happening in the Group on a daily basis via the intranet. This key electronic information platform links the various portals with organizational, technical, commercial and legal information. Thousands of employees make use of the information on offer every day, which, in addition to reports from Bilfinger Berger Group, also includes background reports, special reports on current events and evaluations of media coverage and is closely linked to the electronic media of the subgroups. The Group's management is also directly informed via a newsletter on important Group news.

Media library

A special communication project is the implementation of a central media database for use throughout the Group. Digital objects such as photographs, graphics, videos, presentations and data files are made accessible with the use of web-based software. This instrument will allow data administration, search functions, processing, organization and distribution, while saving resources and time. The media library will be available to all Group company communication departments.

Dialogue with clients

Participation in trade fairs and exhibitions is an important element of our sales and marketing activities for promoting dialogue with our clients. Our Facility Services and Building divisions presented their product ranges at Expo Real in Munich, the leading trade fair for commercial real estate with 35,000 participants from 73 countries.

Bilfinger Berger Power Services was present at the main trade fairs of the energy and power-plant industry: Russia Power in Moscow, Power Gen Europe in Cologne and the VGB Congress Power Plants 2010 in Lyon. Bilfinger Berger Industrial Services took part in Maintain in Munich, the most important trade fair for industrial services.

The Bilfinger Berger Magazine is our magazine for clients and business associates as well as decision makers in the fields of politics and business. We publish the magazine twice a year in German and English with a total print run of around 25,000 copies. It is supplemented by a multimedia online edition, which is a permanent part of our homepage and aimed in particular at a young audience. The contents of the Bilfinger Berger Magazine combine current social topics and trends with our Group's wide range of services.

Human resources

The number of employees in the Bilfinger Berger Group decreased to 58,312 (2009: 61,027), in Germany the figure fell to 23,652 (2009: 25,555). The reason for this was primarily the sale of subsidiaries and the completion of major international projects.

In 2010, Valemus Australia employed 6,746 people (2009: 6,172).

Our attractiveness as an employer

In 2009, Germany's Manager Magazine selected us as its biggest climber of the year in its rankings for most attractive employer for engineers, after we improved 47 places to position 22. We climbed even further in the reporting year reaching place 17 in the survey of 25,000 students. We are delighted that our attractiveness as an employer has further increased and see this as the result of our intensive communication with students and trainees.

Applicant management

Bilfinger Berger offers a diversity of future-oriented career opportunities in Germany and abroad. Young employees get the opportunity early on to take responsibility for technically demanding jobs that are also commercially important. We target potential applicants with approximately 600 job advertisements a year. Our Internet careers section (www.karriere.bilfinger.com) is playing an increasingly important role in the recruiting of new young employees and receives more than 25,000 visitors each month seeking information. Large numbers of speculative applications are also sent via the website.

University marketing

We have been carrying out intensive university marketing activities for many years in the competition for the best high potential candidates. The goal of our university activities is to identify and recruit highly qualified skilled employees. Our requirements include a large number of careers, particularly engineers of various disciplines but also graduates in business administration and economics.

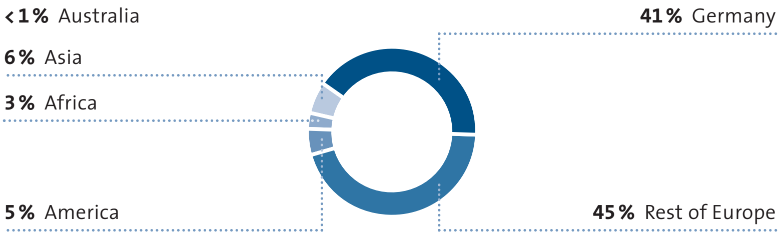
Since the 2010 winter semester, Bilfinger Berger has been supporting six scholarship holders in engineering courses in a pilot project at the RWTH University of Aachen. Based on this experience, achievement-oriented sponsorship of students from various disciplines is intended to be expanded from 2011.

Employees by business segment

	2010	2009	Δ in %
Industrial Services	28,054	27,372	+2
Power Services	7,193	8,094	–11
Building and Facility Services	15,714	16,750	–6
Construction	6,737	8,210	–18
Concessions	135	135	0
Headquarters & other units	479	466	+3
	58,312	**61,027**	**–4**

Employees by region

	2010	2009	Δ in %
Germany	23,652	25,555	–7
Rest of Europe	26,018	25,148	+3
America	3,000	3,125	–4
Africa	1,978	2,067	–4
Asia	3,633	5,111	–29
Australia	31	21	+48
	58,312	**61,027**	**–4**



Acquisitions: Number of employees

	2010
ISS Industri AS / IPEC AS, Norway	250
Beheermaatschappij Brabant Mobiel B.V., the Netherlands	129
Rotring Engineering AG, Germany	47
Oy Oripipe, Finland	38
Other acquisitions	51
	515

Training

Bilfinger Berger is intensively involved with the training of young people. We are convinced that long-term business success can only be ensured with a high number of in-house trained, well-qualified employees. In financial year 2010, we employed 1,566 trainees worldwide, of which 996 were in Germany. After they successfully complete their final examinations, Bilfinger Berger offers about two thirds of its trainees employment contracts.

Human resources development

Bilfinger Berger performs systematic human resources work with local and centralized elements. In addition to supporting employees in their respective units, central instruments ensure that talents are encouraged and can develop throughout the Group.

In two subgroup pilot projects, we are testing the effects of using mentors on the advancement of our high-potentials. In one project, participants in a development program are supported by external mentors toward achieving a defined development goal. In the other project, general support is given by experienced older colleagues in technical issues, leadership behavior and social skills.

Further training

Bilfinger Berger invests in the specialist and personal further training of its workforce. The expansion of e-learning was a focus in 2010. Around 12,000 employees used this system to get to grips with the topics of compliance and data protection. Our e-learning system, with which a large number of employees can be trained at their desks at low cost, is being further expanded. Bilfinger Berger was awarded the 2010 e-learning award from the well-known specialist magazine 'e-Learning Journal' for the quality of this special type of training as well as for its quick implementation.

Bonus payment for employees in Germany

To thank them for their commitment in the previous year, more than 16,000 employees in Germany each received a bonus payment of €200 gross in May 2010.

Hardship fund

Bilfinger Berger has set up a hardship fund amounting to €500,000 with which employees who have got into financial difficulties through no fault of their own can be supported quickly and unbureaucratically. A committee made up of members of the Group works council decides on how the funds are used. In the reporting year, financial assistance was provided in five cases to employees or surviving dependents.

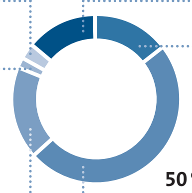
Co-determination

One of the main issues in the transformation of Bilfinger Berger AG into a European Company (Societas Europaea – SE) was the regulation of employee co-determination. In accordance with legal provisions, this was achieved by completing an agreement between company management and the Special Negotiating Committee consisting of over 20 European employee representatives. This agreement primarily deals with the regulation of company co-determination by the SE works council at a European level. The SE works council is primarily an information and advisory committee and is solely responsible for cross-border matters.

The first SE works council, whose 21 members were elected in the fourth quarter of 2010, is composed of employee representatives from 14 European countries, including six members from Germany and two members from Austria and Poland

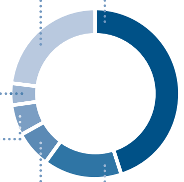
Number of engineers (Germany)

	2010	2009	Δ in %
Industrial Services	430	450	–4
Power Services	460	362	+27
Building and Facility Services	1,519	1,616	–6
Construction	568	616	–8
Concessions	17	21	–19
Headquarters & other units	69	67	+3
	3,063	**3,132**	**–2**



Engineering disciplines (Germany)

in %	2010	2009	Δ in %
Civil Engineer	45	40	+5
Mechanical Engineer	15	10	+5
Architect	7	7	0
Economic Engineer	6	6	0
Process Technology	4	4	0
Other	23	33	–10



respectively. The other European countries, Belgium, France, the United Kingdom, the Netherlands, Norway, Sweden, Switzerland, Slovakia, Spain, the Czech Republic and Hungary each assign one member to the SE works council. The committee's term of office is five years.

The SE works council generally convenes twice a year. In the case of urgent circumstances which are expected to lead to serious consequences for significant numbers of employees in at least two affected countries and if no deferment to the next regular meeting can be tolerated, an extraordinary meeting can be held with prior approval from company management.

The SE works council forms a four-member executive committee from among its members. This is the managing body of the works council and in this respect is primarily responsible for the preparation and follow-up of meetings, for receiving and communicating information from management and the timely implementation of the procedure for electing employee representatives to the Supervisory Board of Bilfinger Berger SE.

Administration advisory boards

On the basis of a framework agreement with the Group works council and the relevant trade unions, an administration advisory board composed of equal numbers of internal or external representatives of Bilfinger Berger SE and employee or union representatives can be formed in subgroups with at least 750 members. This type of committee was set up in the Industrial Services, Power Services, Facility Services, Building and Civil subgroups.

The administration advisory boards are primarily information and advisory bodies. They monitor the business activities of the respective subgroup and can, for example, make recommendations on corporate strategy, on important personnel issues or on risk management.

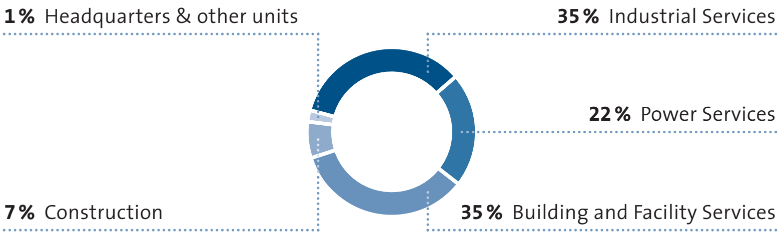
Safety at work

Enhancing safety at work is a permanent goal upon which we place great importance and which is an essential part of our employee training program. Since 2007, we have been measuring our performance in this regard in a Group-wide uniform reporting system. As a result, we have homogeneous figures on this important issue. These figures allow objective assessments on which we base specific measures, the further development of our training program and targets for our performance. In the past four years, both the frequency of accidents and their severity have been reduced by 33 percent. The number of fatal accidents, however, increased in the reporting year. Our subgroups are increasingly implementing campaigns and measures aiming to prevent accidents and further improve safety at work.

The effectiveness of our occupational safety management systems has been proven by the large number of certifications of our units according to the OHSAS 18001 and SCC standards. We carry out internal and external audits at all levels in order to continuously review and improve our occupational safety measures.

Trainees (Germany)

	2010	2009	Δ in %
Industrial Services	346	374	–7
Power Services	224	212	+6
Building and Facility Services	346	384	–10
Construction	74	113	–35
Headquarters & other units	6	12	–50
	996	**1,095**	**–9**



Top ten skilled occupations (Germany)

	2010	%
1 Plant Mechanic	187	19
2 BA Degree	97	10
3 Industrial Clerk	86	9
4 Construction Mechanic	81	8
5 Industrial Mechanic	80	8
6 Technical Draftsman	71	7
7 Industrial Insulation Installer	67	7
8 Mechatronic Technician	46	5
9 Scaffolding Worker	37	4
10 Electritian	34	3
Other industrial qualificationsen	166	16
Other commercial qualifications	44	4
	996	**100**

Health care

The good health of our employees is extremely important to us and is the subject of a number of different initiatives. Workplace programs, health groups, yoga and trainee workshops aim to increase employee awareness of this issue and improve their physical fitness. Seminars on fitness and health management are also available to employees.

A large number of sport initiatives are available in our Group units. We encourage our employees' physical activities in numerous sports such as running, football, basketball, cycling, skiing, squash and inline skating. With around 300 participants, Bilfinger Berger had one of the strongest teams in terms of number of employees at the company run at the Hockenheim Ring race track in 2010. A Bilfinger Berger team of 50 cyclists started the cycle race around the Eschborn-Frankfurt financial center. 23 teams from all Group units took part in Bilfinger Berger's internal football cup.

Sustainability

Bilfinger Berger places social and ecological aspects of sustainability at the focus of its entrepreneurial activities. The Group and its employees accept responsibility for society and the environment.

Compliance system

Our Code of Conduct is a key element of our compliance system. We constantly make our employees aware that only responsible actions in respect of ethical principles will effectively protect the interests of the company, its employees and its partners. These principles have been clearly formulated in our Code of Conduct. The Behavioral Guidelines, which apply to all Group employees, include fundamental rules for the counteraction of corruption, bribery, bid rigging, illegal employment as well as guidelines on dealing with confidential information, donations and social behavior in the Company. Because of the wide variety of legal and social conditions which exist in Germany and abroad, the Code of Conduct also includes country-specific behavioural guidelines.

A network, consisting of the Chief Compliance Officer of the Group and the Compliance officers of the first tier operating units that report to him are responsible for the distribution, application and enforcement of our Code of Conduct. To supplement the position of the internal ombudsmen, an external ombudsman has been appointed to whom employees, and persons from outside the Company can report misconduct. Any information given to the ombudsman via the compliance hotline remains anonymous because calls made to this number cannot be identified. Internal whistleblowers are protected against reprisals, the voluntary disclosure of one's own misconduct will have a beneficial impact on the employee.

The control systems we have implemented to ensure compliance with the Code of Conduct include both routine and extraordinary audits from Internal Auditing, special controls with regard to compliance with regulations for competition and employee deployment as well as regulating and controlling the use of third parties in connection with order acquisition. Our Code of Conduct and the compliance system are at the focus of employee events,employee discussions and numerous training courses.

With the intranet-based e-learning program, we will be training a large number of employees on compliance issues without them ever having to leave their desks.

The Executive Board, the Audit Committee of the Supervisory Board and the entire Supervisory Board are comprehensively informed about developments in this area through the immediate reporting of serious cases and through the Chief Compliance Officer's quarterly and annual reports.

The Chief Compliance Officer is supported in the general design and further development of the compliance system by a Compliance Committee, which convenes at least once a quarter and is composed of the heads of the corporate functions of Legal, Internal Auditing and Human Resources.

If information is received about possible compliance infringements, we take active steps with our own investigations, inform the responsible authorities, and cooperate with them on the clarification of the matter. Any misconduct revealed results in organizational measures being taken as necessary as well as personnel consequences. The internal findings from reporting, comparisons with other compliance systems and assessments by external experts facilitate the continual further development and improvement of our compliance systems.

Climate protection and conservation of resources

Our research and development activities focus on climate protection and the conservation of resources. Our goal is to reduce energy requirements over buildings' entire lifecycles and to reduce the consumption of resources through the optimal generation of energy in power plants and through the high efficiency of production plants.

One example of our research and development work is the interactive energy management system, with which a building's energy consumption and energy flows are continually measured, adjusted for weather effects, analyzed and presented in a transparent manner. On this basis, any excessive energy consumption can be identified and countermeasures can be taken. By collating, analyzing and evaluating the data gained from the operation of buildings and plants,we are able to extend our expertise, allowing us to supply environmentally friendly products and services.

In our operative service and construction activities, too, we actively contribute to the economical and efficient use of raw materials and energy. Our specialized power plant and industrial services such as engineering, manufacturing and assembly of special components are regularly directed at significantly improving plant efficiency and reducing pollutants. For example, the modernization of the firing system and pressure parts as well as the additional heat recovery systems that we carried out on several blocks of the Belchatow power plant in Poland – Europe's largest coal-burning power plant – have provided a significantly greater level of efficiency and lower emissions. In real estate planning, we consistently pursue a lifecycle approach. With the help of certification systems, buildings are increasingly being valued comprehensively over their entire lifecycle. To this end, we have specifically established expertise and tools which we are constantly developing. It is our goal, for example, to forecast the energy needs of a building over its entire lifecycle and to reduce these needs through appropriate measures. We see it as our task to support our clients with consulting services at an early stage and to help them make optimal long-term investment decisions.

Regenerative energy systems

The importance of environmentally friendly technologies and the application of renewable energies in the energy sector is steadily increasing. Bilfinger Berger has dedicated itself to numerous special tasks in the field of regenerative energy systems, thereby actively contributing to the sustainable and efficient use of renewable energies for our energy needs.

Since the beginning of 2010, Bilfinger Berger has been an associated partner in the Desertec Industrial Initiative (DII). The objective of DII is to create the conditions for the rapid implementation of the Desertec concept. It calls for regenerative resources such as solar energy and wind power from North Africa and the Middle East to provide approximately 15 percent of the electrical energy required in Europe along with a major portion of the electricity needed in the generating nations by 2050. We have taken up this pioneering idea at an early stage and are working together with our DII partners on making the concept a reality and on the development of the technologies needed. Today, we are present in the growing market for solar thermal power plants with specialized services such as insulation.

With the 560 MW Rodenhuize power plant near the Belgian town of Gent, Bilfinger Berger is converting a conventional power plant from coal to biomass – a first for a power plant of this size.

There, in the future, energy will be generated with wood pellets and excess blast furnace gas from the neighboring steel plant instead of through the burning of coal.

Our subsidiary, MCE, is providing important services in the future oriented field of hydroelectric power. With pressure piping systems, tunnel linings, closure apparatus and further specialized parts we deliver and install key components for large hydroelectric power plants. We often work under difficult and challenging conditions in mountainous areas.

Bilfinger Berger is a specialist in the construction of foundations for offshore wind turbines. Following a series of earlier projects such as the German windpark Alpha Ventus, which went into operation in 2010, we are currently building the foundations for 175 wind power turbines at the London Array windpark in the Thames Estuary. Once completed, the windpark with an electrical output of 1,000 MW will cover the electricity needs of about 750,000 households.

CO_2 emissions

Through the application of advanced technologies such as flue-gas heat utilization, we exploit the potential for optimization offered by power plants and thus help to reduce their CO_2 emissions. The waste heat of the flue gas is used to preheat feed water and air before the flue gas passes through the desulfurization stage. A crucial role is played by the consideration of new materials for high-performance heat exchangers. Corrosion and wear are reduced with our newly-developed plastic heat-exchanger system. In December 2010, our Power Services division received an order for the engineering of a heat recover system at the Porto Tolle power plant in Italy.

The heating and cooling of buildings are responsible for a large proportion of CO_2 emissions in industrialized countries. Bilfinger Berger supplies and services modern and efficient building equipment. We contribute to the realization of building designs that protect the climate by integrating and implementing new innovative technologies such as heat pumps, wood-pellet heating and geothermal heating.

Environmental protection

Effective measures for environmental protection play an important role in the design and execution of our temporary worksites. Already in the stages of planning and work preparation, specific precautions are taken to reduce noise, vibrations, dust and exhaust emissions. We apply environmentally friendly methods and technology throughout all project phases. Waste is effectively separated in order to recycle the maximum possible proportion. We take the utmost precautions with polluting substances in order to protect soil and water.

These examples show that for us, sustainability, climate protection and the conservation of resources are not just a matter of conviction, but are integral elements of our daily business.

Safety at work

Occupational safety and environmental protection are subject to fundamentally different conditions in our industry from those in stationary manufacturing industries. The measures to be taken have to be adapted to the changing conditions of our often temporary work sites.

In line with our decentralized organizational structure, compliance with standards for the safety of our employees at work is the responsibility of the operating units. They are supported by a corporate officer for work safety, a network of safety officers in the subgroups as well as comprehensive training programs. Staff and management are required to apply the knowledge gained from training in practice, and are also required to urge their colleagues to act safely. On the basis of a standardized global reporting system, the Executive Board and Safety Officer regularly deal with aspects of safety at work and use statistical analyses to identify any deficits, to take action as necessary and to establish goals for constantly improving work safety on a Group-wide basis.

Corporate social responsibility

Our corporate units and their employees support numerous organizations worldwide with monetary donations, contributions in kind, and personal involvement. As a company which acts responsibly, Bilfinger Berger supports initiatives, foundations and campaigns with a focus on areas including education, culture and sport.

Bilfinger Berger grants scholarships to students at renowned universities such as RWTH Aachen and the Technical University in Dresden. Six scholarships in engineering science programs will be supported as part of a pilot project beginning with the winter semester 2010. In addition, the company supports the endowed professor of 'Business Administration and Corporate Governance' at the University of Mannheim's School of Business. Within the scope of Corporate Governance, scientists and practitioners explore the question of how companies act as responsibly as possible toward the general public. In this way, the company makes a further contribution to the social education of our future managers.

The 'Technology is the Future' initiative established by Bilfinger Berger in 2008 is geared toward adolescents. Bilfinger Berger started the initiative in the form of a charitable company together with partner companies in German industry. The objective of the alliance is to arouse interest among secondary school students in engineering as a career.

'Knowledge Factory', another project supported by Bilfinger Berger, is aimed at children in kindergarten and primary school: with the help of educational projects, children are exposed to the fascinating world of natural sciences, technology and business. Through this commitment, Bilfinger Berger seeks to promote enthusiasm for technical careers at a young age.

In the promotion of culture, Bilfinger Berger is involved for example in the National Theatre of Mannheim foundation. Funds are directed toward young artists in the form of scholarships and also enable the Mannheim ensemble to stage exclusive performances which go beyond the normal theatre program: every two years, for example, the international Schiller festival can be held.

In 2010, Bilfinger Berger continued its support for the German Sport Aid and once again sponsored the Sports Ball. With the funds it receives from its partners, the German Sport Aid has been supporting German athletes since 1967. In 2010 these included a total of about 3,800 athletes from nearly all Olympic disciplines as well as from traditional non-Olympic sports and sports for the disabled.

Bilfinger Berger also supports numerous institutions outside Germany. It was a matter of concern for the company to support the victims of the tragic bush fire in the Australian state of Victoria in 2009. The population continues to suffer from the consequences of the natural catastrophe. Bilfinger Berger is actively involved in the reconstruction of public buildings and shopping centers and supports the victims with donations.

Risk report

Risk-management system

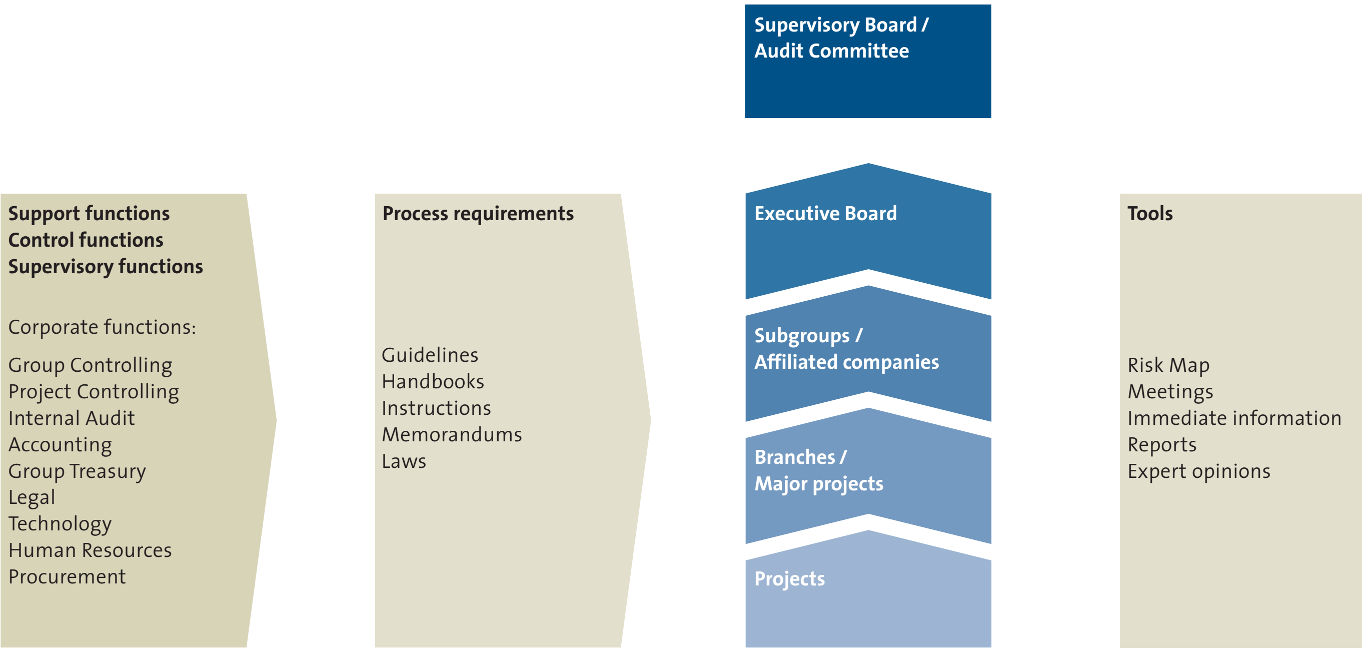
In the course of its business activities, Bilfinger Berger creates opportunities and takes risks, both must be thoroughly weighed and considered. Business success depends on the principle that the risks taken are managed and that they are outweighed by the opportunities. The task of the risk management system is to ensure that risks are controlled. For the timely identification, evaluation and responsible handling of risks, effective detection management, control and audit systems must be in place which together form Bilfinger Berger's risk management system. The elements of our risk management system are strategic business planning combined with a detailed and up-to-date reporting system that serves as an internal early-warning and monitoring system. Our risk management system has been designed with the strong international focus of Bilfinger Berger's business activities and the special features of the individual project business in mind. Last year, no risks were recognizable that could substantially jeopardize the Bilfinger Berger Group.

Risk management at Bilfinger Berger is a continuous and decentralized process, which is monitored and controlled from headquarters. Accordingly, the subgroups and subsidiaries have their own risk management systems geared toward the requirements of the individual businesses. The Group's collective risk management function is exercised by the Supervisory Board, the Executive Board and the headquarters. Effectively avoiding risks requires more than just good instruments and procedures. A highly developed risk awareness among decision makers and employees is also indispensable. The training program we introduced in 2009 for all operative management levels to further increase risk awareness was continued and intensified in the reporting year. Group-wide, general principles of risk awareness apply to management and staff at all levels. On this basis our subgroups develop concrete guidelines for dealing with the risks inherent in their particular business.

Each year, the Group sets new targets for all of its subsidiaries in terms of the performance measures EBIT and return on capital employed, as well as liquidity targets and limits. These and other key figures are monitored with the use of monthly reporting. The actual situation and the targets set are analyzed at all levels. With the use of marginal values and deviation parameters, relevant risks are identified and monitored, and their effects are limited by taking suitable measures. This provides the Executive Board and other members of the management team with detailed information on the current financial situation. In consultation with the Executive Board, the corporate functions perform a specialist monitoring function throughout the Group. They have wide-ranging rights to request and receive information, to issue individually defined guidelines, and to be actively involved with their specialist colleagues at the subsidiaries.

Headquarters are also responsible for controlling tasks of overriding importance. The corporate departments of Group Controlling, Group Treasury, Project Controlling, Internal Auditing and Legal report regularly and comprehensively to the Executive Board on possible risks from their respective specialist perspectives. In addition, the Executive Board submits a quarterly risk report to the Audit Committee and the plenum of the Supervisory Board. The Committee is informed on a semi-annual basis by the heads of Project Controlling and Internal Audit on the results of the reviews carried out by their corporate functions.

Interaction of elements in the risk-management process



Orders with large volumes or special risks can only be accepted if they are expressly approved by the Executive Board. Above a specified volume, approval of the Supervisory Board is also required. Projects with greater risks are reviewed more intensively by the Executive Board prior to a bid being submitted and continue to be closely followed when an order has been received. Risks, especially those related to major projects, are counteracted by clearly structuring the distribution of tasks within the corporate functions:

- Group Project Controlling supports these projects from the bidding phase until completion. The technical, financial and timeline-related development of each project – irrespective of the responsible operating unit – is analyzed continually and critically.
- Decisions on financing, internal credit lines and guaranties are made at headquarters by the Executive Board with significant support from Group Treasury.
- Internal Auditing reviews the effectiveness of working routines and processes. It also carries out audits at the level of the operating units.
- Group Controlling is responsible for the monthly recording of all performance measures as well as for the active controlling of the subsidiaries.
- The Legal department reviews contractual project risks and takes the lead with any legal disputes.

All of the processes and approval procedures that are stipulated by law, the Executive Board or the corporate functions are documented in manuals and working instructions. The Risk Map available on the Bilfinger Berger intranet provides employees throughout the Group with rapid access to the contents of the Risk Management System. Information on certain types of risks is arranged according to corporate processes and can be accessed via various search functions.

Our controlling and monitoring instruments are combined into a comprehensive risk management system that is subject to continuous development. The functionality and effectiveness of key elements of this system, in particular the operational, non-accounting related internal controlling system and the internal risk systems are reviewed by the Audit Committee of the Supervisory Board and the external auditors. Any recommendations on the optimization of the risk management system resulting from these reviews are implemented immediately.

Internal control and risk management system as relates to the accounting process

The internal control system as relates to the accounting process consists of principles, procedures and measures to secure the effectiveness, efficiency and accuracy of the company's accounting as well as the observance of applicable legal requirements. This also includes the internal auditing system insofar as it relates to accounting.

Under consideration of standards that are usual for the industry as well as applicable legal requirements, Bilfinger Berger has established an internal control and risk management system for Group accounting processes in order to recognize potential risks and minimize them. This system is being continuously developed.

This internal control and risk management system ensures that entrepreneurial substance is accurately recorded, processed and recognized in the balance sheet and implemented in the accounting system. Appropriate staffing and equipment, the use of adequate software as well as clear legal and internal company requirements form the basis of an orderly, standardized and consistent accounting process. The clear division of areas of responsibility as well as various control and monitoring mechanisms (especially plausibility controls, the dual control principle and audit treatments from Internal Auditing), ensure proper accounting. In this way, it is ensured that the accounting process is carried out uniformly and in line with legal requirements, the principles of proper book-keeping, international financial reporting standards and internal Group guidelines. Furthermore, it is ensured that business transactions throughout the Group are recorded and evaluated uniformly and within the scope of accounting publications and that, as a result, accurate and reliable information is made available.

The key features of the internal control and risk management system established at Bilfinger Berger with regard to the Group accounting process can be described as follows:

- The accounting departments at Bilfinger Berger SE and its subsidiaries are clearly structured in terms of their areas of responsibility and their management.
- The IT systems used in the accounting areas are protected from unauthorized access through appropriate security guidelines.
- Standardized accounting is guaranteed in particular through Group-wide guidelines. The functional competence in the accounting area lies with Corporate Finance and Accounting.
- Those departments and areas involved in the accounting process are appropriately equipped both in terms of expertise and personnel. The employees are carefully selected, educated and receive ongoing training.
- Accounting data is randomly reviewed on a regular basis for completeness and accuracy. Programmed plausibility audits are carried out by software that is designed for that purpose.
- Appropriate controls have been implemented for all accounting-relevant processes (including the dual control principle and analytical audits).
- Accounting-relevant processes are reviewed regularly by Internal Auditing. If deficits in control or potential for improvement are noticed, adequate measures to remove the deficits or to adjust the system will be taken.

Market and industry-specific risks

The Bilfinger Berger Group depends on the general economic situation and the development of those markets in which the company is active. Due to the international nature of our business activities, we are also exposed to political, macroeconomic and other risks. There is a tremendous amount of competition in our markets, changes in legal requirements, in terms of tax laws for example, could burden our earnings.

To manage these risks, we regularly analyze how countries' economies are developing and whether our business segments are competitive. We are actively involved in advisory committees and panels to ensure that economic effects from new legislation, ordinances and regulations are avoided in good time.

Country risks

Country risks include uncertainties arising from political developments in our markets. In order to minimize such risks, we operate only in certain specified markets. We see no country risks that are relevant to the Group's earnings.

Financial risks

We monitor financial risks with proven control mechanisms that allow for a timely and transparent reporting. The Group's reporting system guarantees the regular identification, analysis, assessment and management of financial risks by Group Treasury. All of our relevant subsidiaries and joint ventures are included in this monitoring.

Liquidity risks are monitored and managed centrally at Group headquarters on the basis of rolling 12-month cash-flow planning. Within the context of the central financing, Bilfinger Berger SE is available to its subsidiaries as a lender of last resort. In Europe, the Group's internal equalization of liquidity is supported by cross-border cash pooling except in areas that are less economically relevant.

Investment financing is carried out with consideration of matching maturities. From the €250 million promissory note loan placed in 2008, there are maturities in 2011 and 2013. To finance working capital during the year, we have a €300 million pre-approved credit line at attractive conditions that is in place until 2012.

For the execution of our project business, we have sureties of more than €3.5 billion available which remains appropriate to accompany the future growth of the company. More than €950 billion of that total is in syndicated sureties with maturities in 2011. In case of a transfer of control, all credit commitments may became due prematurely.

The increasing long-term debt resulting from the further expansion of our concessions business is solely on a non-recourse basis, so lenders have no access to Bilfinger Berger's assets or cash flows beyond the respective project companies.

As part of our strategic corporate planning, we regularly review the impact of various scenarios involving the economic and financial development of the Group on our financial risk profile. Significant key figures in this respect are the dynamic debt-to-equity ratio, cash-flow protection and gearing. Our goal is that the ratios should reflect a financial standing comparable with an investment grade rating of 'BBB' or better. Accordingly, the tolerated total debt of the Group on a recourse basis is oriented toward maintaining these key figures.

Market-price risks in the finance sector primarily involve exchange rates, interest rates, raw-material prices and the market values of financial investments. As a result of our central control, cash flows and financial positions are, to a large extent, netted out. We make use of derivative financial instruments to minimize residual risks and the resulting fluctuations in earnings, valuations and cash flows. We do not undertake any financial transactions beyond the underlying business risk. Fundamental issues in risk management such as the determination or reviewing of methodology, limits or risk strategies are discussed in a steering committee with a direct line to the Executive Board.

We use forward-exchange contracts or currency options to hedge risks relating to cash flows and balance-sheet items in foreign currencies. We generally hedge against transaction risks in the project business for the entire project period immediately after a contract is received. In individual cases this is carried out as early as the bid phase. Risk management takes place with the use of explicit risk limits for outstanding foreign-exchange items, their value at risk and marked-to-market results.

Whenever possible, hedging against price fluctuations for raw materials is undertaken on the basis of fixed-price agreements for deliveries or sliding-price clauses for consumption at a physical level. If this is not possible, hedging is carried out through the application of commodity swaps, for diesel fuel or bitumen, for example.

We counteract the risks of interest-rate changes by continually reviewing and, when required, adjusting the composition of recourse liabilities subject to fixed and variable interest rates. We evaluate risks under consideration of future new or refinancing needs on the basis of a cash-flow-at-risk model. The borrowing costs budgeted within the scope of the cost-of-capital model serve as a point of reference. To manage this, we generally apply derivative financial instruments such as interest-rate swaps and swaptions.

In the area of non-recourse project financing, on the other hand, a full congruent maturity hedging of the liabilities through interest-rate swaps is usually undertaken. Changes in market value occurring in this context must be reflected in the balance sheet, but they have no impact on the success of the relevant project or on the Group's cash flows.

Substantial counterparty risks can occasionally arise in connection with the investment of liquid funds and the application of derivative financial instruments. To limit such risks, we enter into relevant financial transactions exclusively with those banks that have a rating of at least *A-*. In addition, on the basis of an internal limit system, a diversification of volumes and maturities takes place. The scope of our risk considerations also includes the loss of pre-approved but not yet utilized financing in the project business.

Due to the consistent application of this financing policy, there were no negative effects on the Group's financial position or earnings in the past financial year.

Acquisition risks

We have a clear concept to counteract risks relating to acquisitions. We generally acquire either a controlling interest or 100 percent ownership of suitable companies. Companies that we regard as candidates for acquisition are valued by our experts with the help of comprehensive due diligence audits. The key criteria for this assessment are strategic relevance, profitability, management quality and future prospects. We only acquire companies that are active and successful in the market and which can make positive contributions to the Group's earnings from the start. Our latest acquisitions have also fulfilled our high expectations in terms of return on capital and profits. New companies are integrated into the Group and its risk management system according to clear plans and instructions. Decisions on the acquisitions to be made by the Group are taken in the Executive Board. Approval of the Supervisory Board is also required for larger company acquisitions.

Subsidiaries' risks

All the companies of the Group are subject to the regular financial controlling of subsidiaries and associated companies. This controlling function is carried out from headquarters as directed by the Executive Board and is outside the reporting hierarchy. By permanently monitoring business developments, especially by means of local reviews, it creates a complete picture and an independent opinion on the companies' financial situations.

The subsidiary controllers report to the Executive Board once a month and inform it of any unusual developments without delay. In addition, there is a financial controlling department in each subgroup that reports to the respective management and is subordinate in specialist terms to the Subsidiary Controlling department at Group headquarters.

Partner risks

For the execution of our business activities we maintain diverse contractual relationships with a large number of partners. For the most part, these are clients, partners in jointly-owned companies, consortiums and joint ventures, subcontractors, suppliers, financial institutions as well as service providers. If these contract partners are not able to meet their performance and/or payment obligations, if they perform poorly, behind schedule or not at all, it can lead to difficulties for our own performance and to financial losses.

We counter this risk by carefully selecting our partners in terms of reliability and performance and – when necessary – a collateralization of their contractual obligations. In the execution of projects with consortial and joint venture partners and in the assignment of important subcontractors, all potential breakdowns on the partner side are routinely included in the bid considerations. The effectiveness of our management has proven itself over the course of the global financial and economic crisis and we were not impacted by virtually any noteworthy partner risks.

A particular problem is presented by advance performance obligations, especially in the construction business. Inherent to these obligations is the risk that payments from the client are not made on time or that additional work must be carried out that has not been secured with a price agreement. We systematically monitor the business conduct and financial situation of our clients.

Project risks

We face calculation and execution risks in relation to the planning and implementation of complex major projects in particular. Losses in major projects can lead to a significant burden on earnings.

The management of these risks is one of the main tasks of the units responsible for the individual project and is supported by the central project controlling. This includes the selection of projects and the subsequent bid preparation, project execution and processing of any guarantee claims. In the selection of projects and the processing of bids, issues that go beyond those aspects immediately affecting the project work itself such as the client's person, conditions in the region the project is to be carried out, the competence and capacity of the Group unit that will potentially do the work, execution risks, the draft contract as well as the payment plan and payment security are all analyzed, critically evaluated and divided into risk classes. Selection of the projects that are to be pursued is made on the basis of these risk classes.

Within the context of this project controlling, principal contracts are subjected to a thorough commercial and legal examination, with technical aspects analyzed separately by experts in that field. Projects above a certain volume or with a high degree of complexity are carefully monitored by a central unit with defined regulations in each phase of the business, so that any corrective measures can be taken in good time. 90 projects were under special observation in the year 2010. With complex projects in the concessions business, we make use of the expertise available throughout the Group to assess costs and risks reliably.

According to findings reached to date, missing shear dowels and manipulated measurement protocols at the north-south urban rail line project in Cologne had no impact on the integrity of the structure but nevertheless gave us cause to review our quality assurance systems. Following these reviews, our operating units continue to be primarily responsible for the quality of their products and the corresponding security and monitoring measures. These decentralized systems, however, are supported to a greater extent by headquarters than was previously the case. A corporate officer for quality assurance gathers relevant data and information from all subgroups, determines the status of 'best practice' and distributes his findings to all Group units. The condensed knowledge on optimized quality management is routed to the ongoing work of the quality assurance managers in our operating units as well as to training and education measures.

The proven audits and certifications of processes and units with our partners, the German Quality Association, the European Organisation for Quality and the Technical Review Association are continued. With the further development of our quality management, we have taken all the steps necessary to provide our clients with a quality level of the highest standard.

Compliance risks

Compliance cases can have a variety of consequences for the company and its employees. These range from damage to the company's competitiveness, loss of assets, third-party damage claims to sanctions from the state. The clarification of suspected cases alone often leads to substantial costs through the use of internal and external resources. With our compliance system, which is constantly being developed, we are making targeted efforts to avoid these risks. Suspicious events are actively confronted and investigated. In case of an investigation, we cooperate with the responsible authorities.

Reputation risks

Accidents at our project sites, damage to the environment, actual or alleged deficits and errors in our performance as well as compliance violations can all damage our reputation and impact our financial situation. We counteract damage to our reputation through open communication and cooperation with clients and government authorities.

Litigation risks

We strive to avoid legal disputes wherever possible. This goal cannot always be achieved, however, with the result that German and international companies are sometimes involved in litigation or arbitration. It is naturally impossible to predict the outcome of such cases with certainty. Nonetheless, following careful analysis, we can assume that sufficient provisions have been recognized in the balance sheet for all such disputes.

Procurement risks

We intensively monitor our global procurement markets. The Group-wide monitoring of world market prices for steel, oil and petroleum products facilitates the flexible procurement of raw materials for our major projects at optimal conditions. We counteract regional procurement risks by cooperating with competitive suppliers and subcontractors. We secure quantities, qualities and prices by means of letters of intent and preliminary agreements. We also protect ourselves against inflation in our bids by means of sliding-price clauses.

Human-resources risks

We counteract human-resources risks that might arise due to a shortage of junior managers, high staff turnover, lack of qualifications, low motivation or an excessively old workforce. In this way, we ensure that highly qualified employees are recruited and retained by the Group over the long term. We therefore maintain close contacts with selected universities, organize internships for students and graduates, and organize specially designed familiarization programs at the beginning of new graduates' careers at Bilfinger Berger. An extensive range of courses and further training is available to our workforce. Career prospects are discussed regularly and individually with our employees. Management positions are mainly occupied from within the workforce. By means of our human resources controlling, we analyze structural changes within the workforce and can thus counteract any negative developments at an early stage. As a result of our far-sighted human resources development, no specific risks are recognizable in the personnel sector.

IT risks

In order to prevent unauthorized access and data loss and to guarantee the permanent availability of our systems, we protect our information technology with numerous technical installations. Our IT structures are largely standardized. We use software products from leading producers such as SAP, IBM and Microsoft. Applicable security guidelines are regularly adapted to the latest technical developments.

Overall risk

In the year under review, we did not identify any individual risks whose occurrence, either alone or in combination, would have jeopardized the continuing existence of the Group. If unpredictable, exceptional risks should arise, the possibility that they would have an impact on our output volume or earnings cannot be excluded. However, no risks can be identified that could threaten the existence of the Group.

Additional disclosure details

pursuant to Section 315 Paragraph 4 of the German Commercial Code (HGB)

Structure of subscribed capital

The subscribed capital of (unchanged) €138,072,381 is divided into 46,024,127 bearer shares with an arithmetical value of €3 per share. Each share entitles its holder to one vote at the Annual General Meeting.

Limitations relating to voting rights or the transfer of shares

As part of a long-term incentive plan, current and former members of the Executive Board hold a total of 21,564 Bilfinger Berger shares which are subject to a lockup period. The lockup period is in effect until May 8, 2011 for 16,334 shares and until April 16, 2012 for 5,230 shares.

Legal requirements and provisions in the Articles of Incorporation on the appointment and dismissal of members of the Executive Board and changes to the Articles of Incorporation

For the appointment and dismissal of members of the Executive Board, legal provisions in Section 39 of the SE Regulations, Section 16 of the SE Implementation Act, Sections 84, 85 of the German Stock Corporation Act (AktG) as well as Article 8 of the Articles of Incorporation shall apply. Accordingly, members of the Executive Board are appointed by the Supervisory Board for a maximum of five years. Re-appointments are permitted. The Supervisory Board can dismiss a member of the Executive Board when there is good cause for the dismissal.

For changes to the Articles of Incorporation of Bilfinger Berger SE, the legal provisions in Section 59 Paragraph 1 of the SE Regulations, Sections 133, 179 of the AktG as well as Section 21 Paragraph 2 of the Articles of Incorporation of Bilfinger Berger SE shall apply. Accordingly, a majority of two thirds of the valid votes cast or, insofar as at least half of the share capital is represented, a simple majority of the valid votes cast is sufficient to effect a change in the Articles of Incorporation. This does not apply to a change in the object of the company, for which a resolution in accordance with Section 8 Paragraph 6 of EU regulation nr. 2157/2001 from October 8, 2001 as well as for cases in which a greater voting or capital majority is stipulated by law. Pursuant to Article 25 of the Articles of Incorporation, the Supervisory Board is authorized to make resolutions that affect only the wording of the Articles of Incorporation.

Authorization of the Executive Board with regard to the buy-back and issue of shares

Treasury shares

In February 2008, the Executive Board, with the approval of the Supervisory Board and on the basis of the authorization from the Annual General Meeting of May 23, 2007, bought back 1,884,000 shares via the stock exchange at an average price of €53.07. This corresponds to 4.094 percent of current voting rights. In accordance with the resolution of May 23, 2007, the Executive Board can sell these shares through the stock exchange, offer them for sale to shareholders under consideration of the principle of equal treatment, use them within the scope of corporate mergers or acquisitions or for the fulfilment of conversion and option rights or recall them without any further resolution by an Annual General Meeting. The shares are now held as treasury shares. The company has no rights from these shares (Section 71b, AktG).

The Executive Board is authorized, by resolution of the Annual General Meeting of April 15, 2010 and until April 14, 2015, with the approval of the Supervisory Board, to acquire own shares of the Company in an amount apportionable to the current shareholder equity of €13,807,238 under the condition that the shares acquired on the basis of this authorization, together with other shares held by the Company which the company has already acquired and which are still in its possession or attributable to the Company in accordance with Sections 71d and 71e AktG, at no point exceed 10 percent of shareholder equity. Further, the requirements in Section 71 Paragraph 2 Sentences 2 and 3 AktG are also to be considered. The acquisition may not be used for the purpose of trading in treasury shares.

Shares acquired on the basis of this authorization may be offered to all shareholders under consideration of the principle of equal treatment or sold through the stock exchange. With the approval of the Supervisory Board, they may also be disposed of by sale or otherwise if the shares are sold in exchange for cash at a price not substantially below their average stock market price on the last three trading days before determination of the final selling price by the Executive Board. This authorization is limited to 10 percent of the share capital of the Company at the time of the resolution of the Annual General Meeting on April 15, 2010 or – if this figure is lower – 10 percent of the Company's existing share capital at the time of the sale of the shares. The authorized volume is reduced by the proportional part of the share capital which is attributable to shares or to which conversion and/or option rights or obligations under bonds which were issued or sold, subject to an exclusion of subscription rights, on or after April 15, 2010 by applying Section 186 Paragraph 3 Sentence 4 AktG directly, analogously or mutatis mutandis. In addition, the shares may be used within the scope of corporate mergers or acquisitions, recalled without any further resolution by the Annual General Meeting, or used for the fulfillment of conversion and/or option rights or obligations under bonds.

Approved Capital

By resolution of the Annual General Meeting of April 15, 2010, and with the consent of the Supervisory Board until April 14, 2015, the Executive Board was authorized to increase the Company's share capital by up to €69,000,000 by the single or multiple issue of new no-par value bearer shares (Approved Capital 2010). Such issue of new shares may be effected against contributions in cash and/or in kind. The new shares are to be offered to the shareholders for subscription. An indirect subscription right within the meaning of Section 186 Paragraph 5 AktG shall suffice in this context. Only with regard to new shares representing a pro rata amount of capital stock of up to €27,600,000 in total and subject to the consent of the Supervisory Board, the Executive Board is authorized to exclude the shareholders' corresponding statutory subscription rights upon the issue of new shares in certain circumstances.

Conditional capital

By resolution of the Annual General Meeting of April 15, 2010, the share capital was conditionally increased by up to €13,807,236 through the issue of up to 4,602,412 new bearer shares representing a pro rata amount of share capital of €3.00 each (conditional capital 2010). The conditional capital increase serves the granting of shares to the holders of the conversion and/or option rights or obligors under conversion and/or option obligations under bonds which, in accordance with the authorization from the Annual General Meeting of April 15, 2010 until April 14, 2015 are issued or guaranteed by the Company or a Group company.

The conditional capital increase will only be carried out to the extent that any holders of the bonds make use of their conversion and option rights or fulfill their obligations to exercise conversions/options, and the conditional capital is required for this purpose. The new shares participate in profit from the beginning of the financial year in that, as a result of the exercise of conversion or option rights or the fulfillment of conversion or option rights arises.

Change of control related agreements of the parent company

In the case of a change of control resulting from an offer to acquire Bilfinger Berger SE, as is common business practice, termination possibilities exist for the providers of credit and guaranties for our syndicated cash credit lines of €300 million, our promissory note loan of €250 million, our syndicated long-term credit agreement of €950 million and various bilateral credit facilities totaling over €200 million. For the syndicated long-term credit agreement, there is also an immediate prohibition of any further utilization in the case of such a change of control.

Compensation agreements in the case of an offer to acquire the Company

In the case of a change of control and if certain other conditions are fulfilled, the members of the Executive Board have the right to terminate their contracts of service. This regulation would give the members of the Executive Board the required independence in the case of a takeover bid so that they could direct their actions solely to the benefit of the Company and its shareholders. Further details can be found in the remuneration report (see pages 27 ff.).

Executive Board remuneration

The remuneration of the members of the Executive Board is comprised of a fixed salary, bonuses, fringe benefits and pension commitments. Further information including individualized details of payments can be found in the remuneration report within the corporate governance report (see pages 27 ff.). The remuneration report is part of the Group's management report.

Events after the balance sheet date

Our company has developed according to plan over the course of the current financial year. No events of particular significance have occurred. In our next interim report, which we will publish on May 12, 2011, we will provide a detailed overview of the first quarter of the year.

Outlook

Economic developments

Following the strong recovery of the world economy in 2010, the World Bank forecasted rather more moderate global growth of about four percent in 2011 and 2012. Economic risks exist, however, with regard to the possible worsening of the euro debt crisis and growing inflationary pressure. World trade will expand at an annual rate of just below ten percent. The emerging markets and developing countries will continue to be the growth drivers in the coming years.

For the euro zone, the European Commission anticipates economic growth of just over 1.5 percent in the next two years. The countries at the center of the euro debt crisis (Greece, Ireland and Portugal) are hardly likely to profit from this development. Forecasts for Germany are optimistic, however, calling for growth of a good two percent. The economies of Austria, Belgium and the Netherlands will expand at just below two percent. A phase of stable growth is expected in Northern Europe and the Eastern European EU member states. And the Commission forecasts growth of just over two percent also in the United Kingdom, despite the country's radical spending cuts. Outside the EU, the Swiss economy will grow at about the same rate as Germany according to projections of the OECD, and Turkey will enjoy strong growth of about five percent.

In North America, the OECD forecasts economic growth of rather more than 2.5 percent for the United States and Canada in 2011 and 2012. Australia can look forward to annual rates of nearly four percent. In Africa, Nigeria will profit from stable high oil prices and according to the World Bank will increase its total economic output by 6 to 7 percent. The high oil prices will also lead to further economic recovery in the Gulf states, so the World Bank forecasts growth of over four percent for that region.

Development of the Group

Bilfinger Berger has created the right basis for its ongoing positive corporate development. In line with our strategic goals, we are reducing the volume of our construction activities and pushing ahead with the expansion of our services business. The Group's sound finances give us the necessary scope to pursue this strategy.

Based on this assessment and without including future corporate acquisitions, we anticipate the following developments in 2011 and 2012:

- Driven by an expansion of production in the process industry, our Industrial Services business segment will increase its output volume and earnings in the year 2011 with growth continuing in 2012.
- At Power Services, output volume will remain stable in 2011 and earnings will be at least at the prior-year level, with a sluggish development in Germany and impetus from abroad. We expect both parameters to increase in 2012.
- In the Building and Facility Services business segment, a further increase of output volume and earnings is anticipated in a highly competitive market.
- We expect state spending cuts to lead to a drop in demand for civil-engineering work. The development will not have a significant impact on the Construction business segment in view of the reductions in output volume that are already planned. The improved risk structure will allow further increases in the EBIT margin in the years 2011 and 2012.
- Following the expansion of our portfolio in our Concessions business segment with committed equity of nearly €400 million, the marketing of mature projects and the reinvestment of the cash thus released in new projects are gaining importance. Along with the increasing maturity of our portfolio, the profits generated from the projects' operations are also growing. The sale of mature projects or the involvement of partners in our portfolio will lead to additional capital gains. The decisive criterion for investment decisions in our Concessions segment is still the return on investment.

In total, we aim for an EBIT margin of at least four percent at Group level.

As previously reported, we have disposed of our subsidiary Valemus Australia, formerly Bilfinger Berger Australia. Until the conclusion of the transaction, we will report on the business in Australia as discontinued operations, separately from our continuing operations.

For the year 2011, we anticipate the following developments for the Group's continuing operations, not including future acquisitions:

- The output volume of our continuing operations reached €8.1 billion in the year 2010. With slight growth in Services and planned volume reductions in Construction, output volume will maintain at least the level of the reporting year.
- We expect EBIT from continuing operations at least in the magnitude of the reporting year (€343 million). It is necessary to consider the fact that the disposal of interests in our concessions portfolio led to additional income of €21 million in 2010.
- The business activities sold in Australia (discontinued operations) generated output volume of €3.2 billion in 2010 and after-tax profits of €79 million. Those operations will contribute to our net profit in 2011 until the transaction is concluded. In addition, there will be a capital gain of approximately €160 million.
- Due to good operating profit and the substantial capital gain, net profit in 2011 will be significantly higher than the €284 million achieved in 2010.
- We intend to create substantial added value in each segment, with a return on capital employed above our weighted average cost of capital.

We anticipate growth in both output volume and EBIT in 2012.

We want our shareholders to participate in the Group's success in the form of an attractive dividend. In the coming years, we will apply the proceeds from the sale of our activities in Australia to support the further expansion of our services business. The volume of additions to our financial assets in 2011 cannot yet be reliably estimated. Also in the future, we intend to make corporate acquisitions only after thorough reviews and for reasonable prices. Capital expenditure on property, plant and equipment in 2011 and 2012 is likely to be somewhat higher than last year.

Our research and development work continues to focus on climate protection and the conservation of scarce resources. Our key projects include optimizing the generation of electricity in power plants and reducing energy requirements over buildings' entire lifecycles.

By reorganizing our procurement activities, we laid the foundations for the improved utilization of our purchasing potential in 2010.

All of the statements 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.

Responsibility statement

To the best of our knowledge, and in accordance with the applicable accounting principles for financial reporting, the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and the management report includes a fair review of the development and performance of the business and position of the company, together with a description of the principal opportunities and risks associated with the expected development of the company.

Mannheim, February 24, 2011

The Executive Board

Herbert Bodner   Joachim Enenkel   Joachim Müller

Klaus Raps   Thomas Töpfer

Auditors' report

We have audited the consolidated financial statements prepared by the Bilfinger Berger SE (formerly Bilfinger Berger AG), Mannheim, comprising the income statement, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and the notes to the consolidated financial statements, together with the group management report for the fiscal year from 1 January to 31 December 2010. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB ['Handelsgesetzbuch': 'German Commercial Code'] are the responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB and German generally accepted standards for the audit 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 audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Mannheim, 21 March 2011

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Peter Wollmert Wirtschaftsprüfer [German Public Auditor]	Thomas Müller Wirtschaftsprüfer [German Public Auditor]

Consolidated income statement

€ million		Notes		2010	2009
Revenue		(6)		**8,006.7**	**7,381.5**
Cost of sales				–6,965.4	–6,533.3
Gross profit				**1,041.3**	**848.2**
Selling and administrative expenses				–783.6	–718.6
Other operating income and expense		(7)		63.0	27.3
Income from investments accounted for using the equity method		(8)		22.1	16.2
Earnings before interest and taxes (EBIT)		(9)		**342.8**	**173.1**
Interest income		(10)		11.9	13.0
Interest expense		(10)		–40.9	–37.2
Other financial expense		(10)		–11.0	–13.4
Earnings before taxes				**302.8**	**135.5**
Income tax expense		(11)		–95.1	–52.8
Earnings after taxes from continuing operations				**207.7**	**82.7**
Earnings after taxes from discontinued operations				**78.7**	**60.0**
Earnings after taxes				286.4	142.7
thereof minority interest				2.4	2.5
Net profit				**284.0**	**140.2**
Average number of shares	(in thousands)	(12)		44,140	37,005
Earnings per share [1]	(in €)	(12)		6.43	3.79
thereof from continuing operations				4.65	2.17
thereof from discontinued operations				1.78	1.62

[1] Basic earnings per share are equal to diluted earnings per share.

Consolidated statement of comprehensive income

€ million	2010	2009
Earnings after taxes	**286.4**	**142.7**
Gains / losses on hedging instruments		
Unrealized gains / losses	–171.9	–2.1
Reclassifications to the income statement	117.2	42.7
Income taxes on unrealized gains / losses	4.0	–11.6
	–50.7	29.0
Currency translation differences		
Unrealized gains / losses	143.7	95.3
Reclassifications to the income statement	–4.5	0.0
	139.2	95.3
Actuarial gains / losses from pension plans		
Unrealized gains / losses	–17.3	–18.0
Income taxes on unrealized gains / losses	6.3	7.4
	–11.0	–10.6
Unrealized gains / losses on investments accounted for using the equity method	–7.2	–19.9
Other comprehensive income after taxes	**70.3**	**93.8**
Total comprehensive income after taxes	**356.7**	**236.5**
attributable to shareholders of Bilfinger Berger SE	355.5	233.4
attributable to minority interest	1.2	3.1

Consolidated balance sheet

	€ million	Notes	Dec 31, 10	Dec 31, 09
Assets	**Non-current assets**			
	Intangible assets	(13)	1,457.3	1,538.5
	Property, plant and equipment	(14)	662.5	795.9
	Investments accounted for using the equity method	(15)	98.3	46.0
	Receivables from concession projects	(16)	1,788.5	2,134.2
	Other financial assets	(17)	260.3	169.9
	Deferred tax assets	(11)	193.0	229.9
			4,459.9	**4,914.4**
	Current assets			
	Inventories	(18)	199.1	269.9
	Receivables and other financial assets	(19)	1,593.7	1,869.2
	Current tax assets		38.7	29.4
	Other assets	(20)	58.4	59.3
	Cash and cash equivalents	(21)	537.5	798.4
	Assets classified as held for sale		1,049.8	–
			3,477.2	**3,026.2**
			7,937.1	**7,940.6**
Equity and liabilities	**Equity**	(22)		
	Share capital		138.1	138.1
	Capital reserve		759.3	759.3
	Retained and distributable earnings		1,061.3	881.4
	Other reserves		–55.9	–140.4
	Treasury shares		–100.0	–100.0
	Equity attributable to shareholders of Bilfinger Berger SE		1,802.8	1,538.4
	Minority interest		9.4	23.0
			1,812.2	**1,561.4**
	Non-current liabilities			
	Retirement benefit obligation	(23)	312.7	286.7
	Provisions	(24)	71.5	84.3
	Financial debt, recourse	(25)	183.5	319.6
	Financial debt, non-recourse	(25)	1,624.1	1,880.3
	Other financial liabilities	(26)	212.0	186.5
	Deferred tax liabilities	(11)	106.9	116.0
			2,510.7	**2,873.4**
	Current liabilities			
	Current tax liabilities	(24)	118.1	132.7
	Provisions	(24)	633.4	612.8
	Financial debt, recourse	(25)	88.9	34.0
	Financial debt, non-recourse	(25)	19.3	21.9
	Other financial liabilities	(26)	1,800.1	2,423.3
	Other liabilities	(27)	251.5	281.1
	Liabilities classified as held for sale		702.9	–
			3,614.2	**3,505.8**
			7,937.1	**7,940.6**

Consolidated statement of changes in equity

€ million	Share capital	Capital reserve	Retained and distributable earnings	Other reserves: Hedging instruments reserve	Other reserves: Currency translation reserve	Treasury shares	Total (Equity attributable to the shareholders of Bilfinger Berger SE)	Minority interest	Equity
Balance at January 1, 2009	**111.6**	**522.6**	**829.7**	**–127.1**	**–116.8**	**–100.0**	**1,120.0**	**21.0**	**1,141.0**
Total comprehensive income	0.0	0.0	129.9	8.6	94.9	0.0	233.4	3.1	236.5
Capital contributions	26.5	236.7	0.0	0.0	0.0	0.0	263.2	0.0	263.2
Dividends paid out	0.0	0.0	–70.6	0.0	0.0	0.0	–70.6	–3.9	–74.5
Other changes	0.0	0.0	–7.6	0.0	0.0	0.0	–7.6	2.8	–4.8
Balance at December 31, 2009	**138.1**	**759.3**	**881.4**	**–118.5**	**–21.9**	**–100.0**	**1,538.4**	**23.0**	**1,561.4**
Balance at January 1, 2010	**138.1**	**759.3**	**881.4**	**–118.5**	**–21.9**	**–100.0**	**1,538.4**	**23.0**	**1,561.4**
Total comprehensive income	0.0	0.0	273.0	–55.6	138.1	0.0	355.5	1.2	356.7
Dividends paid out	0.0	0.0	–88.3	0.0	0.0	0.0	–88.3	–3.1	–91.4
Changes in ownership interest without a change in control	0.0	0.0	–2.8	0.0	0.0	0.0	–2.8	–8.6	–11.4
Other changes	0.0	0.0	–2.0	2.0	0.0	0.0	0.0	–3.1	–3.1
Balance at December 31, 2010	**138.1**	**759.3**	**1,061.3**	**–172.1**	**116.2**	**–100.0**	**1,802.8**	**9.4**	**1,812.2**

Consolidated statement of cash flows

€ million	Notes		2010	2009
Earnings after taxes from continuing operations			207.7	82.7
Depreciation, amortization and impairments			167.8	127.9
Decrease / increase in non-current provisions			–10.8	4.6
Deferred tax expense / benefit			16.9	–13.7
Equity adjustment			–10.5	–8.2
Cash earnings from continuing operations			**371.1**	**193.3**
Decrease / increase in inventories			75.8	–32.6
Decrease in receivables			2.4	202.0
Increase in current provisions			47.8	20.1
Decrease in liabilities			–210.8	–13.0
Change in working capital			**–84.8**	**176.5**
Gains on the disposal of non-current assets			–40.7	–5.2
Cash flow from operating activities of continuing operations	(32)		**245.6**	**364.6**
Proceeds from the disposal of intangible assets			1.3	0.4
Proceeds from the disposal of property, plant and equipment			16.3	12.3
Proceeds from the disposal of financial assets			35.1	17.5
Investments in intangible assets			–8.4	–8.1
Investments in property, plant and equipment			–132.3	–126.9
Investments in financial assets			–202.5	–361.3
Cash flow from investing activities of continuing operations	(32)		**–290.5**	**–466.1**
Capital increase of Bilfinger Berger SE			0.0	260.2
Dividend paid to the shareholders of Bilfinger Berger SE			–88.3	–70.6
Dividend paid to minority interest			–3.1	–3.9
Borrowing			4.9	2.5
Repayment of loans			–10.4	–16.1
Cash flow from financing activities of continuing operations			**–96.9**	**172.1**
Change in cash and cash equivalents of continuing operations			**–141.8**	**70.6**
Cash flow from operating activities of discontinued operations	(32)		158.3	3.6
Cash flow from investing activities of discontinued operations	(32)		–34.1	–31.7
Cash flow from financing activities of discontinued operations			–0.4	3.4
Change in cash and cash equivalents of discontinued operations			**123.8**	**–24.7**
Other adjustments to cash and cash equivalents			62.9	32.4
Cash and cash equivalents at January 1			798.4	720.1
Cash and cash equivalents of discontinued operations at end of year			305.8	–
Cash and cash equivalents at December 31			**537.5**	**798.4**

Notes to the consolidated financial statements 2010

Segment reporting

As in the previous year, segment reporting has been prepared in accordance with IFRS 8. The reportable segments of the Bilfinger Berger Group reflect the internal reporting structure. Due to the planned reduction in the volume of the construction business, in particular the sale of Valemus Australia, the reporting structure was adjusted at the beginning of the 2010 financial year. This reflects the growing importance of our services business. The Industrial Services and Power Services divisions, which were previously allocated to the Services segment, are now reported separately as new segments. The new Building and Facility Services segment comprises the activities of building construction in Germany as well as the Facility Services division, which was previously part of the Services segment. The activities of Bilfinger Berger Nigeria, which were previously allocated to the Civil and the Building and Industrial segments, are also now part of the Building and Facility Services segment. The new Construction segment consists of the continuing operations of the former Civil segment. The composition of the Concessions segment remains unchanged. Segment reporting depicts the Group's continuing operations. For information purposes, the corresponding amounts for the discontinued operations are also shown in a separate column. The prior-year figures have been adjusted to the new reporting format. The definition of the segments is based on products and services.

Industrial Services

The Industrial Services segment provides services for the repair and maintenance of industrial plants. Major clients include the offshore industry, refineries, chemicals/petrochemicals, the pharmaceutical industry, power generation and other selected industrial sectors. Bilfinger Berger provides industrial services for the entire lifecycle of industrial plants, with a high proportion of services from its own workforce. Industrial Services bundles complementary specialties and combines planning, management and execution competencies to provide full-service solutions. The focus of this segment's activities is in Europe and the United States.

Power Services

The Power Services segment provides complex services for the lifetime extension, efficiency enhancement and rehabilitation of existing power plants as well as repair and maintenance services. In addition to power-plant services, its offering also includes the production, modification and supply of power-plant components. Its specialties comprise boiler technology, piping technology, energy and environmental technology, and the installation of machinery and apparatus. The focus of the segment's activities is in Europe and South Africa.

Building and Facility Services

In the Building and Facility Services segment, the focus is on services for real estate. This segment includes the building construction activities in Germany and the Facility Services division. It also provides construction-related services from Germany for Julius Berger Nigeria. The segment provides building-construction services and industrial-building services as well as technical, commercial and infrastructure services for buildings. In addition to design and turnkey execution, Bilfinger Berger also offers its clients an extremely comprehensive range of services covering consulting, development, financing, maintenance and operation.

Construction
The Construction segment is comprised of the Group's civil-engineering activities. Bilfinger Berger has a leading position for the design and execution of major infrastructure projects. The focus of the business is in European markets: Germany, Austria, Switzerland, Eastern Europe, the United Kingdom and Scandinavia. The segment's expertise is concentrated in specialized units for activities such as bridge construction, tunnel construction, special foundations and pre-stressed technology.

Concessions
Bilfinger Berger reports on its privately financed concession projects in the Concessions segment. On the basis of long-term concession agreements, Bilfinger Berger carries out and operates projects in the fields of transportation infrastructure and public-sector building construction as a private-sector partner to public-sector clients. The most important markets for this segment include Australia, Germany, the United Kingdom and Canada.

As in the previous year, segment earnings are reported as EBIT. Internal revenue reflects the supply of goods and services between the segments. These are invoiced at the usual market prices. In the reconciliation to the consolidated financial statements, the Group's internal expenses and income as well as intra-Group profits are eliminated. The reconciliation also includes income and expenses from the headquarters as well as other items that cannot be allocated to the individual segments according to our accounting policies.

The reconciliation of segment assets also includes cash and cash equivalents, as well as the non-current and current assets that are not allocated to the business segments. The segment liabilities shown in the reconciliation include the liabilities of the Group's headquarters and interest-bearing liabilities such as debt and retirement benefit obligations. Accordingly, the corresponding expense and income items are not recorded in segment earnings (EBIT). Investment in property, plant and equipment also includes investment in intangible assets such as licenses or software of €8.4 million (2009: €8.1 million).

Segment reporting by business segment

€ million	Industrial Services 2010	Industrial Services 2009	Power Services 2010	Power Services 2009	Building and Facility Services 2010	Building and Facility Services 2009
Output volume	**2,931.6**	**2,248.6**	**1,106.1**	**1,016.9**	**2,333.1**	**2,529.2**
External revenue	2,915.9	2,193.5	1,103.1	1,016.0	2,240.0	2,417.5
Internal revenue	24.9	8.5	3.0	0.9	13.2	20.6
Total revenue	**2,940.8**	**2,202.0**	**1,106.1**	**1,016.9**	**2,253.2**	**2,438.1**
EBIT (segment earnings)	**134.0**	**117.8**	**83.3**	**73.5**	**80.0**	**58.0**
thereof amortization of intangible assets from acquisitions	26.7	13.8	4.6	0.6	9.5	8.9
thereof depreciation of property, plant and equipment and amortization of other intangible assets	53.4	36.4	16.1	9.7	19.9	14.4
thereof profit from investments accounted for using the equity method	0.6	0.8	3.5	0.8	7.6	5.3
Segment assets at December 31	**1,824.6**	**1,807.1**	**682.9**	**547.7**	**934.7**	**959.9**
thereof equity-method investments in associated companies and joint ventures	**4.4**	**1.4**	**4.9**	**3.1**	**3.5**	**3.3**
Segment liabilities at December 31	**789.3**	**914.0**	**436.1**	**441.6**	**725.3**	**683.2**
Investments in property, plant and equipment	**74**	**48**	**33**	**28**	**13**	**17**
Number of employees at December 31	**28,054**	**27,372**	**7,193**	**8,094**	**15,714**	**16,750**

Segment reporting by region

€ million	Germany 2010	Germany 2009	Europe excluding Germany 2010	Europe excluding Germany 2009
Output volume	3,357.8	3,329.5	3,030.1	2,535.3
External revenue	3,201.2	2,978.9	2,974.9	2,350.8
Non-current assets at December 31	1,172.2	1,131.0	753.9	742.4

	Construction		Concessions		Total of segments		Consolidation, other		Total continuing operations		Information only Discontinued operations	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	1,725.1	1,938.8	76.0	47.8	8,171.9	7,781.3	–49.0	–53.7	8,122.9	7,727.6	3,208.1	2,675.7
	1,325.1	1,158.0	412.6	577.8	7,996.7	7,362.8	10.0	18.7	8,006.7	7,381.5	2,600.1	2,199.2
	18.9	44.4	0.0	0.0	60.0	74.4	–60.0	–74.4	0.0	0.0	0.0	0.0
	1,344.0	1,202.4	412.6	577.8	8,056.7	7,437.2	–50.0	–55.7	8,006.7	7,381.5	2,600.1	2,199.2
	30.6	–73.1	39.8	13.9	367.7	190.1	–24.9	–17.0	342.8	173.1	110.5	76.5
	0.0	0.0	0.0	0.0	40.8	23.3	0.0	0.0	40.8	23.3	0.2	1.6
	31.0	40.6	0.4	0.2	120.8	101.3	3.7	3.2	124.5	104.5	2.2	21.0
	1.5	2.7	8.9	6.6	22.1	16.2	0.0	0.0	22.1	16.2	2.4	1.1
	509.2	604.0	1,967.0	2,228.6	5,918.4	6,147.3	968.9	1,032.5	6,887.3	7,179.8	1,043.3	748.2
	14.2	12.5	71.3	23.7	98.3	44.0	0.0	0.0	98.3	44.0	3.8	2.0
	568.9	671.8	1,719.0	2,034.5	4,238.6	4,745.1	1,183.4	1,080.1	5,422.0	5,825.2	622.3	487.7
	20	38	0	0	140	131	1	4	141	135	38	27
	6,737	8,210	135	135	57,833	60,561	479	466	58,312	61,027	6,746	6,172

	America		Africa		Asia		Australia		Total continuing operations		Information only Discontinued operations	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	590.6	638.4	635.4	624.8	482.9	500.1	26.1	99.5	8,122.9	7,727.6	3,208.1	2,675.7
	731.0	892.5	591.2	571.4	487.4	583.1	21.0	4.8	8,006.7	7,381.5	2,600.1	2,199.2
	139.0	137.1	43.1	30.1	11.3	14.7	0.4	1.0	2,119.9	2,056.3	370.5	278.1

General notes

General information

Bilfinger Berger SE is a listed stock corporation with its registered office and headquarters at Carl-Reiss-Platz 1-5, 68165 Mannheim, Germany. The transformation of Bilfinger Berger into a European stock company, which was approved by the Annual General Meeting on April 15, 2010, was completed with the entry of Bilfinger Berger SE in the Commercial Register on October 8, 2010.

The consolidated financial statements of Bilfinger Berger SE for financial year 2010 were released for publication by the Executive Board on February 24, 2011. They are to be approved by the Supervisory Board at its meeting on March 21, 2011.

The consolidated financial statements of Bilfinger Berger SE have been prepared in accordance with International Financial Reporting Standards (IFRSs) as they are to be applied in the European Union and the complementary guidelines that are applicable pursuant to Section 315a, Paragraph 1 of the German Commercial Code (HGB), and are published in the electronic version of the German Federal Gazette ('Bundesanzeiger').

The consolidated financial statements have been prepared in accordance with the principles of historical cost of acquisition and production, with the exception of individual items such as available-for-sale financial assets and derivative financial instruments, which are shown at fair value. The consolidated financial statements have been prepared in euros. All amounts are shown in millions of euros (€million), unless otherwise stated.

To improve the clarity of presentation, we have combined several individual items of the balance sheet and of the income statement under single headings; they are shown separately and explained in these notes to the consolidated financial statements.

The income statement is presented according to the cost-of-sales method.

Profit contributions from operating investments are generally entered under other operating income or other operating expenses, whereby amounts of income and expense that relate to investments accounted for using the equity method are shown as separate items in the consolidated income statement.

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. On December 21, 2010, Bilfinger Berger signed a contract on the sale of all shares in Valemus Australia. In accordance with the provisions of IFRS 5 therefore, the activities of Valemus Australia are presented in the consolidated financial statements as of December 31, 2010 as discontinued operations. The transaction is expected to be concluded in the first quarter of 2011.

The assets and liabilities 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 systematic depreciation or amortization as of the date of reclassification (January 26, 2010).

Accounting policies

The significant accounting policies applied generally correspond with those applied in the prior year, with the following exceptions:

The new or amended IFRSs relevant to Bilfinger Berger and applied as of January 1, 2010 are:

- IFRS 3 *Business Combinations*
- IAS 27 *Consolidated and Separate Financial Statements*
- IAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*
- *Improvements to International Financial Reporting Standards 2009*
- *Improvements to International Financial Reporting Standards 2010*

The material effects of these changes are as follows:

IFRS 3 *Business Combinations*

The amendment to IFRS 3 applies to the following situations: In the case of business combinations achieved in stages (step acquisition), an equity interest previously held is to be remeasured at fair value on acquisition-date and any resulting gain or loss is to be recognized in profit or loss. With regard to the measurement of non-controlling interest, an option is added of electing between the purchased-goodwill method and the full-goodwill method: Non-controlling interest can, alternative to the previous approach of measuring the interest as the proportionate share of the net identifiable assets, also be measured at fair value, i.e. the non-controlling interest's share of goodwill is recognized. In addition, all acquisition-related costs must be expensed. Furthermore, contingent consideration must be measured at fair value at the acquisition date and recognized as part of the purchase price; if the fair value of contingent consideration changes at a later date, that change must be recognized in profit and loss. The changes have been prospectively applied and have a material effect on the presentation of the consolidated financial statements.

IAS 27 *Consolidated and Separate Financial Statements*

The new provisions of IAS 27 call for changes in ownership interests in fully consolidated companies that do not lead to a loss of control to be treated as transactions between equity holders and reported within equity. Such transactions will therefore lead to neither the recognition of goodwill nor of any disposal gains. In the case of a sale of equity interest that leads to a loss of control, the remaining equity interest is to be remeasured at fair value through profit and loss and the other comprehensive income previously taken to equity in connection with the investment is to be recognized through profit and loss or in retained earnings, depending on its character. In addition, the proportionate losses of the non-controlling interest are to be fully allocated to the non-controlling interest, even if this results in a negative carrying value. The changes have been prospectively applied and have a material effect on the presentation of the consolidated financial statements.

The revision of IAS 27 resulted in consequential changes to other standards. IAS 21 *The Effects of Changes in Foreign Exchange Rates* was amended so that when a foreign operation is wholly or partially disposed of, the cumulative amount of the exchange differences recognized in other comprehensive income are to be recognized in profit or loss. The amendments to IAS 28 *Investments in Associates* and to IAS 31 *Interests in Joint Ventures* require that after the sale of equity interest leading to a loss of significant influence or of joint control, the remaining equity interest is to be remeasured through profit and loss.

IAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*
The changes to IAS 39 clarify how the principles contained in IAS 39 for the presentation of hedges are to be applied to the designation of a one-sided risk in a hedged item as well as to the designation of inflation risks as a hedged item. It is made clear that it is permissible to designate only part of the change in fair value or in the cash flows of a financial instrument as the hedged item. The application of these changes has not led to any material effects.

Improvements to the International Financial Reporting Standards 2009
The second omnibus standard published in the context of the annual improvement of various standards includes improvements to ten standards and two interpretations, mainly to remove inconsistencies and to clarify wording. The application of these changes has not led to any material effect.

Improvements to the International Financial Reporting Standards 2010
The provisions of the third omnibus standard to be applied in financial year 2010 make it clear that the consequential changes to IAS 21 *The Effects of Changes in Foreign Exchange Rates*, IAS 28 *Investments in Associates* and IAS 31 *Interests in Joint Ventures* resulting from the revision of IAS 27 *Consolidated and Separate Financial Statements* are to be applied prospectively. The application of these changes has not led to any material effect.

The other IFRSs, the application of which is mandatory for reporting years beginning on or after January 1, 2010, have no effect on the consolidated financial statements of Bilfinger Berger.

IFRSs already published but not yet applied:

IFRS 1 *First-time Adoption of International Financial Reporting Standards*
The amendment to IFRS 1 *Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters* ensures that first-time adopters of IFRS 7 receive the same eased transitional provisions with regard to the additional disclosures required by the amendment to IFRS 7 as existing adopters (first application for annual periods beginning on or after July 1, 2010).

The amendment to IFRS 1 *Removal of Fixed Dates for First-time Adopters* replaces the transition date of January 1, 2004 with the wording *date of transition to IFRS*, so that first-time adopters do not have to apply the derecognition requirements of IAS 39 retrospectively for transactions after January 1, 2004.

Another amendment to IFRS 1 allows companies that for the first time prepare financial statements according to IFRS following a phase of *severe hyperinflation* an exemption from the retrospective application of all IFRSs (first application of both changes for annual periods beginning on or after July 1, 2011).

IFRS 7 *Financial Instruments: Disclosures*
The amendments to IFRS 7 *Disclosures – Transfers of Financial Assets* require additional disclosures intended to allow risks associated with the transfer of financial assets (for example with securitization) and their effects to be better evaluated and additional disclosures if an unusual volume of transfers take place at the end of a financial year (first application for annual periods beginning on or after July 1, 2011).

IFRS 9 *Financial Instruments*
The new standard will replace IAS 39 *Financial Instruments: Recognition and Measurement*. So far, regulations on the classification and measurement of financial assets and liabilities have been published. Regulations on impairment and hedge accounting will probably be published in 2011 (first application for annual periods beginning on or after January 1, 2013).

IAS 12 *Income Taxes*
The amendment to IAS 12 concerning the recovery of underlying assets leads to an exception by which in certain cases, it is allowed to depart from the regulations of IAS 12.51. This amendment is particularly relevant for countries where the use and disposal of assets are subject to different rates of taxation (first application for annual periods beginning on or after January 1, 2012).

IAS 24 *Related Party Disclosures*
The amendment to IAS 24 simplifies disclosures for entities that are controlled, jointly controlled or significantly influenced by a government, and clarifies the definition of related parties (first application for annual periods beginning on or after January 1, 2011).

IAS 32 *Financial Instruments: Presentation*
The amendment to IAS 32 makes it clear that rights, options and option warrants issued for the purpose of acquiring a specified number of non-derivative equity instruments of the reporting entity in a certain currency, and which otherwise meet the definition of equity instruments, are to be classified as equity instruments provided that they are offered pro rata to all the entity's existing shareholders in the same class of non-derivative equity instruments of the reporting entity (first application for annual periods beginning on or after February 1, 2010).

IFRIC 14 *Prepayments of a Minimum Funding Requirement*
The amendment to the interpretation of IAS 19 *Employee Benefits* allows entities to recognize as an asset the benefit arising from prepayments for minimum funding contributions (first application for annual periods beginning on or after January 1, 2011).

IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*
This new interpretation clarifies the treatment of the extinguishment of financial liabilities through the issuance of equity instruments (first application for annual periods beginning on or after July 1, 2010).

Improvements to the International Financial Reporting Standards 2010
The third omnibus standard published in the context of the annual improvement of various standards includes improvements to six standards and one interpretation, mainly to remove inconsistencies and to clarify wording (first application – unless otherwise stated – for annual periods beginning on or after January 1, 2011).

At the balance sheet date, the amendments to IFRS 1 *Removal of Fixed Dates for First-time Adopters and Severe Hyperinflation*, IFRS 7 and IAS 12, as well as IFRS 9 had not yet been recognized by the EU Commission in the context of the endorsement procedure. The future application of the standards and interpretations is unlikely to have any material effect on the financial position, cash flows or profitability of the Bilfinger Berger Group. Bilfinger Berger intends to apply those IFRSs as of the mandatory date of application, insofar as they have been recognized in the context of the endorsement procedure.

1. Consolidated Group

In addition to Bilfinger Berger SE, 4 subgroups and 42 companies in Germany along with 5 subgroups and 49 companies based outside Germany have been included in the consolidated financial statements. Of these, 3 companies in Germany and 5 companies based outside Germany have been consolidated for the first time in the year under review. A further 28 companies have been accounted for using the equity method.

Information disclosed pursuant to Section 313 Paragraph 2 of the German Commercial Code (HGB) is summarized in a separate list of equity interests. Included here is also a definitive list of all subsidiaries that apply the disclosure facilitation pursuant to Section 264 Paragraph 3 of the HGB. The list of equity interests is provided in note 39 of the notes to the consolidated financial statements.

In financial year 2010, payments of €43 million were made for acquisitions – after netting of €17 million in acquired cash and cash equivalents. €39 million of the total was for fully consolidated companies. The prices paid for those companies totaled €68 million, of which €8 million has been recognized as a purchase-price liability, €4 million was set off against advance payments made. The total purchase price of the other acquisitions was €4 million.

In the Industrial Services business segment, we acquired a total of 80 percent of the shares of Beheermaatschappij Brabant Mobiel B.V., Oosterhout, Netherlands, for a price of €10 million effective July 1, 2010. The remaining 20 percent of the shares have been recognized as a purchase-price liability in accordance with IAS 32.

In the Power Services business segment, we acquired all shares in Rotring Engineering AG, Buxtehude, for a price of €41 million effective October 25, 2010, of which €7 million has been recognized as a purchase-price liability.

Several smaller companies were also acquired for a total purchase price of €17 million.

€15 million was applied for the acquisition of minority interest.

This applied in particular to the acquisition of the remaining 30 percent of the shares of EPM Assetis GmbH, Frankfurt, in the Building and Facility Services business segment, for a purchase price of €10 million.

Furthermore, payments of €73 million were made for the extinguishment of purchase-price liabilities. This relates to the acquisition of shares held by minority shareholders, which had been recognized as liabilities in accordance with IAS 32, as well as to earn-out payments.

This led to a total cash outflow of €131 million.

In financial year 2009, payments of €255 million were made for equity interests in companies – after netting of €190 million in acquired cash and cash equivalents.

In the Industrial Services division, we acquired 80 percent of the shares of French company L.T.M. Industrie SAS, Toussien as of September 14, 2009 for a price of €11 million.

In addition, as of December 18, 2009, we acquired 100 percent of the shares in each of Rohrbau GmbH Grenzach, of Grenzach-Wyhlen, and Rohrbau Pratteln AG, of Pratteln, for a total price of €23 million.

Furthermore, as of December 23, 2009, we acquired 100 percent of the shares of MCE Beteiligungsverwaltungs GmbH, Linz, Austria, for a price of €350 million.

In the Power Services division, as of March 30, 2009, we acquired a further 56 percent of the shares of the Croatian assembly and installation company Duro Dakovic Montaza d.d., Slavonski Brod, for a price of €10 million, increasing our equity interest to 81 percent.

Several smaller companies were also acquired in the Services business segment for a total purchase price of €17 million.

€34 million was applied for the settlement of purchase-price liabilities.

The newly acquired companies affected the Group's assets and liabilities at the time of acquisition as follows:

Effects at the time of acquisition	**2010**	**2009**
€ million		
Goodwill	47.1	273.4
Intangible assets from acquisitions	7.4	55.4
Non-current assets	7.2	178.0
Current assets (excluding cash and cash equivalents)	15.6	249.9
Cash and cash equivalents	16.6	189.8
Total assets	**93.9**	**946.5**
Retirement pension obligation	2.3	57.7
Provisions	5.3	158.7
Financial debt	–	16.6
Other liabilities	18.2	301.8
Total liabilities	**25.8**	**534.8**
Purchase price	**68.1**	**411.7**

With the exception of capitalized intangible assets from acquisitions, the capitalized fair values shown primarily reflect the carrying values in the balance sheets of the acquired companies.

Since the respective dates of first-time consolidation, the companies acquired and consolidated for the first time in 2010 generated total revenue of €17.5 million (2009: €25.8 million) and EBIT (after amortization of intangible assets from acquisitions of €1.1 million (2009: €0.4 million)) of €3.8 million (2009: €2.6 million).

In full-year 2010, companies acquired during that year generated total revenue of €73.1 million (2009: €985.8 million) and EBIT (after amortization of intangible assets from acquisitions of €1.6 million (2009: €20.2 million)) of €10.2 million (2009: €46.2 million).

Sale of companies

On October 1, 2010, we sold 50 percent of our equity interests in four concession projects to HSBC Infrastructure resulting in sale proceeds of €70.2 million. The four projects are the Northwest Anthony Henday Drive and Kicking Horse Pass highway projects in Canada, the Kent Schools project in England and the M80 motorway project in Scotland.

The companies have been deconsolidated. The remaining equity interests are accounted for using the equity method. Initial measurement was at fair value. This resulted in a gain on remeasuring of €3.8 million, which is presented under other operating income.

The overall effects of the sale were as follows:

Effects at the time of sale	**2010**
€ million	
Non-current assets	–928.2
Current assets (excluding cash and cash equivalents)	–8.1
Cash and cash equivalents	–11.7
Total assets	–948.0
Financial debt, non-recourse	–760.8
Other liabilities	–138.1
Total liabilities	–898.9
Net assets on disposal	**–49.1**
Reclassification to profit and loss of other income and expense taken directly to equity	–57.2
Recognition of remaining equity interest at fair value	16.7
Recognition of loans to companies accounted for using the equity method	80.5
Other changes	**40.0**
Sale price	70.2
Thereof extinguishment of debt	–39.8
Net sale price	**30.4**
Net gain on the disposal and remeasurement of remaining equity interest	**21.3**

In connection with the disposal of the Remediation Services division, 100 percent of the equity of Bilfinger Berger Umweltsanierung GmbH, Essen, was sold effective December 31, 2010, resulting in a capital gain of €19.3 million. Expenses of €19.6 million were incurred for winding up the remaining environmental business activities. The net impact on earnings is a charge of €0.3 million. The sale had no material effects on the Group's assets and liabilities.

On December 28, 2009, we sold 82 percent of the shares of Passavant-Roediger GmbH, Hanau. Proceeds from the sale were €10.5 million. The sale had no material effects on the Group's assets and liabilities.

Changes in shareholdings not affecting control

Due to the purchase of equity interests, retained earnings decreased by €4.8 million and minority interest decreased by €8.6 million. Due to the sale of equity interests, retained earnings increased by €2.0 million.

2. Discontinued operations

Valemus Australia is one of the largest companies in the areas of civil engineering, building and industrial construction, and industrial and infrastructure services in Australia.

Earnings from discontinued operations are comprised as follows:

€ million	2010	2009
Output volume (for information)	3,208.1	2,675.7
Revenue	2,600.1	2,199.2
Expenses / income	–2,489.6	–2,122.7
EBIT	**110.5**	**76.5**
Interest income	11.4	2.0
Earnings before taxes	**121.9**	**78.5**
Income tax expense	–43.2	–18.5
Earnings after taxes from discontinued operations	**78.7**	**60.0**

Earnings after taxes from discontinued operations are allocable in full to the shareholders of Bilfinger Berger SE.

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

€ million	Dec 31, 10
Assets	
Goodwill	152.2
Non-current assets	228.6
Current assets	363.2
Cash and cash equivalents	305.8
Assets held for sale	**1,049.8**
Liabilities	
Financial debt	80.6
Other liabilities	622.3
Liabilities held for sale	**702.9**

At December 31, 2010, Bilfinger Berger SE had a debt to Valemus Australia of €130.9 million (December 31, 2009: €64.5 million).

The other comprehensive income after taxes of the discontinued operations amounted to €74.7 million.

3. Principles of consolidation

Capital consolidation takes place by offsetting the price of acquisition against the Group's interest in the newly valued equity of the consolidated subsidiaries at the date of acquisition or first-time consolidation. The assets, liabilities and contingent liabilities of the subsidiaries are entered at their full current fair values irrespective of the size of the minority interest. With each acquisition, there is a special option of electing to recognize minority interest at fair value or at the relevant proportion of net assets. Acquisition-related costs are expensed. In the case of an acquisition achieved in stages (step acquisition), equity interests previously held are remeasured through profit and loss. Contingent consideration is recognized at the time of acquisition at fair value and in following periods is measured at fair value through profit and loss. Any goodwill ensuing from first-time consolidation is capitalized and subjected to an annual impairment test in accordance with IFRS 3/IAS 36. Any negative differences are released immediately after acquisition with a corresponding positive effect on profit. At deconsolidation, the residual book values of the goodwills are taken into consideration in the calculation of income from the disposal.

Changes in an equity interest that do not lead to a loss of control are treated as transactions between equity holders and reported within equity. Such transactions lead to neither the recognition of goodwill nor of any disposal gains. In the case of a sale of equity interest that leads to a loss of control, the remaining equity interest is remeasured at fair value through profit and loss and the comprehensive other income previously taken to equity in connection with the investment is recognized through profit and loss or, if it is an actuarial gain or loss, in retained earnings.

Losses allocable to the non-controlling interest are fully allocated to the non-controlling interest, even if this results in a negative carrying value.

Investments accounted for using the equity method are measured at cost of acquisition plus the prorated change in net assets, whereby any goodwill is included in the carrying value of the investment. Upon losing a significant influence or losing joint control, the remaining equity interest is remeasured at fair value through profit and loss.

Receivables, liabilities, income and expenses between consolidated companies have been netted off. Non-current assets and inventories resulting from Group output have been adjusted to exclude any intercompany profits. Deferred taxes from consolidation processes affecting profit have been accrued/deferred.

4. Currency translation

In the consolidated financial statements, the assets and liabilities of the accounts prepared in foreign currencies are translated using the exchange rate on the balance sheet date; expenses and income are translated using the average exchange rate for the year. The aggregate differences compared with translation on the balance sheet date are entered separately under equity.

Currency translation took place using the following key exchange rates:

		Annual average		At December 31	
1 € =		**2010**	**2009**	**2010**	**2009**
Australia	AUD	1.4442	1.7746	1.3121	1.6010
United Kingdom	GBP	0.8583	0.8909	0.8630	0.8932
Canada	CAD	1.3674	1.5855	1.3277	1.5031
Qatar	QAR	4.8312	5.0750	4.8346	5.2088
Croatia	HRK	7.2883	7.3413	7.3853	7.3285
Nigeria	NGN	200.4850	208.8820	202.2185	214.4660
Norway	NOK	8.0078	8.7356	7.8231	8.3086
Poland	PLN	3.9932	4.3267	3.9675	4.1320
Romania	RON	4.2112	4.2376	4.2890	4.2393
Sweden	SEK	9.5466	10.6187	8.9814	10.2628
Switzerland	CHF	1.3822	1.5096	1.2442	1.4886
South Africa	ZAR	9.7085	11.6686	8.8512	10.5714
Czech Republic	CZK	25.2887	26.4528	25.1760	26.4110
Hungary	HUF	275.3133	280.4883	278.7500	270.8400
United Arab Emirates	AED	4.8749	5.1200	4.8785	5.2535
United States	USD	1.3272	1.3941	1.3282	1.4303

5. Significant accounting policies

Intangible assets with a finite life are capitalized at cost of acquisition and amortized over their expected useful lives on a straight-line basis. The expected useful life is generally regarded as being between 3 and 8 years. This also includes intangible assets from service concession agreements. These are public-private-partnership (PPP) projects, for which the right to charge or receive a use-related fee has been agreed. They are measured at the fair value of the construction volumes delivered plus the borrowing costs allocable to the construction phase and less systematic depreciation during the operating phase. In accordance with IFRS 3/IAS 36, goodwill and other intangible assets with an indefinite or unlimited useful life are no longer amortized. Instead, these items are subjected to regular annual impairment tests, which are also carried out during the year if there are indications of a lasting reduction in value.

Property, plant and equipment are valued at the cost of acquisition or production. Their loss in value is accounted for by regular, straight-line depreciation, except in some exceptional cases where a different method of depreciation reflects the use of the asset more adequately. Production costs include all costs that are attributable to the production process, either directly or indirectly. Repair costs are always treated as an incurred expense.

Buildings are depreciated over a useful life of 20 to 50 years using the straight-line method. The useful life of technical equipment and machinery is generally between 3 and 10 years; other equipment including office and factory equipment is usually depreciated over 3 to 12 years.

For intangible assets and property, plant and equipment, an impairment charge is recognized wherever the recoverable amount of an asset has fallen below its carrying value. The recoverable amount represents the higher of the net selling price and the present value of estimated future cash flows. If the reason for an impairment loss recognized in prior years no longer applies, the carrying value is increased again accordingly, at the most up to the amount of the amortized cost of acquisition. Impairment tests are carried out at the level of the smallest cash-generating unit.

With lease agreements where the risks and rewards of ownership of the leased asset are allocated to a company of the Bilfinger Berger Group (finance leases), the item is capitalized at the lower of its fair value or the present value of the lease payments. Systematic depreciation takes place over the useful life of the asset. The payment obligations resulting from future lease payments are recognized under financial liabilities.

The classification of agreements as lease agreements takes place on the basis of their economic content. That is, a test is carried out as to whether the fulfillment of the agreement depends on the use of specific assets and whether the agreement conveys the right of use of those assets.

Investments accounted for using the equity method – associated companies and jointly controlled entities – are valued with consideration of the prorated net asset change of the company as well as any goodwill impairments which may have been recognized.

Joint ventures are contractual agreements in which two or more parties carry out a business activity under shared management. This also includes jointly controlled operations such as construction consortiums, which, in accordance with IAS 31, are accounted for as follows. Bilfinger Berger as a partner in a joint venture or consortium recognizes in its financial statements the assets it controls and the liabilities and expenses it incurs, and its share of income from the sale of goods and services. Assets and liabilities remaining with the jointly controlled operations or consortiums lead to proportionate shares of earnings, which are accounted for using the equity method and recognized under receivables or payables due to joint ventures.

Deferred taxes are recognized for any deviations between the valuation of assets and liabilities according to IFRS and the tax valuation in the amount of the expected future tax charge or relief. In addition, deferred tax assets are recognized for future relief from tax-loss carryovers if their realization can be reasonably expected. Deferred tax assets and liabilities from temporary differences are netted off provided that offsetting is legally possible.

Inventories of merchandise and real estate held for sale, finished and unfinished goods, raw materials and supplies are measured at cost of purchase or production or at net realizable value on the balance sheet date if this is lower. If the net realizable value of inventories that were written down in the past has risen again, their carrying values are increased accordingly. Production costs include all costs that are attributable to the production process, either directly or indirectly. Financing costs are not taken into consideration.

Other assets comprise non-financial assets that are not allocated to any other balance sheet item. They are measured at the lower of cost of acquisition or fair value.

The purchase, sale or withdrawal of *treasury shares* is recognized directly in equity. At the time of acquisition, treasury shares are entered in equity in the amount of the acquisition costs.

Retirement benefit obligations are calculated for defined benefit pension plans using the projected unit credit method, with consideration of future salary and pension increases. As in 2009, the option has been utilized of accounting for actuarial gains and losses according to the *third option* provided by IAS 19.93A as part of the retirement benefit obligation or of the plan assets and recognizing them in other comprehensive income. As far as possible, the fair value of pension plan assets is set off. The interest component contained in the pension expense is recognized as an interest expense under financial income.

Provisions are recognized if there is a present liability resulting from a past event, its occurrence is more likely than not, and the level of the liability can be reliably estimated. Provisions are carried at settlement values and are not set off against positive profit contributions. Provisions are only recognized for legal or constructive obligations towards third parties.

Other liabilities comprise non-financial liabilities that are not allocated to any other balance sheet item. They are measured at cost of acquisition or settlement value.

Financial instruments are contracts that simultaneously give rise to a financial asset of one entity and an equity instrument or financial liability of another entity. A financial instrument is to be recognized in the balance sheet as soon as a company becomes a party to the contractual provisions of the instrument. Initial measurement is at fair value including transaction costs. Subsequent measurement of financial instruments is either at amortized cost or fair value, depending on the allocation of the instrument to the categories stipulated in IAS 39 (Financial Instruments). No use has been made of the option to designate financial instruments upon initial recognition to be measured at fair value, with value changes recognized in profit and loss.

IAS 39 divides financial assets into four *categories:*

Financial assets held for trading (FAHfT) (financial assets at fair value through profit or loss)
Held-to-maturity investments (HtM)
Loans and receivables (LaR)
Available-for-sale financial assets (AfS)

Available-for-sale financial assets are any non-derivative financial assets designated as available for sale, and those that are not classified to any of the other three categories of financial assets listed above.

Financial liabilities are divided into the following categories:

Financial liabilities held for trading (FLHfT) (financial liabilities at fair value through profit or loss)
Financial liabilities at amortized cost (FLAC)

The amortized cost of a financial asset or a financial liability is calculated using the effective interest method from the historical cost of acquisition minus capital repaid plus or minus the accumulated amortization of any difference between the original amount and the amount repayable at maturity and minus any impairments or reversals.

With current receivables and payables, amortized cost is generally equal to the nominal amount or the repayment amount.

Fair value is generally equal to the market or stock-exchange value. If no active market exists, fair value is calculated as far as possible using recognized financial-mathematical methods (discounted cash-flow method and option pricing model).

Receivables from *concession projects* are measured at amortized cost. Receivables due from concession projects relate to all services provided in connection with the performance of public-private-partnership (PPP) projects for which a fixed payment was agreed irrespective of the extent of use.

Equity interests in non-listed companies shown under *other non-current financial assets* are classified as available-for-sale financial assets. They are measured at fair value if that value can be reasonably estimated; otherwise they are measured at amortized cost. Initial measurement is at the settlement date. Unrealized gains and losses from changes in fair value are recognized in other comprehensive income, with due consideration of deferred taxes.

Receivables and other financial assets are measured at amortized cost, with the exception of derivative financial instruments. Possible default risks are reflected by allowances for bad debts in separate accounts. Individual impairments are recognized if there is an indication of a loss in value such as delayed payment or if there is information on the contracting party's significant financial difficulties and the present value of the expected future payments plus any payments from the disposal of sureties or other risk-reducing agreements is lower than the carrying value. Irrecoverable receivables are written off.

Receivables from *construction contracts* are accounted for in accordance with IAS 11 using the percentage-of-completion method. Revenue is recognized in relation to the percentage of completion of each contract.

The percentage of completion is generally determined on the basis of the output that has been produced at the balance sheet date. If, for construction contracts, output has been produced which exceeds the amount that has been invoiced for progress payments, this excess is shown under *trade receivables*. If the amount that has been invoiced is higher than the output produced, this excess is shown under *liabilities from percentage of completion*. Receivables from percentage of completion correspond with the balance of progress payments invoiced less progress payments received; they are shown together with trade receivables. Anticipated contract losses are accounted for in full from the time that they become known.

Receivables from the provision of services are accounted for in accordance with IAS 18 also using the percentage of completion method – provided that the conditions for application are fulfilled – and are presented analogously to receivables from construction projects.

Construction contracts processed in consortiums are measured according to the percentage-of-completion method. Receivables from and payables to consortiums take account not only of payments received and made, but also of internal cost allocations and prorated profits on orders.

Securities are measured at fair value. Changes in the market prices of securities held for trading are recognized in profit and loss. Changes in the market prices of other securities measured at fair value are recognized in retained earnings (fair valuation of securities reserve) in other comprehensive income, with due consideration of deferred taxes. With these securities, impairment losses are recognized if there is any indication of a lasting reduction in value.

Cash and cash equivalents, comprising cash at banks and cash in hand, are measured at amortized cost.

Financial liabilities comprise *financial debt* and *other financial liabilities*. With the exception of derivative financial instruments, they are measured at amortized cost.

Derivative financial instruments are used solely to hedge against interest-rate and currency exchange-rate risks. Purely speculative transactions without any underlying transaction are not undertaken. The most important derivative financial instruments are currency futures, currency options and interest-rate and inflation swaps.

In accordance with IAS 39, derivative financial instruments are measured at their fair values as assets (positive fair value) or liabilities (negative fair value). Initial recognition is on the trading day.

The fair values of the currency and interest derivatives used are calculated on the basis of recognized financial-mathematical methods (discounted cash-flow method and option pricing model).

With derivative financial instruments related to hedging instruments, measurement depends on changes in fair value due to the type of hedging instrument.

The goal of hedging with the use of a fair-value hedge is to offset changes in the fair values of balance sheet assets and liabilities, or of off-balance fixed obligations, through opposing changes in the market value of the hedging instrument. The carrying value of the hedged underlying transaction is adjusted to changes in market values if these changes result from the hedged risk factors. The changes in market values of the hedging instruments and the adjustments of carrying values of the hedged underlying transactions are recognized through profit or loss.

Cash-flow hedges are used to safeguard future cash flows from assets or liabilities recognized in the balance sheet or from transactions that are planned with a high degree of certainty. Changes in the effective part of the fair value of a derivative are at first recognized under equity with no effect on profit and loss, with due consideration of deferred taxes (hedging instruments reserve), and are only recognized through profit and loss when the hedged underlying transaction is realized. The ineffective part of the hedging instrument is recognized immediately through profit and loss.

Derivative financial instruments that are not related to a hedging instrument as defined by IAS 39 are deemed to be financial assets or financial liabilities held for trading. For these financial instruments, changes in fair value are immediately recognized through profit or loss.

Share-based payments as defined by IFRS 2 are measured on the basis of the share price on the balance sheet date with consideration of a discount due to the lack of dividend entitlement. Allocations to provisions are made and recognized through profit and loss for the respective periods of time. Details of the Long-Term Incentive Plan (LTI) for the Executive Board, which allows for the granting of Performance Share Units (PSU), are provided in the remuneration report, which is a component of the management report.

Non-current assets held for sale and *disposal groups* as well as *related liabilities* are classified as such and presented separately in the balance sheet. Assets are classified as held for sale if the carrying amounts are primarily to be realized through a sale transaction rather than through continuing use. The sale must be highly probable and the assets or disposal groups must be immediately saleable in their present condition. These assets and disposal groups are measured at the lower of carrying value or fair value less costs to sell, and are no longer systematically depreciated or amortized. Impairments are recognized through profit and loss if fair value less costs to sell is lower than carrying value. Any write-ups due to an increase in fair value less costs to sell are limited to the impairments of the assets previously recognized.

Assets and liabilities of *discontinued operations* are treated as disposal groups. A discontinued operation is a separate major line of business or geographical area of operations which is held for sale. In addition, earnings after taxes from discontinued operations are presented separately in the income statement.

Revenue from construction projects is recognized in accordance with IAS 11 Construction Contracts with the use of the percentage-of-completion method – provided that the conditions for application are fulfilled. The percentage of completion is mainly calculated on the basis of the ratio on the balance sheet date of the output volume already delivered to the total output volume to be delivered. The percentage of completion is also calculated from the ratio of the actual costs already incurred on the balance sheet date to the planned total costs (cost-to-cost method). If the results of construction contracts cannot be reliably estimated, revenue is calculated using the zero profit method in the amount of the costs incurred and probably recoverable.

Revenue from the provision of services is recognized in accordance with IAS 18.20 with the use of the percentage of completion method – provided that the conditions for application are fulfilled. In the area of services, percentage of completion is mainly calculated using the cost-to-cost method.

Revenue from the sale of goods is recognized according to the criteria of IAS 18.14 (revenue recognition on the transfer of significant risks and rewards ownership).

In the context of concession projects, construction services provided are recognized as revenue in accordance with IAS 11 using the percentage of completion method.

In the operating phase of concession projects, the recognition of revenue from operator services depends upon whether a financial or an intangible asset is to be received as consideration for the construction services provided.

If a financial asset is to be recognized, i.e. the operator receives a fixed payment from the client irrespective of the extent of use, revenue from the provision of operator services is recognized according to IAS 18 using the percentage of completion method. The percentage of completion is calculated using the cost-to-cost method.

If an intangible asset is to be recognized, i.e. the operator receives payments from the users or from the client depending on use, the payments for use are recognized as revenue according to IAS 18 generally in line with the extent of use of the infrastructure by the users.

If the operator receives both use-dependent and use-independent payments, revenue recognition is split in accordance with the ratio of the two types of payment.

Expenditures for *research and development* such as for the further development of processes and special innovative technical proposals for individual projects are generally recognized in the income statement on a project-related basis.

Borrowing costs that can be directly allocated to the acquisition, construction or production of an asset which requires a considerable period of time to be put into its intended condition for use or for sale are capitalized as part of that asset's cost of acquisition or production. All other borrowing costs are expensed in the period in which they are incurred.

Assessments and estimates

With the preparation of the consolidated financial statements, to a certain extent it is necessary to make assumptions and estimates that have an effect on the recognition and measurement of items presented in the Group's balance sheet and income statement as well as of the contingent liabilities for the reporting period. The assumptions and estimates primarily relate to the calculation of project results, the recoverability of receivables, the recognition and measurement of provisions, the assessment of the realization of deferred tax assets and the planning figures underlying the annual impairment tests carried out on goodwill. The assumptions and estimates are the result of premises that are based on currently available knowledge. If future developments differ from these assumptions, the actual amounts may differ from the originally anticipated estimates.

Notes to the income statement *

Due to the classification of Valemus Australia as discontinued operations, the income and expenses of the Valemus Group are from now onwards presented under *Earnings after taxes from discontinued operations* and no longer as individual items under continuing operations. The prior-year figures have been adjusted accordingly.

6. Revenue

Revenue of €5,160.0 million (2009: €3,750.1 million) includes revenue resulting from the application of the percentage-of-completion method. It also includes goods and services supplied to joint ventures and consortiums as well as shares in results of such joint ventures and consortiums.

The main joint ventures and consortiums are related to the following infrastructure projects:

	Bilfinger Berger's share	Share of order value	Share of output volume in 2010
Transco, Sedrun / Switzerland	28 %	314	33
A1 Hamburg – Bremen / Germany	65 %	278	69
London Array / United Kingdom	50 %	197	37
M80 Stepps – Haggs / United Kingdom	50 %	159	80
Gdansk Southern Ring Road / Poland	65 %	149	58

For the representation of the Group's total output volume, particularly when taking into consideration the pro-rated output volumes of joint ventures and consortiums, the output volumes of the individual segments and regions are summarized as follows:

	2010	2009
Business segments		
Industrial Services	2,932	2,249
Power Services	1,106	1,017
Building and Facility Services	2,333	2,529
Construction	1,725	1,938
Consolidation, other	27	–6
Total	**8,123**	**7,727**
Regions		
Germany	**3,358**	**3,330**
Rest of Europe	3,030	2,535
Africa	635	625
America	591	638
Asia	483	500
Australia	26	99
International	**4,765**	**4,397**
Total	**8,123**	**7,727**

* Amounts in € million, unless otherwise stated

7. Other operating income / expense

	2010	2009
Other operating income	134.4	74.1
Other operating expenses	–71.4	–46.8
Net	**63.0**	**27.3**

Other operating income

	2010	2009
Gains on the disposal of property, plant and equipment	7.3	5.2
Income from the reversal of impairments on trade receivables	10.0	6.9
Gains on currency translation	9.3	9.4
Income from operating investments	40.3	8.4
Other income	67.5	44.2
Total	**134.4**	**74.1**

Of the gain of €21.3 million from the sale of equity interests in the concession projects Kicking Horse Pass and Northwest Anthony Henday Drive (both Canada) and Kent Schools, England, and M80 Motorway, Scotland, €17.5 million is included in income from operating investments and €3.8 million is included in other income.

In addition, the sale of Bilfinger Berger Umweltsanierung GmbH, Essen, resulted in a capital gain of €19.3 million. The capital gain was fully offset by expenses connected with winding up the remaining environmental business activities. These expenses are included within other operating expenses (€15.5 million) and under cost of sales within depreciation and amortization (€4.1 million).

The interest income from concession projects shown under other operating income is comprised as follows:

	2010	2009
Interest income on receivables from concession projects	142.2	118.5
Less balance of interest expenses (non-recourse financing) and interest from the investment of non-utilized-project-financing funds	–126.4	–109.6
	15.8	**8.9**

Other income also includes a large number of items of minor individual amounts.

Other operating expense

	2010	2009
Losses on the disposal of property, plant and equipment	4.4	2.1
Impairments of trade receivables	13.7	11.5
Losses on currency translation	5.5	7.7
Expenses from operating investments	3.6	4.4
Other expenses	44.2	21.1
Total	**71.4**	**46.8**

Other expenses include expenses of €15.5 million connected with winding up the remaining environmental business activities.

8. Income/expense from investments accounted for using the equity method

Net income from investments accounted for using the equity method is comprised as follows:

	2010	2009
Income from investments accounted for using the equity method	22.9	16.6
Expenses from the disposal and impairment of equity investments	–0.8	–0.4
Total	**22.1**	**16.2**

9. Other information on EBIT

Material expenses

	2010	2009
Cost of raw materials, supplies and purchased goods	1,458.0	1,398.4
Cost of purchased services	2,595.7	2,725.9
Total	**4,053.7**	**4,124.3**

Personnel expenses

	2010	2009
Wages and salaries	2,245.2	2,112.5
Social-security levies and pension contributions	457.2	398.3
Total	**2,702.4**	**2,510.8**

Depreciation and amortization

	2010	2009
Intangible assets	6.8	5.2
Intangible assets from acquisitions	40.8	23.3
Property, plant and equipment	117.7	99.3
Total	**165.3**	**127.8**

Amortization of intangible assets from acquisitions relates to customer relations capitalized in accordance with IFRS 3 / IAS 38, such as order backlogs, framework agreements and customer bases. The increase resulted from the acquisition of the MCE Group at the end of 2009. Amortization of intangible assets is mainly presented under cost of sales.

Depreciation of property, plant and equipment includes impairments of €4.1 million recognized in connection with winding up the remaining environmental business activities, which are presented under cost of sales.

10. Interest income / expense

Interest income and expense comprise the following items of the income statement:

	2010		2009	
Interest income		**11.9**		**13.0**
Interest expense		–25.0		–24.7
Interest expense from additions to retirement benefit obligation	–24.5		–21.2	
Interest income from pension plan assets	8.6	–15.9	8.7	–12.5
Interest expense		**–40.9**		**–37.2**
Interest expense for minority interest		–11.0		–13.4
Other financial expense		**–11.0**		**–13.4**
Total		**–40.0**		**–37.6**

Interest income is primarily earned on cash deposits. Current interest expense is mainly incurred on financial debt excluding non-recourse debt.

The interest expense for minority interest of €10.7 million (2009: €12.7 million) reflects the share in profits of the minority interest, which is classified as borrowing due to contractual regulations, in particular preemption rights pursuant to IAS 32. €0.3 million of the interest expense for minority interest (2009: €0.7 million) constitutes the interest compounded on purchase-price liabilities from the acquisition of equity interests.

11. Income tax expense

Income tax expense is the taxes on income and earnings paid, owed or deferred in the various countries. The calculations are based on the expected tax rates in those countries at the time of realization. Those expected tax rates are derived from the statutory regulations that are in force or planned on the balance sheet date.

	2010	2009
Actual taxes	78.2	60.5
Deferred taxes	16.9	–7.7
Total	**95.1**	**52.8**

The actual tax expense of Bilfinger Berger SE is derived from the applicable tax rate as follows:

	2010	2009
Earnings before income taxes	302.8	135.5
Theoretical tax expense at 30.95%	93.7	41.9
Tax-rate differences	–4.8	–3.1
Tax-rate effects of non-deductible expenses and tax-free income	15.0	19.7
Losses for which no deferred tax assets are capitalized and changes in value adjustments	–12.3	–7.4
Taxes from other accounting periods	3.5	1.7
Income tax expense	**95.1**	**52.8**

The combined effective tax rate for Bilfinger Berger SE was 30.95 percent, as in the prior year, consisting of corporate income tax at a rate of 15 percent and the solidarity surcharge, which is levied at a rate of 5.5 percent of the applicable corporate income tax, as well as trade tax at an average municipal multiplier of 432 percent.

Deferred tax assets and deferred tax liabilities are distributed among the items of the balance sheet as follows:

	Deferred tax assets		Deferred tax liabilities	
	2010	2009	2010	2009
Non-current assets	21.3	22.1	61.8	72.3
Current assets	17.7	21.6	78.0	66.6
Provisions	83.6	86.3	8.3	14.6
Liabilities	44.9	74.5	1.9	1.7
Tax loss carryforwards	68.6	64.6	0.0	0.0
Offsetting	–43.1	–39.2	–43.1	–39.2
Carried in the balance sheet	**193.0**	**229.9**	**106.9**	**116.0**

In 2010, taxes in an amount of €51.8 million (2009: €48.7 million) were set off against equity with no effect on the income statement.

The total amount of deferred tax assets of €193.0 million (2009: €229.9 million) includes future reductions in tax payments in an amount of €68.6 million (2009: €64.6 million) that arise from the expected utilization in future years of existing tax-loss carryforwards. The realization of the tax-loss carryforwards is reasonably certain. Non-capitalized tax-loss carryforwards for corporate income tax (or comparable taxes outside Germany) and for trade tax amount to €119.4 million (2009: €119.2 million) and €82.5 million (2009: €300.0 million) respectively. Thereof €119.4 million (2009: €118.9 million) and €82.5 million (2009: €300.0 million) respectively can be utilized without any time limit.

Deferred tax liabilities for tax payments on possible future dividend payments out of subsidiaries' retained earnings have not been recognized if these earnings are required for the long-term financing of the respective subsidiaries.

12. Earnings per share

Earnings per share are calculated by dividing the Group's net profit by the weighted average number of shares outstanding.

		2010	2009
Net profit		284.0	140.2
Weighted average number of shares issued		44,140,127	37,005,148
Basic / diluted earnings per share	in €	**6.43**	**3.79**
thereof from continuing operations		4.65	2.17
thereof from discontinued operations		1.78	1.62

Notes to the balance sheet *

Due to the classification of Valemus Australia as discontinued operations, the assets and liabilities of the Valemus Group are presented at December 31, 2010 under the separate items of *Assets held for sale* and *Liabilities held for sale*. This results in significant changes in the balance sheet compared with December 31, 2009, as the prior-year figures have not been adjusted.

13. Intangible assets

Cost of acquisition or production	Licenses, software and similar rights and assets	Goodwill	Intangible assets from acquisitions	Advance payments on intangible assets	**Total**
December 31, 2008	**55.7**	**1,082.8**	**180.6**	**0.6**	**1,319.7**
Changes in the consolidated Group	9.8	273.4	55.4	0.0	338.6
Additions	4.5	12.2	0.0	0.5	17.2
Disposals	1.3	26.1	15.2	0.0	42.6
Reclassifications	0.5	0.0	0.0	–0.4	0.1
Currency adjustments	0.7	25.6	2.1	0.0	28.4
December 31, 2009	**69.9**	**1,367.9**	**222.9**	**0.7**	**1,661.4**

Accumulated amortization and impairment	Licenses, software and similar rights and assets	Goodwill	Intangible assets from acquisitions	Advance payments on intangible assets	**Total**
December 31, 2008	**40.4**	**0.0**	**44.0**	**0.0**	**84.4**
Changes in the consolidated Group	7.5	0.0	0.0	0.0	7.5
Additions	5.2	0.0	24.9	0.0	30.1
Disposals	1.0	0.0	0.0	0.0	1.0
Reclassifications	0.0	0.0	0.0	0.0	0.0
Write-ups	0.0	0.0	0.0	0.0	0.0
Currency adjustments	0.6	0.0	1.3	0.0	1.9
December 31, 2009	**52.7**	**0.0**	**70.2**	**0.0**	**122.9**
Carrying amount at December 31, 2009	**17.2**	**1,367.9**	**152.7**	**0.7**	**1,538.5**

* Amounts in € million, unless otherwise stated

Cost of acquisition or production	Licenses, software and similar rights and assets	Goodwill	Intangible assets from acquisitions	Advance payments on intangible assets	Total
December 31, 2009	**69.9**	**1,367.9**	**222.9**	**0.7**	**1,661.4**
Changes in the consolidated Group	–0.1	53.2	7.4	0.0	60.5
Additions	7.6	15.3	0.0	0.7	23.6
Disposals	6.7	4.1	2.8	0.0	13.6
Reclassifications	0.5	0.0	0.0	–0.6	–0.1
Currency adjustments	1.1	14.9	6.5	0.0	22.5
Reclassification of Valemus	0.0	–128.8	–7.6	0.0	–136.4
December 31, 2010	**72.3**	**1,318.4**	**226.4**	**0.8**	**1,617.9**

Accumulated amortization and impairment	Licenses, software and similar rights and assets	Goodwill	Intangible assets from acquisitions	Advance payments on intangible assets	Total
December 31, 2009	**52.7**	**0.0**	**70.2**	**0.0**	**122.9**
Changes in the consolidated Group	–0.2	0.0	0.0	0.0	–0.2
Additions	6.8	0.0	40.8	0.0	47.6
Disposals	6.6	0.0	2.7	0.0	9.3
Reclassifications	0.1	0.0	0.0	0.0	0.1
Write-ups	0.0	0.0	0.0	0.0	0.0
Currency adjustments	0.8	0.0	2.5	0.0	3.3
Reclassification of Valemus	0.0	0.0	–3.8	0.0	–3.8
December 31, 2010	**53.6**	**0.0**	**107.0**	**0.0**	**160.6**
Carrying amount at December 31, 2010	**18.7**	**1,318.4**	**119.4**	**0.8**	**1,457.3**

Within the context of carrying out annual impairment tests in accordance with IFRS 3/IAS 36, goodwill was allocated to the relevant cash-generating units. The reporting structure was adjusted at the beginning of financial year 2010. The distribution of goodwill among the business segments is as follows:

	2010	2009
Industrial Services	626	628
Power Services	284	223
Building and Facility Services	402	382
Construction	6	6
Concessions	0	0
Total	**1,318**	**1,239**
Discontinued operations		129
		1,368

The fair values allocated to these units as of the balance sheet date correspond with their values in use, which are derived from their discounted future cash flows. The calculation is based on the planning figures over a three-year period. For the period thereafter, for the sake of a cautious valuation, constant cash flows were assumed, whereby future growth opportunities were not taken into consideration. The discount rate used for the future cash flows is equal to the business segments' cost-of capital rate, as used in our system of return-on-capital-employed controlling. The discount rate used for the business segments Industrial Services, Power Services and Building and Facility Services is 9.5 percent and for the Construction business segment it is 12.5 percent.

A comparison of the fair values attributed to the units with their carrying values including goodwill did not result in any need for impairment; nor would a significant increase in the discount rate or significant negative deviations from the planning premises result in any need to impair goodwill.

Intangible assets from acquisitions reflect the portions of purchase prices attributed to acquired customer relations (e.g. order backlogs, framework agreements and client bases) and are amortized over their useful lives using the straight-line method.

14. Property, plant and equipment

Cost of acquisition or production	Land and buildings	Technical equipment and machinery	Other equipment office equipment	Advance payments and assets under construction	Total
December 31, 2008	**280.9**	**550.1**	**475.1**	**21.8**	**1,327.9**
Changes in the consolidated Group	128.0	121.9	46.9	8.6	305.4
Additions	11.8	61.5	60.5	19.8	153.6
Disposals	7.6	26.3	29.2	1.1	64.2
Reclassifications	1.3	13.4	–3.7	–11.1	–0.1
Currency adjustments	6.8	38.7	17.4	2.0	64.9
December 31, 2009	**421.2**	**759.3**	**567.0**	**40.0**	**1,787.5**

Accumulated depreciation and impairment	Land and buildings	Technical equipment and machinery	Other equipment office equipment	Advance payments and assets under construction	Total
December 31, 2008	**103.4**	**336.5**	**288.7**	**0.0**	**728.6**
Changes in the consolidated Group	53.1	86.5	32.5	0.0	172.1
Additions	8.6	57.9	53.8	0.0	120.3
Disposals	6.2	21.3	26.7	0.0	54.2
Write-ups	–0.4	0.0	0.0	0.0	–0.4
Reclassifications	0.0	2.7	–2.7	0.0	0.0
Currency adjustments	1.2	15.7	8.3	0.0	25.2
December 31, 2009	**159.7**	**478.0**	**353.9**	**0.0**	**991.6**
Carrying amount at December 31, 2009	**261.5**	**281.3**	**213.1**	**40.0**	**795.9**
thereof, finance leases **Carrying amount at December 31, 2009**	**23.4**	**62.4**	**19.9**	**0.0**	**105.7**

Cost of acquisition or production	Land and buildings	Technical equipment and machinery	Other equipment office equipment	Advance payments and assets under construction	**Total**
December 31, 2009	**421.2**	**759.3**	**567.0**	**40.0**	**1,787.5**
Changes in the consolidated Group	–6.4	–16.6	–0.9	0.0	–23.9
Additions	22.4	41.4	53.7	14.9	132.4
Disposals	14.0	26.5	37.0	0.6	78.1
Reclassifications	11.8	28.7	–1.3	–39.1	0.1
Currency adjustments	6.2	12.4	5.8	1.2	25.6
Reclassification of Valemus	–25.6	–160.7	–55.2	0.0	–241.5
December 31, 2010	**415.6**	**638.0**	**532.1**	**16.4**	**1,602.1**

Accumulated depreciation and impairment	Land and buildings	Technical equipment and machinery	Other equipment office equipment	Advance payments and assets under construction	**Total**
December 31, 2009	**159.7**	**478.0**	**353.9**	**0.0**	**991.6**
Changes in the consolidated Group	–3.6	–14.2	–1.0	0.0	–18.8
Additions	12.8	55.6	49.3	0.0	117.7
Disposals	7.1	22.3	35.3	0.0	64.7
Write-ups	0.0	0.0	0.0	0.0	0.0
Reclassifications	–0.7	2.9	–2.3	0.0	–0.1
Currency adjustments	1.8	6.8	1.1	0.0	9.7
Reclassification of Valemus	–5.9	–62.7	–27.2	0.0	–95.8
December 31, 2010	**157.0**	**444.1**	**338.5**	**0.0**	**939.6**
Carrying amount at December 31, 2010	**258.6**	**193.9**	**193.6**	**16.4**	**662.5**
thereof, finance leases **Carrying amount at December 31, 2010**	**22.8**	**0.8**	**6.6**	**0.0**	**30.2**

Finance-lease transactions in 2010 mainly involve land and buildings with contract periods of up to 30 years. In the prior year, finance lease transactions mainly involved construction machinery and land and buildings.

The payment obligation resulting from finance leases is recognized in the amount of the present value of future lease payments due. The minimum lease payments, consisting of present value and interest portion, are shown in the following table:

	< 1 year	1-5 years	> 5 years	**Total**
2010				
Lease payments	3.9	10.0	19.2	33.1
Interest portion	0.5	2.2	9.6	12.3
Carrying amount / present value	**3.4**	**7.8**	**9.6**	**20.8**
2009				
Lease payments	23.8	63.7	24.0	111.5
Interest portion	4.8	7.8	10.5	23.1
Carrying amount / present value	**19.0**	**55.9**	**13.5**	**88.4**

15. Investments accounted for using the equity method

Investments accounted for using the equity method comprise associated companies and joint ventures.

In line with the proportionate equity interests held in associated companies, the following amounts are to be attributed to the Group:

Associated companies	**2010**	**2009**
Non-current assets	762.1	539.7
Current assets	379.8	326.7
Non-current liabilities	604.8	445.5
Current liabilities	497.4	392.3
Revenue	584.1	546.3
Profit for the year	18.1	13.2
Guarantees from Bilfinger Berger	10.8	14.0

The most important associated companies in 2009 are the construction company Julius Berger Nigeria PLC., Abuja, Nigeria, and the concessions companies M6 Tolna Autópálya Koncessziós Zrt, Szekszárd, Hungary; M6 Duna Autópálya Koncessziós Rt., Budapest, Hungary; and A1 Mobil GmbH & Co. KG, Rotenburg, Germany.

In line with the proportionate equity interests held in joint ventures, the following amounts are to be attributed to the Group:

Joint ventures	2010	2009
Non-current assets	998.0	386.1
Current assets	47.9	39.5
Non-current liabilities	1,047.3	393.0
Current liabilities	77.1	21.8
Revenue	160.3	126.9
Expenses	156.2	124.0
Guarantees from Bilfinger Berger	1.9	1.3

The most important joint ventures in the reporting year include the concessions companies Northwestconnect Holdings Inc., Edmonton, Canada; Adger OPS Vegselskap AS, Lillesand, Norway; Highway Management M80 Investment Limited, Maidenhead, United Kingdom and Partikeltherapiezentrum Kiel GmbH & Co. KG, Kiel, Germany.

The outstanding equity commitments to concession projects accounted for as joint ventures amount to €56.9 million (2009: €30.8 million).

16. Receivables from concession projects

Receivables due from concession projects represent all services provided in connection with the production of public-private-partnership (PPP) projects for which fixed payments have been agreed irrespective of the extent of use. Due to the length of the payment plans, receivables are measured at the present value of amortized cost. The annual accumulation of interest on these discounted values is presented as interest income under other operating income. Clients' payments are divided into a portion to be deducted from the receivables and a portion for the regular concession services.

Funds received in the context of loan financing but not yet applied are also presented.

The capitalized amounts from concession projects have corresponding items in liabilities. These amounts are presented under financial debt, thereof €1,624.1 million as non-current (2009: €1,880.3 million) and €19.3 million as current (2009: €21.9 million).

Receivables from concession projects are comprised as follows:

	2010	2009
Receivables from concession projects	1,782.7	2,097.3
Receivables from project-financing funds not yet applied	5.8	36.9
	1,788.5	**2,134.2**
Non-recourse financial liabilities	**1,643.4**	**1,902.2**

Receivables from concession projects decreased by €843.6 million and non-recourse financial liabilities decreased by €760.8 million due to the deconsolidation of the concession projects Kicking Horse Pass, Northwest Anthony Henday Drive, Kent Schools and M80 Motorway. In connection with existing and new concession projects, however, receivables from concession projects increased by €529.0 million and non-recourse liabilities increased by €502.1 million.

The most important fully consolidated concession projects are:

	Investment volume € million	Bilfinger Berger's share of project in %	Project status	Period of concession
Transport infrastructure				
M1 Westlink, United Kingdom	230	75	In operation	2009 – 2036
Golden Ears Bridge, Canada	800	100	In operation	2009 – 2041
Northeast Stoney Trail, Canada	293	100	In operation	2009 – 2039
Building construction				
Bedford Schools, United Kingdom	41	100	In operation	2006 – 2035
Victoria Prisons, Australia	150	100	In operation	2006 – 2031
District Administration Center Unna, Germany	24	90	In operation	2006 – 2031
Coventry Schools, United Kingdom	36	100	In operation	2007 – 2035
Royal Women's Hospital, Australia	198	100	In operation	2008 – 2033
Burg Correctional Facility, Germany	100	90	In operation	2009 – 2034
Borders Schools, United Kingdom	137	75	In operation	2009 – 2038
Clackmannanshire Schools, United Kingdom	136	85	In operation	2009 – 2039
Staffordshire Fire Stations, United Kingdom	54	85	Under construction	2011 – 2036
Women's College Hospital, Canada	350	100	Under construction	2015 – 2045

The transport infrastructure concession projects are for highways, including bridges and tunnels. The building concession projects are for schools, hospitals, prisons, public-sector administrative buildings and fire stations. Concession fees are dependent on the availability of the transport infrastructure or building, are paid by the concession client and are inflation indexed. The concession agreements are design-build-finance-operate contracts and also include the obligation to perform maintenance and major repairs. At the end of the concession period, the transport infrastructures and buildings are transferred to the concession client. There are generally no extension or termination options.

17. Other financial assets

	2010	2009
Loans	164.5	64.5
Equity interests	11.9	13.2
Derivative financial instruments in hedging relationships	6.3	4.9
Securities (available for sale)	0.9	4.7
Securities (Held-to-maturity)	2.6	0.0
Other financial assets	74.1	82.6
Total	**260.3**	**169.9**

Loans are primarily equity bridge loans to concession companies. The increase resulted primarily from the recognition of the loans to the concession projects Kicking Horse Pass, Northwest Anthony Henday Drive, Kent Schools and M80 Motorway due to the deconsolidation of those project companies following the sale of 50 percent of the equity interest previously held.

Equity interests include shares in non-listed companies, which are measured at cost of acquisition.

Derivative financial instruments include positive market values of interest-rate and inflation hedges in the concessions business.

Other assets primarily comprise amounts that serve to fulfill pension obligations.

18. Inventories

Inventories are comprised as follows:

	2010	2009
Real-estate properties held for sale	10.8	11.2
Finished goods and work in progress	6.6	9.1
Raw materials and supplies	87.8	89.1
Advance payments made	93.9	160.5
Total	**199.1**	**269.9**

19. Receivables and other financial assets

	2010	2009
Trade receivables		
including receivables from percentage of completion	1,355.0	1,529.6
Receivables from consortiums and joint ventures	80.8	164.5
Receivables from companies in which shares are held	24.3	24.9
	1,460.1	**1,719.0**
Derivatives		
in hedging relationships	0.6	0.2
not in hedging relationships	13.1	7.8
	13.7	**8.0**
Securities (available for sale)	0.7	0.0
Other financial, non-derivative assets	119.2	142.2
Total	**1,593.7**	**1,869.2**

Construction orders measured according to the percentage of completion but not yet finally invoiced are recognized as follows:

	2010	2009
Costs incurred plus recognized profits	4,496.5	8,364.0
Less advance billings	4,480.9	8,495.3
Balance	**15.6**	**–131.3**
thereof costs incurred and estimated earnings in excess of billings	315.0	380.4
thereof liabilities from percentage of completion	299.4	511.7

The amount of future receivables from construction orders is included under trade receivables.

Advance payments received totaled €4,242.9 million (2009: €8,119.6 million).

Details of days overdue and impairments of trade receivables are as follows:

	2010	2009
Receivables neither overdue nor impaired	1,014.0	1,105.1
Receivables overdue but not impaired		
less than 30 days	201.8	231.4
30 to 90 days	63.0	100.6
91 to 180 days	16.6	30.6
more than 180 days	52.3	50.8
	333.7	**413.4**
Residual value of impaired receivables	7.3	11.1
Total	**1,355.0**	**1,529.6**

Impairments of trade receivables for default risks developed as follows:

	2010	2009
Opening balance	**40,0**	**28,0**
Changes in the consolidated Group, currency differences	–4,4	14,7
Allocations (impairment losses)	13,7	11,5
Utilization	5,5	7,3
Withdrawals (gains on impairment reversals)	10,0	6,9
Closing balance	**33,8**	**40,0**

All losses and gains from the impairment of trade receivables are recognized under other operating expenses and other operating income.

No default risk is recognizable for the receivables that are not impaired.

Other financial non-derivative assets comprise receivables and assets outside the field of supplying goods and services.

20. Other assets

Other assets include claims to value-added tax of €34.9 million (2009: €36.0 million) and prepaid expenses of €23.5 million (2009: €23.3 million).

21. Cash and cash equivalents

Cash and cash equivalents comprise cash deposited at banks and cash in hand. This includes €69.1 million (2009: €75.2 million) at concession project companies, to be applied in accordance with project-specific financing agreements.

The average variable interest rate for cash and cash equivalents was 0.48 percent (2009: 1.13 percent).

Most of the Group's net investment position is subject to variable interest rates, while borrowing is mainly subject to fixed interest rates. With an unchanged investment position, an interest-rate increase will lead to higher interest income.

22. Equity

The classification of equity and changes in equity are presented in the consolidated statement of changes in equity.

Share capital amounts to €138.1 million, as at the end of 2009. It is divided into 46,024,127 bearer shares with an arithmetical value of €3.00 per share.

By resolution of the Annual General Meeting of April 15, 2010, Approved Capital 2009, of which only a reduced amount was available following the capital increase in 2009, was cancelled and replaced with a new approved capital (Approved Capital 2010) in an amount of €69.0 million (2009: €29.0 million). It is limited until April 14, 2015 and serves to issue new shares against cash and/or non-cash contributions.

Also by resolution of the Annual General Meeting of April 15, 2010, Contingent Capital III was cancelled and replaced with a new contingent capital. As a result, the share capital is conditionally increased by up to €13.8 million through the issue of 4,602,412 new bearer shares with a proportionate amount of the share capital of €3.00 per share (Contingent Capital 2010). It serves to grant shares upon the exercise of conversion rights or option rights or upon the fulfillment of conversion obligations or option obligations in connection with bonds.

With the approval of the Supervisory Board and on the basis of the authorization granted by the Annual General Meeting of May 23, 2007, the Executive Board of Bilfinger Berger SE, bought back 1,884,000 shares via the stock exchange at an average price of €53.07 in February 2008. This represents 4.094 percent of the current voting rights. The shares are held as treasury shares and there is currently no intention to cancel them.

We refer to the explanation given in the management report with regard to the authorization for the Executive Board to issue shares out of approved capital and out of contingent capital as well as the possibilities to buy back and use the Company's own shares.

The following notifications have been received pursuant to Section 21 of the German Securities Trading Act (WpHG) regarding the existence of voting rights in our company of more than 3 percent or more than 5 percent:

BlackRock Investment Management (UK) Limited, London, United Kingdom gave notification that on December 1, 2009 the voting rights of the BlackRock Group Limited, London, United Kingdom exceeded the threshold of 3 percent and amounted to 4.8 percent. At the same time, notification was provided that the voting rights of BR Jersey International Holdings L.P., St. Helier, Jersey (4.82 percent), BlackRock International Holdings Inc., New York, USA, (4.82 percent) and Blackrock Advisors Holdings, Inc., New York, USA (4.82 percent) exceeded the threshold of 3 percent. Notification was also provided that the voting rights of BlackRock Financial Management, Inc., New York, USA (5.25 percent), BlackRock Holdco 2, Inc., New York, USA (5.25 percent) and BlackRock, Inc., New York, USA (5.25 percent) exceeded the thresholds of 3 percent and 5 percent. All voting rights have been assigned pursuant to Section 22 Subsection 1 Sentence 1 No. 6 in connection with Sentence 2 of the German Securities Trading Act (WpHG).

On February 26, 2010, BlackRock Investment Management (UK) Limited, London, United Kingdom gave notification that on February 24, 2010 the voting rights of BlackRock Financial Management, Inc., New York, USA (5.04 percent), BlackRock Holdco 2, Inc., Wilmington, USA (5.04 percent) and BlackRock, Inc., New York, USA (5.04 percent) exceeded the threshold of 5 percent, after they had briefly fallen below the 5-percent threshold (each to 4.86 percent) on February 8, 2010. All voting rights have been assigned pursuant to Section 22 Paragraph 1 Sentence 1 No. 6 in connection with Sentence 2 of the German Securities Trading Act (WpHG).

DJE Investment S.A., Luxembourg, Luxembourg gave notification that on December 13, 2010 its voting rights exceeded the threshold of 5 percent and amounted to 5.03 percent. Notification was also provided that the voting rights of Dr. Jens Ehrhardt, Germany and of DJE Kapital AG, Pullach, Germany exceeded the threshold of 5 percent and also amounted to 5.03 percent; the voting rights have been assigned pursuant to Section 22 Paragraph 1 Sentence 1 No. 6 in connection with Sentence 2 of the German Securities Trading Act (WpHG).

INVESCO Limited, Hamilton, Bermuda gave notification that on July 8, 2010 its voting rights exceeded the threshold of 5 percent and amounted to 5.15 percent. On October 5, 2010, the voting rights fell below the threshold of 5 percent again and amounted to 4.98 percent.

Allianz Global Investors Kapitalanlagegesellschaft mbH, Frankfurt, Germany gave notification that on June 14, 2010 its voting rights exceeded the threshold of 3 percent and amounted to 3.78 percent. Thereof, voting rights of 1.03 percent have been assigned pursuant to Section 22 Subsection 1 Sentence 1 No. 6 in connection with Sentence 2 of the German Securities Trading Act (WpHG).

Retained earnings and distributable profit

	2010	2009
Retained and distributable earnings	115.1	92.1
Actuarial gains / losses	–1.4	8.7
Other retained earnings	947.6	780.6
Total	**1,061.3**	**881.4**

Retained and distributable earnings and proposal on appropriation of earnings
It is proposed that the reported retained and distributable earnings of Bilfinger Berger SE of the 2010 financial year of €115.1 million be appropriated as follows:

€ million	
Distribution of a dividend of €2,50 per dividend entitled share	110.4
Allocation to retained earnings	4.7
Retained and distributable earnings	115.1

This proposal on the appropriation of earnings is based on the dividend-entitled share capital at February 24, 2011 of €132.4 million (divided into 44,140,127 ordinary shares). Due to a change in the number of treasury shares, the number of dividend-entitled shares may change by the time of the resolution on the appropriation of distributable earnings by the Annual General Meeting. In that case, the Executive Board and the Supervisory Board will make a correspondingly adjusted proposal on the appropriation of distributable earnings to the Annual General Meeting with an unchanged dividend of €2.50 per share.

Actuarial gains and losses include the deviations between the retirement benefit obligation anticipated at the beginning of the year and the actual obligation at the end of the year, which are fully included in the retirement benefit obligation, as well as the difference between the income on plan assets anticipated at the beginning of the year and the actual income during the year.

The accumulated actuarial losses recognized in equity and allocable to the shareholders of Bilfinger Berger SE amount to €2.7 million (2009 gains of €13.7 million) before deferred taxes and €1.4 million (2009 gains of €8.7 million) after consideration of deferred taxes.

Other reserves
The *hedging instruments reserve* includes the unrealized gains and losses from hedging highly probable future cash flows, taking into consideration any deferred tax effects, and primarily applies to interest-rate derivatives for concession projects.

The *currency translation reserve* reflects all currency differences arising from the translation of financial statements of foreign subsidiaries.

23. Retirement benefit obligation

For the employees of Bilfinger Berger SE and of a substantial part of the German construction business, defined-contribution pension commitments exist with a guaranteed minimum interest rate on contributions paid into a contractual trust arrangement (CTA). These are accounted for as defined-benefit plans in accordance with the provisions of IAS 19. There are also defined-contribution pension commitments at other companies of the Group in Germany.

Insofar as foreign companies of the Group have their own pension plans, they are primarily defined-contribution plans. In accordance with the provisions of IAS 19, they are accounted for either as defined-benefit plans or as defined-contribution plans. If the obligation is solely to make the contributions, there is no need to recognize a pension obligation in the balance sheet. In those cases in which the conditions set by IAS 19 are not fulfilled, the pension plans are accounted for as defined-benefit plans.

Pension provisions are valued on the balance sheet date using actuarial techniques according to the projected-unit-credit method, taking future developments into consideration. In Germany, the calculations are subject to biometric accounting principles – Guideline Table 2005 G by Klaus Heubeck – and are primarily based on the following assumptions:

	2010	2009
Applicable interest rates (euro countries)	5.00 %	5.50 %
Applicable interest rates (non-euro countries, weighted)	2.90 %	3.50 %
Expected annual increase in incomes	2.50 %	2.50 %
Expected annual increase in pensions	1.50 %	1.50 %

We utilize the option of accounting for actuarial gains and losses in line with the *third option* offered by IAS 19.93A as part of the retirement benefit obligation recognized directly in equity. This means that the retirement benefit obligation is shown in the amount of the present value of the actual obligation (defined benefit obligation). The full recognition of actuarial gains and losses in the balance sheet means that the financial position is reflected more accurately in the balance sheet because hidden reserves or obligations are now revealed. In 2010, actuarial losses of €17.3 million were recognized in other comprehensive income (2009: losses of €18.0 million). Accumulated over time, the net actuarial losses recognized in other comprehensive income amount to €2.7 million (2009: gains of €14.6 million).

To the extent that claims to pension benefits are covered by plan assets, the value of the plan assets is deducted from the obligation for the balance sheet value. The market value of the plan assets amounted to €245 million on the balance sheet date (2009: €224 million). It comprises cash and cash equivalents (€13.7 million), bonds (€164.8 million), shares (€28.4 million), real estate (€13.2 million) and other assets (€24.9 million).

Pension plans	2010		2009	
	Funded by plan assets	Unfunded	Funded by plan assets	Unfunded
Provisions on January 1 (before deduction of plan assets)	**224.0**	**270.2**	**145.1**	**217.7**
Defined benefit obligations on January 1	**224.0**	**270.2**	**145.2**	**217.7**
Service costs	8.7	6.0	8.7	3.9
Past service cost	1.0	0.1	0.8	0.0
Interest expense	10.4	14.1	10.4	10.9
Pension payments	–14.2	–13.4	–17.3	–8.8
Settlements	–0.2	–0.2	–0.8	–5.3
Currency adjustments	12.5	1.8	1.4	3.2
Changes in the consolidated Group / other	–1.4	3.4	74.1	37.6
Actuarial gains (–) / losses (+)	7.7	9.0	1.5	11.0
Service costs to be added in the future	0.0	0.0	0.0	0.0
Defined benefit obligations on December 31	**248.5**	**291.0**	**224.0**	**270.2**
Fair value of plan assets on January 1	**223.5**		**167.0**	
Expected income from plan assets	8.6		8.8	
Pension payments	–14.2		–17.0	
Allocated to fund from employee contributions	5.0		3.9	
Allocated to fund from company contributions	11.8		5.9	
Settlements	0.0		–0.6	
Currency adjustments	10.4		1.0	
Changes in the consolidated Group / other	0.0		60.0	
Actuarial gains (–) / losses (+)	–0.6		–5.5	
Fair value of plan assets on December 31	**244.5**		**223.5**	

Pension plans	2010		2009	
	Funded by plan assets	Unfunded	Funded by plan assets	Unfunded
Defined benefit obligations on December 31	248.5	291.0	224.0	270.2
Plan assets on December 31	244.5		223.5	
Funded status on December 31	**–4.0**	**–291.0**	**–0.5**	**–270.2**
Amount capitalized on December 31	**17.6**		**16.0**	
Provision recognized on December 31	**21.7**		**16.5**	**270.2**
Past service cost	**0.0**	**0.0**	**0.0**	**0.0**

Pension plans	**2008**		**2007**		**2006**	
	Funded by plan assets	Un-funded	Funded by plan assets	Un-funded	Funded by plan assets	Un-funded
Defined benefit obligations on December 31	145.2	217.7	135.4	135.4	147.7	163.7
Plan assets on December 31	167.0		159.8		161.0	
Funded status on December 31	**21.8**	**–217.7**	**24.4**	**–135.4**	**13.3**	**–163.7**
Amount capitalized on December 31	**23.0**		**24.6**		**13.3**	
Provision recognized on December 31	**1.1**	**217.7**	**0.0**	**135.4**	**0.0**	**163.6**
Past service cost	**0.1**	**0.0**	**0.2**	**0.0**	**0.0**	**0.1**

The net pension benefit expense for funded and unfunded pension plans is comprised as follows:

	2010	**2009**
Current service cost	14.7	12.6
Interest expense	24.5	21.3
Expected income from plan assets	–8.6	–8.8
Past service costs	1.1	0.8
Net pension benefit expense	**31.7**	**25.9**

The defined contribution pension expense amounted to €9.1 million (2009: €9.9 million).

In the income statement, service costs are posted in EBIT and the interest expense from the addition to the defined benefit obligation is posted under net interest result. Expected income from plan assets of €8.6 million (2009: €8.8 million) was posted in the net interest result. Based on a long-term investment strategy, this represents a return on plan assets of 3.9 percent (2009: 3.9 percent). The income actually achieved from plan assets in 2009 amounted to €8.0 million (2009: €7.2 million). As a result of experience-based adjustments, the defined benefit obligation is increased by €1.4 million (2009: reduced by €3.4 million).

The pension payments expected in subsequent years are as follows:

Expected pension payments	**2011**	**2012**	**2013**	**2014**	**2015**	**2016-2020**
	24	24	28	29	29	180

Plan assets of approximately €245 million are available for future payments out of funded pension plans (2009: €224 million).

Contributions of €117 million were paid to state pension insurance institutions.

24. Provisions for taxes and other provisions

	Deferred tax liabilities	Provisions	Total
Balance at January 1, 2009	**120.3**	**516.3**	**636.6**
Utilization	27.1	162.1	189.2
Release	7.4	43.9	51.3
Additions	30.6	225.2	255.8
Currency differences	9.7	9.5	19.2
Changes in the consolidated Group	6.6	152.1	158.7
Balance at January 1, 2010	**132.7**	**697.1**	**829.8**
Utilization	20.6	226.9	247.5
Release	3.5	42.4	45.9
Additions	49.7	301.8	351.5
Currency differences	0.9	6.0	6.9
Changes in the consolidated Group	–0.1	–7.7	–7.8
Reclassification of Valemus	–41.0	–23.0	–64.0
Balance at December 31, 2010	**118.1**	**704.9**	**823.0**

Maturities of current tax liabilities and provisions

	Non-current		Current		Total	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
Deferred tax liabilities	**0.0**	**0.0**	**118.1**	**132.7**	**118.1**	**132.7**
Provisions	**71.5**	**84.3**	**633.4**	**612.8**	**704.9**	**697.1**
Risks relating to contracts, warranties and litigation	26.7	41.3	380.3	340.0	407.0	381.3
Personnel-related obligations	21.9	22.8	101.8	122.7	123.7	145.5
Other uncertain liabilities	22.9	20.2	151.3	150.1	174.2	170.3
Total	**71.5**	**84.3**	**751.5**	**745.5**	**823.0**	**829.8**

91.3 percent of the total cash flow for the provisions for taxes and other provisions is expected to be in the following year (2009: 89.8 percent), 4.8 percent in the years 2012 through 2015 (2009: 5.5 percent) and 3.9 percent thereafter (2009: 4.7 percent).

25. Financial debt

	Non-current		Current		Total	
	2010	2009	2010	2009	2010	2009
Project-financing debt (non-recourse)	475.3	701.7	9.9	9.5	485.2	711.2
Bank debt (non-recourse)	1,148.8	1,178.6	9.4	12.4	1,158.2	1,191.0
Financial debt, non-recourse	**1,624.1**	**1,880.3**	**19.3**	**21.9**	**1,643.4**	**1,902.2**
Bank debt (recourse)	166.1	250.3	85.5	14.9	251.6	265.2
Finance leases	17.4	69.3	3.4	19.1	20.8	88.4
Financial debt, recourse	**183.5**	**319.6**	**88.9**	**34.0**	**272.4**	**353.6**

Project-related non-recourse financing is solely taken out on the respective financed project, without any recourse to Bilfinger Berger.

Of the change in non-recourse financing debt, €760.8 million reflects the disposal of financing debt from the concession projects Kicking Horse Pass, Northwest Anthony Henday Drive, Kent Schools and M80 Motorway due to the deconsolidation of those project companies following the sale of 50 percent of the previously held equity interests.

Recourse financing includes a promissory-note loan in an amount of €250 million placed in 2008. The loan consists of the following four tranches, each due in its entirety upon maturity:

Amount of loan	Due date	Interest	Interest rates
9.5	July 1, 2011	fixed	6.044 %
18.5	July 1, 2013	fixed	6.169 %
74.5	July 1, 2011	variable	3-month EURIBOR + 80 basis points
147.5	July 1, 2013	variable	3-month EURIBOR + 105 basis points
250.0			

Classified according to its fixed-interest terms, financial debt is comprised as follows:

	Variable interest rate		Fixed interest rate						Total	
			< 1 year		1-5 years		> 5 years			
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Non-recourse financing	**34.0**	**28.3**	**0.0**	**2.8**	**0.0**	**11.4**	**1,609.4**	**1,859.7**	**1,643.4**	**1,902.2**
Other financing	76.1	75.9	9.5	10.1	166.0	179.2	0.0	0.0	251.6	265.2
Finance leases	0.0	0.0	3.4	19.2	7.8	55.8	9.6	13.4	20.8	88.4
Recourse financing	**76.1**	**75.9**	**12.9**	**29.3**	**173.8**	**235.0**	**9.6**	**13.4**	**272.4**	**353.6**

For financial liabilities with fixed interest rates, the average interest rate on the balance sheet date for non-recourse debt was 5.25 percent (2009: 5.82 percent), for other debt it was 6.00 percent (2009: 5.93 percent) and for finance leasing it was 5.50 percent (2009: 6.90 percent). Financing with variable interest rates is shown as fixed-interest financial debt to the extent that interest-rate swaps have been concluded.

26. Other financial liabilities

	2010	2009
Liabilities		
from trade	863.8	1.160.7
from percentage of completion	299.4	511.7
to joint ventures and consortiums	181.0	251.5
to companies in which equity is held	92.8	75.9
	1,437.0	**1,999.8**
Liabilities from derivatives, current		
in hedging relationships	8.9	0.0
not in hedging relationships	16.8	22.5
	25.7	**22.5**
Other current financial, non-derivative liabilities	337.4	401.0
Total current financial liabilities	**1,800.1**	**2,423.3**
Liabilities from derivatives, non-current		
in hedging relationships	190.2	155.9
not in hedging relationships	0.3	0.3
	190.5	**156.2**
Other non-current financial, non-derivative liabilities	21.5	30.3
Total non-current financial liabilities	**212.0**	**186.5**

The decreases in current and non-current other financial non-derivative liabilities primarily relate to purchase-price obligations from the acquisition of companies as well as liabilities from put options connected with minority equity interests in companies.

27. Other liabilities

Other liabilities primarily relate to value-added tax in an amount of €114.0 million (2009: €113.2 million), personnel obligations of €81.0 million (2009: €104.5 million), social-security levies of €35.5 million (2009: €37.1 million) and deferred income and/or accrued expense of €21.0 million (2009: €26.3 million).

28. Additional information on financial instruments

The *carrying values and fair values* of financial assets and financial liabilities, classified according to IAS 39 categories, are as follows:

		2010		2009	
Assets	IAS 39-category	Carrying value	Fair value	Carrying value	Fair value
Receivables from concession projects	LaR	1,788.5	2,016.0	2,134.2	2,429.0
Equity interests	AfS-aC	11.9	–	13.2	–
Receivables	LaR	1,460.1	1,460.1	1,719.0	1,719.0
Other financial, non-derivative assets	LaR	357.8	357.8	289.3	289.3
Securities	AfS	1.6	1.6	4.7	4.7
Securities	HtM	2.6	2.6	0.0	0.0
Cash and cash equivalents	LaR	537.5	537.5	798.4	798.4
Derivative financial instruments					
used for hedging	(Hedge)	6.9	6.9	5.1	5.1
not used for hedging	FAHfT	13.1	13.1	7.8	7.8
Liabilities					
Financial debt, non-recourse	FLAC	1,643.4	1,642.1	1,902.2	2,012.3
Financial debt, recourse, excluding finance leases	FLAC	251.6	251.6	265.2	267.4
Finance leases, recourse	(IAS 17)	20.8	24.3	88.4	88.9
Liabilities	FLAC	1,437.0	1,437.0	1,999.8	1,999.8
Other financial, non-derivative liabilities	FLAC	358.9	367.4	431.3	431.4
Derivative financial instruments					
used for hedging	(Hedge)	199.1	199.1	155.9	155.9
not used for hedging	FLHfT	17.1	17.1	22.8	22.8
Aggregated according to valuation categories					
Loans and receivables	LaR	4,143.9	4,371.4	4,940.9	5,235.7
Available-for-sale financial assets	AfS	1.6	1.6	4.7	4.7
Available-for-sale financial assets at cost	AfS-aC	11.9	–	13.2	–
Held-to-maturity financial investments	HtM	2.6	2.6	0.0	0.0
Financial assets held-for-trading	FAHfT	13.1	13.1	7.8	7.8
Financial liabilities held-for-trading	FLHfT	17.1	17.1	22.8	22.8
Financial liabilities at amortized cost	FLAC	3,690.9	3,698.1	4,598.5	4,710.9

For cash and cash equivalents, current receivables and liabilities and current other financial non-derivative assets and liabilities, carrying values are approximately equal to fair values due to the short residual terms.

The fair values of non-current financial assets and financial liabilities, which include the valuation categories *loans and receivables, held-to-maturity financial investments and financial liabilities at amortized cost*, correspond with the fair values calculated using current market-based interest-rate parameters.

Equity interests are measured at cost of acquisition, as fair values cannot be reliably determined.

Hierarchy of fair values by valuation method:
The fair values of financial instruments are measured with the use of one of the three methods described in the following three levels, whereby Level 3 is not currently relevant for Bilfinger Berger:

Level 1: quoted prices in active markets for identical assets or liabilities
Level 2: other methods by which all inputs that have a material influence on the determined fair value are based on direct or indirect market data
Level 3: methods that use inputs with a material influence on the determined fair value that are not based on observable market data

The financial instruments measured at fair value are allocated to the following levels at December 31, 2010 and 2009:

				2010			2009
Assets	IAS 39 category	**Total**	**Level 1**	**Level 2**	**Total**	**Level 1**	**Level 2**
Securities	AfS	**1.6**	1.6	0.0	**4.7**	4.7	0.0
Derivatives in hedging relationships	(Hedge)	**6.9**	0.0	6.9	**5.1**	0.0	5.1
Derivatives in non-hedging relationships	FAHfT	**13.1**	0.0	13.1	**7.8**	0.0	7.8
		21.6	**1.6**	**20.0**	**17.6**	**4.7**	**12.9**
Liabilities							
Derivatives in hedging relationships	(Hedge)	**199.1**	0.0	199.1	**155.9**	0.0	155.9
Derivatives in non-hedging relationships	FLHfT	**17.1**	0.0	17.1	**22.8**	0.0	22.8
		216.2	**0.0**	**216.2**	**178.7**	**0.0**	**178.7**

In 2010, interest-bearing securities in an amount of €2.6 million were reclassified from the valuation category *available-for-sale financial assets* into the valuation category *held-to-maturity financial investments*, as the holding intention had changed.

Net earnings from financial instruments classified according to IAS 39 valuation categories are as follows:

Valuation category	IAS 39 category	2010	2009
Loans and receivables	LaR	–17.7	–8.2
Available-for-sale financial assets	AfS	–2.5	–0.3
Financial instruments held for trading	FAHfT & FLHfT	28.1	29.1
Financial liabilities at amortized cost	FLAC	–13.7	–3.4

Interest and dividends are not components of the net earnings shown.

The net earnings of the valuation category *loans and receivables* include impairments, reversals and income/expense from currency translation.

The net earnings of the valuation category *available-for-sale financial assets* include gains/losses realized on disposals and impairments.

The net earnings of the valuation category *financial instruments held for trading* include gains/losses on measurement at fair value as well as gains/losses realized on disposals.

The net earnings of the valuation category *financial liabilities at amortized cost* primarily comprise gains/losses realized on currency translation.

With regard to *impairment losses*, see also the development of the account for allowances for non-collection of trade receivables.

29. Risks related to financial instruments, financial risk management and hedging instruments

We monitor financial risks (default risks, liquidity risks and market-price risks) with proven control mechanisms that allow for timely and transparent reporting. The Group's reporting system guarantees the regular identification, analysis, assessment and management of financial risks by Group Treasury. All relevant equity interests and joint ventures are included in this monitoring. There is no extraordinary concentration of risk.

Default risk is the risk that a contracting party of a financial instrument does not fulfill its payment obligations. Substantial counterparty risks can arise in connection with the investment of liquid funds and the application of derivative financial instruments. To limit such risks, we enter into financial transactions exclusively with banks that have a rating of at least *A-*. In addition, on the basis of an internal limit system, a diversification of volumes and maturities takes place.

Our risk consideration also includes the loss of pre-approved but not yet utilized financing in the project business.

The risk of default on receivables in our business operations is regularly monitored and controlled by the companies of the Group. In this context, use is made for example of guarantees and sureties.

In connection with receivables and other financial non-derivative assets, possible default risks are reflected by impairments.

The maximum default risk connected with financial assets (e.g. cash and cash equivalents, securities, loans, receivables, derivative financial instruments) is equal to their carrying amounts in the balance sheet.

Liquidity risk is the risk that a company will have difficulties fulfilling the payment obligations arising from its financial liabilities.

Liquidity risks are monitored and managed centrally at the Group on the basis of rolling 12-month cash-flow planning.

Within the context of central financing, Bilfinger Berger SE is available to its subsidiaries as a lender of last resort. In Europe, with the exception of less economically relevant regions, the Group's internal equalization of liquidity is supported in numerous countries by cross-border cash pooling.

Investment financing is carried out with consideration of matching maturities. The €250 million promissory note loan placed for this purpose in 2008 has maturities in 2011 and 2013. To finance working capital, we have a €300 million pre-approved credit line at attractive conditions that is in place until 2012.

For the execution of our project business, we have sureties of more than €3.5 billion, which continue to be appropriate to support our future corporate growth. More than €950 million of that total is in syndicated sureties with maturities in 2011. In the case of a change of control, all credit commitments may be called due prematurely. The increasing long-term debt resulting from the expansion of our concessions business is solely on a non-recourse basis, so lenders have no access to Bilfinger Berger's assets or cash flows beyond the respective project companies.

As part of our strategic corporate planning, we regularly examine the impact on our financial risk profile of various scenarios for the economic and financial development of the Group. Significant key figures in this respect are the dynamic debt-to-equity ratio, cash-flow protection and gearing. Our goal is that the ratios should reflect a financial standing comparable with an investment grade rating. Accordingly, the level of tolerated by the Group on a recourse basis is oriented towards meeting those targets.

The following chart shows the future contractual undiscounted payments on financial liabilities as of December 31, 2010 and December 31, 2009 (repayments, capital repayments, interest and derivatives with negative fair values). With derivative financial liabilities to be fulfilled on a gross basis (currency derivatives), payments received and payments made are shown; with derivative financial liabilities to be fulfilled on a net basis (interest-rate and commodity derivatives), net payments are shown, whereby the cash flows on the variable side are calculated via the respective forward interest rates.

2010	Market value	**Total**	2011	2012	2013	2014-2017	> 2017
Financial debt, non-recourse	1,643.4	**3,225.4**	153.5	114.3	108.9	557.8	2,290.9
Financial debt, recourse, excluding finance leases	251.6	**268.4**	91.1	6.0	171.1	0.1	0.1
Finance leases, recourse	20.8	**31.8**	6.0	2.6	1.9	4.6	16.7
Liabilities	1,437.0	**1,437.0**	1,432.2	1.8	1.2	1.3	0.5
Other financial, non-derivative liabilities	358.9	**376.3**	343.9	5.4	4.4	3.0	19.6
Derivative financial liabilities to be fulfilled on a net basis	190.1	**205.6**	42.1	36.6	27.3	43.2	56.4
Derivative financial liabilities to be fulfilled on a gross basis	26.1						
Payments received		**1,072.5**	1,030.5	30.4	3.4	8.2	0.0
Payments made		**1,085.5**	1,041.3	30.8	3.9	9.5	0.0
		13.0	10.8	0.4	0.5	1.3	0.0

2009	Market value	**Total**	2010	2011	2012	2013-2016	> 2016
Financial debt, non-recourse	1,902.2	**3,915.0**	158.2	137.3	130.1	613.5	2,875.9
Financial debt, recourse, excluding finance leases	265.2	**293.1**	21.4	91.6	6.7	173.4	0.0
Finance leases, recourse	88.4	**107.5**	26.1	23.3	17.5	20.2	20.4
Liabilities	1,999.8	**1,999.8**	1,996.2	0.7	0.3	2.3	0.3
Other financial, non-derivative liabilities	431.3	**431.8**	405.2	16.2	1.0	0.3	9.1
Derivative financial liabilities to be fulfilled on a net basis	160.7	**265.4**	55.0	40.0	25.6	21.3	123.5
Derivative financial liabilities to be fulfilled on a gross basis	18.0						
Payments received		**466.5**	430.7	35.1	0.7	0.0	0.0
Payments made		**484.8**	448.0	36.1	0.7	0.0	0.0
		18.3	17.3	1.0	0.0	0.0	0.0

With its international operations, the Bilfinger Berger Group subject to various *market-price risks*, relating in particular to currency exchange rates, interest rates, raw-materials prices and the market values of financial investments. Our central risk management allows us to net out cash flows and financial positions to a large extent. We make use of derivative financial instruments to minimize residual risks and the resulting fluctuations in earnings, valuations and cash flows. We do not undertake any financial transactions beyond the underlying business risk. Fundamental questions of risk management such as defining or reviewing methods, limits or risk strategies are dealt with by a steering committee with the direct involvement of the Executive Board.

Currency risk is the risk that the fair values or future payments of financial instruments might change due to exchange-rate movements. We use currency futures or currency options to hedge risks relating to foreign-currency cash flows and balance sheet items denominated in foreign currencies. We generally hedge against transaction risks in the project business for the entire project period immediately after a contract is received. In some cases this is already done during the bidding phase. Risk management takes place with the use of specified risk limits for outstanding foreign-exchange items, their value at risk and marked-to-market results. All future cash flows that are not denominated in the functional currency of the respective company of the Group are subject to currency risk.

Interest-rate risk is the risk that the fair values or future payments of financial instruments might change due to movements in market interest rates. We counteract the risks of interest-rate changes by continually reviewing and, when required, adjusting the composition of recourse liabilities subject to fixed and variable interest rates. We assess risks with consideration of future needs for new financing or refinancing on the basis of a cash-flow-at-risk model. The borrowing costs budgeted within the scope of the cost-of-capital model serve as a point of reference. To manage this, we generally apply derivative financial instruments such as interest-rate swaps and swaptions.

In the area of non-recourse project financing, however, liabilities are hedged with full maturity matching with the use of interest-rate swaps. Changes in market value occurring in this context must be reflected in the balance sheet, but they have no impact on the success of the relevant project or on the Group's cash flows. Inflation risks are subsumed under interest-rate risk. Inflation risk is the risk that the fair values or future payments of financial instruments might change due to movements in inflation rates or price indices.

Raw-material price risk is the risk of changes in the market prices of those raw materials that the Group purchases. Whenever possible, hedging against price fluctuations of raw materials is undertaken on the basis of fixed-price agreements for deliveries or sliding-price clauses for consumption at a physical level. If this is not possible, hedging is carried out with the use of commodity swaps, for diesel fuel or bitumen, for example.

Bilfinger Berger uses the value-at-risk method to quantify market-price risks. The value at risk is the potential loss of a particular risk position that with a probability of 95 percent will not be exceeded during the next five days. The calculation takes place on the basis of the variance-covariance approach. The value at risk is the maximum possible loss on the basis of the specified parameters, but does not make a statement on the distribution of loss or expected extent of loss if it is actually exceeded.

When calculating the value at risk for currency risks, potential changes in the valuation of the mnetary financial instruments (cash and cash equivalents, receivables, interest-bearing debt, liabilities) that are not denominated in the functional currency and currency derivatives are taken into consideration. The increase compared with 2009 primarily reflects the hedging of the purchase price for the sale of Valemus Australia. Most of the hedges are cash-flow hedges, so these currency risks have no impact on earnings, but are taken directly to equity. The value at risk for the risk of changes in interest rates takes into consideration potential changes in the valuation of financial instruments that are measured at fair value. As this mainly involves interest-rate swaps designated as hedging instruments in the context of cash-flow hedges, the risk of a change in interest rates mainly relates to income and expense recognized directly in equity (unrealized gains/losses on hedging instruments) and not to profit and loss.

The periodic effects are determined by relating the hypothetical changes in the risk variables to the volume of financial instruments held on the balance sheet date. It is assumed that the volume at the balance sheet date is representative for the whole year.

Value-at-risk	**2010**	**2009**
Currency risk	11.8	2.4
Interest-rate risk	17.7	27.0

Due to the consistent application of the financing policy, there were no negative effects on the Group's financial position or earnings also in 2010.

Hedging instruments

IAS 39 includes special accounting regulations that are intended to avoid a presentation of hedging instruments that does not properly reflect the financial situation by synchronizing or compensating for changes in the values of the underlying hedged items and hedging instruments (*hedge accounting*). Hedge accounting is applied if there are permissible hedged items and hedging instruments and a permissible hedging relationship, documentation of the hedging relationship, and evidence of an effective hedging context. An effective hedging relationship exists if the changes in value of hedged items are largely compensated for by changes in the value of the hedging instrument.

Cash-flow hedges serve to hedge future cash flows against exposure to changes in currency exchange rates and interest rates.

Bilfinger Berger uses cash-flow hedges to hedge exposure to interest-rate risks and inflation risks primarily in connection with the financing of private-sector concession projects. Variable-interest payments are transformed into fixed-interest payments with the use of interest swaps and variable inflation-indexed payments are transformed into payments with fixed price increases with the use of inflation swaps. In addition, cash-flows hedges are used to hedge against currency risks for fixed obligations off the balance sheet.

During the year 2010, unrealized losses on the valuation of derivative financial instruments of €93.4 million after taxes were recognized in other comprehensive income (2009: gains of €1.3 million). In this period, losses of €42.7 million after taxes were reclassified into interest result on concession projects and net interest result (2009: losses of €27.7 million). In addition, net profit for the year 2010 includes a gain of €0.1 million from the valuation of derivative financial instruments that were hedge-ineffective pursuant to IAS 39 (2009: loss of €1.1 million).

The following overview shows when the hedged interest payments to be made (variable interest-bearing non-recourse financial debt from concession projects and variable interest-bearing components of the recourse promissory-note loan) and when the hedged inflation-indexed payments to be received from concession projects actually flow and are recognized in profit and loss:

Expected interest payments to be made	2011	2012	2013	2014-2017	> 2017
2010	26.6	30.9	39.3	195.2	777.5
	2010	2011	2012	2013-2016	> 2016
2009	18.2	37.7	52.5	264.4	1,043.5

Expected inflation-indexed payments to be received	2011	2012	2013	2014-2017	> 2017
2010	27.4	27.9	28.5	121.5	1,177.2
	2010	2011	2012	2013-2016	> 2016
2009	10.0	23.9	24.1	102.5	1,041.6

The payments to be made for firm commitments hedged against currency risks amount to €9.3 million in 2012 (2009: €9.3 million in 2010), the hedged payments to be received amount to €332.0 million, primarily in 2011.

The following table shows the *fair values* of the various types of derivative financial instruments that Bilfinger Berger uses to hedge market-price risks. A difference is made depending on whether they are hedge-effective or hedge-ineffective pursuant to IAS 39.

	2010	2009
Derivatives with positive fair values		
hedge effective		
Interest and inflation swaps	6.3	4.9
Currency derivates	0.6	0.2
	6.9	**5.1**
hedge ineffective		
Interest-rate swaps	0.0	0.2
Forward exchange contracts and options	13.1	7.6
	13.1	**7.8**
Total derivatives with positive fair values	**20.0**	**12.9**
Derivatives with negative fair values		
hedge effective		
Interest and inflation swaps	188.3	155.9
Currency derivates	10.8	0.0
	199.1	**155.9**
hedge ineffective		
Interest-rate swaps	1.3	3.5
Forward exchange contracts and options	15.3	18.0
Commodity derivatives	0.5	1.3
	17.1	**22.8**
Total derivatives with negative fair values	**216.2**	**178.7**

30. Additional information on capital management

The goal of capital management at Bilfinger Berger is to maintain a strong financial profile. In particular, it aims to secure appropriate dividend payments for shareholders and debt servicing for creditors. Bilfinger Berger's long-term capital management is based on considerations for the optimization of total cost of capital while safeguarding financial flexibility. From this perspective, equity and borrowed capital (excluding non-recourse financial debt) are taken into account. The optimal capital structure reflects a financial standing comparable to an investment grade rating.

On the basis of mid-term corporate planning and with a view to various acquisition and development scenarios, the financial scope for action is regularly analyzed in terms of any action that might need to be taken.

In addition to a dynamic debt-equity ratio and cash-flow protection, gearing is another important management tool. It is calculated as the quotient of net debt (excluding non-recourse financial debt) and equity (including minority interest).

At December 31, 2010 and December 31, 2009, it is comprised as follows:

	2010	2009
Equity	1,812.2	1,561.4
Net liabilities	47.6	–158.1
Financial debt (excluding non-recourse)	272.4	353.6
Retirement benefit obligation	312.7	286.7
Cash and cash equivalents	–537.5	–798.4
Gearing (adjusted debt-equity ratio)	0.0	–0.1

There are no external minimum capital requirements.

31. Contingent liabilities and other financial obligations

	2010	2009
Liabilities from guarantees	56.7	58.4

Contingent liabilities were primarily for the performance of contracts, warranties and advance payments. On the balance sheet date, our guarantees were mainly for associated companies, consortiums and joint ventures. In addition, we are jointly and severally liable as partners in companies constituted under the German Civil Code and in connection with consortiums and joint ventures.

Other financial obligations relate to operating leases and long-term rental and lease agreements.

	Minimum lease payments on operating leases		Other financial obligations (rents)	
	2010	**2009**	**2010**	**2009**
< 1 year	34.0	34.6	56.4	64.4
1-5 years	50.0	50.4	95.7	124.2
> 5 years	6.0	11.4	35.4	37.4

The decrease in other financial obligations resulted from the classification of Valemus Australia as discontinued operations in 2010.

The expenses of operating leases and long-term rental and lease agreements recognized in profit and loss amounted to €151.4 million in 2010 (2009: €111.2 million).

32. Notes to the statement of cash flows

The cash flow from operating activities of continuing and discontinued operations includes the following items in 2010:

	2010	**2009**
Interest payments	24.1	26.0
Interest received	10.4	16.7
Income tax payments	66.1	76.4
Tax refunds	2.5	2.8

Payments made for investments in financial assets of continuing and discontinued operations include €131.1 million for the acquisition of equity interests (2009: €255.7 million) and €71.4 million for capital contributions or loans to concession companies (2009: €112.6 million). Proceeds from the disposal of financial assets in the amount of €35.1 million relate to the sale of investments.

33. Events after the balance sheet date

There have been no significant events since the balance sheet date.

Other disclosures

34. Supervisory Board and Executive Board

The members of the Supervisory and Executive Board are listed in the chapter on Boards of the Company.

The total remuneration of the members of the Executive Board comprised the following components:

- Fixed salaries of €2,812 thousand (2009: €3,175 thousand)
- Bonuses of €5,005 thousand (2009: €3,887 thousand)
- Special payments of €225 thousand (2009: €0 thousand)
- Severance pay and compensation of €3,299 thousand (2009: €0 thousand)
- Remuneration with a long-term incentive effect in an arithmetical amount when granted of €2,017 thousand (2009: €770 thousand)
- Non-cash benefits of €354 thousand (2009: €280 thousand)
- Pension commitments; for 2010, payments of €1,095 thousand were made to external pension institutions (2009: €1,495 thousand), with return flows to Bilfinger Berger of €217 thousand (2009: €119 thousand).

Additional details including individualized remuneration are provided in the remuneration report, which is a part of the management report.

The total remuneration paid to former members of the Executive Board or their surviving dependents amounted to €2,496 thousand (2009: €2,535 thousand). The present value of future pension obligations for those persons calculated according to IAS 19 amounts to €27,456 thousand (2009: €28,003 thousand).

The total remuneration paid to members of the Supervisory Board amounted to €2,056 thousand (2009: €1,769 thousand), including expenses of €49 thousand (2009: €40 thousand). These payments are shown in individualized form in the remuneration report.

35. Related-party disclosures

Related parties as defined by IAS 24 are persons or entities that can be significantly influenced by the reporting company or that can exert a significant influence on the reporting company.

The significant transactions between fully consolidated companies of the Group and related parties mainly involved associated companies, joint ventures and non-consolidated subsidiaries. They are shown in the table below.

	Associates		Joint ventures		Non-consolidated subsidiaries	
€ million	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
Revenues	426	413	0	0	4	1
Services received	9	36	0	1	2	4
Receivables	84	61	88	7	14	19
Liabilities	87	67	0	0	6	9
Guarantees granted	11	14	2	1	9	9

36. Auditors' fees

The amounts listed below cover all of the services provided to the companies of the Bilfinger Berger Group by our external auditors, Ernst & Young, in the 2010 financial year. The amounts of these services provided by Ernst & Young GmbH Wirtschaftsprüfunsgesellschaft are shown as such in the following table.

€ thousand	2010	2009
Audit fees	6,128	6,229
thereof in Germany	2,850	3,142
Other assurance fees	3,972	2,060
thereof in Germany	1,851	1,944
Tax-consulting services	762	2,242
thereof in Germany	250	1,192
Other services	334	334
thereof in Germany	205	236
Total	**11,196**	**10,865**

37. Average number of employees

	2010	2009
Office staff		
Germany	11,546	11,443
International	11,383	10,505
Manual workers		
Germany	11,261	11,629
International	23,747	20,297
Total workforce	**57,937**	**53,874**

The total number of employees relates to the continuing operations. The workforce of the Valemus Group comprises 6,392 employees (2009: 6,074).

38. Declaration of compliance

Bilfinger Berger SE is included in the consolidated financial statements as a listed company.

As prescribed by Section 161 of the German Stock Corporation Act, an annual declaration of compliance was issued by the Executive Board and the Supervisory Board on July 30, 2010, and on that date was made permanently available to the shareholders on Bilfinger Berger's Internet website.

39. List of subsidiaries and equity interests of Bilfinger Berger SE

As of December 31, 2010

A. Fully consolidated companies

I. German companies exempted pursuant to Section 264 Paragraph 3 and/or Section 264b of the German Commercial Code (HGB)

	Equity interest %
abbakus GmbH & Co. KG, Ottobrunn	100
Achatz GmbH Bauunternehmung, Mannheim	100
ahr careclean GmbH, Oberhausen	100
ahr catering GmbH, Oberhausen	100
ahr Service GmbH, Oberhausen	100
ahr servita GmbH, Oberhausen	100
Babcock Borsig Anlagenservice GmbH, Oberhausen	100
Babcock Borsig Service GmbH, Oberhausen	100
Babcock Noell GmbH, Würzburg	100
bauperformance GmbH, Frankfurt	100
BBFS Alpha Verwaltungs GmbH, Mannheim	100
BBFS Beta Verwaltungs GmbH, Mannheim	100
BBS Schalungsbau GmbH, Bobenheim-Roxheim	100
BBV Systems GmbH, Bobenheim-Roxheim	100
bebit Informationstechnik GmbH, Mannheim	100
BHR Hochdruck-Rohrleitungsbau GmbH, Essen	100
Bilfinger Berger Facility Services GmbH, Neu-Isenburg	100
Bilfinger Berger Government Services GmbH, Mainz	100
Bilfinger Berger Hochbau GmbH, Frankfurt	100
Bilfinger Berger Industrial Services GmbH, Munich	100
Bilfinger Berger Ingenieurbau GmbH, Wiesbaden	100
Bilfinger Berger Instandsetzung GmbH, Munich	100
Bilfinger Berger Nigeria GmbH, Wiesbaden	100
Bilfinger Berger Parking GmbH, Frankfurt	100
Bilfinger Berger PI Corporate Services GmbH, Wiesbaden	100
Bilfinger Berger Power Services GmbH, Oberhausen	100
Bilfinger Berger Real Estate Management GmbH, Mannheim	100
Bilfinger Berger Regiobau GmbH, Freiburg	100
Bilfinger Berger Spezialtiefbau GmbH, Frankfurt	100
BIS arnholdt GmbH, Gelsenkirchen	100
BIS E.M.S. GmbH, Cloppenburg	100
BIS Heinrich Scheven GmbH, Erkrath	80
BIS Industrieservice Nordwest GmbH, Dortmund	95
BIS Industrieservice Süd GmbH, Puchheim	95
BIS Isoliertechnik Nord GmbH, Leuna	81
BIS Maintenance Südwest GmbH, Leimen	89
BIS OKI Isoliertechnik GmbH, Pforzheim	87
BIS Prozesstechnik GmbH, Frankfurt	98
BIS Rohrleitungsbau GmbH, Bitterfeld	84
EPM Allvaris GmbH, Düsseldorf	100
EPM Assetis GmbH, Frankfurt	100
EPM Gewerbe & Logistik GmbH, Düsseldorf	100
Euro Asset Management GmbH, Frankfurt	100
Euro Property Management EPM GmbH, Frankfurt	100
Fondsmanagement Düsseldorf GmbH, Düsseldorf	100
Friedrich Eisen-GmbH, Mannheim	100
GBV Versicherungsvermittlung GmbH, Mannheim	100
Gottlieb Tesch Straßen- und Leitungsbau GmbH, Bad Freienwalde	100
HSG Zander AS GmbH, Neu-Isenburg	100
HSG Zander BS GmbH, Neu-Isenburg	100
HSG Zander culinaress GmbH, Ottobrunn	100
HSG Zander Event Services GmbH, Neu-Isenburg	100
HSG Zander GmbH, Neu-Isenburg	100
HSG Zander International GmbH, Neu-Isenburg	100

	Equity interest %
HSG Zander IS GmbH, Neu-Isenburg	100
HSG Zander Nord GmbH, Neu-Isenburg	100
HSG Zander Nordost GmbH, Neu-Isenburg	100
HSG Zander Ost GmbH, Neu-Isenburg	100
HSG Zander Rhein-Main GmbH, Neu-Isenburg	100
HSG Zander Rhein-Ruhr GmbH, Neu-Isenburg	100
HSG Zander Süd GmbH, Neu-Isenburg	100
HSG Zander Südost GmbH, Neu-Isenburg	100
HSG Zander Südwest GmbH, Neu-Isenburg	100
HSG Zander Württemberg GmbH, Neu-Isenburg	100
Hüser & Co. GmbH, Mannheim	100
J. Wolfferts GmbH, Berlin	100
J. Wolfferts GmbH, Bonn	100
J. Wolfferts GmbH, Essen	100
J. Wolfferts GmbH, Cologne	100
J. Wolfferts GmbH, Mannheim	100
Kraftwerks- und Industrieservice GmbH, Peitz	100
MCE Aschersleben GmbH, Aschersleben	100
MCE Berlin GmbH, Berlin	100
Modernbau GmbH, Saarbrücken	100
Passavant - Geiger GmbH, Aarbergen	100
proactive GmbH flexible work, Oberhausen	100
R&M Ausbau Berlin GmbH, Berlin	90
R&M Ausbau Frankfurt GmbH, Rödermark	80
R&M Ausbau GmbH, Munich	100
R&M Ausbau Leipzig GmbH, Leipzig	98
R&M Ausbau Mannheim GmbH, Mannheim	85
R&M Ausbau München GmbH, Munich	75
R&M Kühllagerbau Bielefeld GmbH, Bielefeld	83
R&M Kühllagerbau Holding GmbH, Bielefeld	100
R&M Kühllagerbau Mannheim GmbH, Mannheim	95
Roediger Vacuum GmbH, Hanau	100
Sanicalor Sanitäre Installations- und Heizungsgesellschaft mit beschränkter Haftung, Cologne	100
Steinmüller-Instandsetzung Kraftwerke Gesellschaft für Energie-und Umwelttechnik mbH, Peitz	100
STS Steinmüller Siemers GmbH, Bremen	89
SVA Verkehrssicherungs-Anlagen GmbH, Saarbrücken	100
TESCH Industrie- und Rohrleitungsbau GmbH, Essen	100
Wolfferts Haus- und Wärmetechnik GmbH, Cologne	100

A. Fully consolidated companies
II. Other German companies

	Equity interest %
Babcock Rohrleitungsbau GmbH, Osterode	100
BAR Industrieservice GmbH, Brunsbüttel	51
bauserve GmbH, Frankfurt	90
BB Alpha PPP-Projektgesellschaft mbH, Frankfurt	100
BB Entsorgung HB GmbH, Mannheim	100
BB Infrastructure Services GmbH, Mannheim	100
Bilfinger Berger A1 mobil GmbH, Wiesbaden	100
Bilfinger Berger Entsorgung GmbH, Mannheim	100
Bilfinger Berger Entsorgung Nord GmbH, Hamburg	100
Bilfinger Berger Middle East Construction Holding GmbH, Wiesbaden	100
Bilfinger Berger PI Australia Holding GmbH, Wiesbaden	100
Bilfinger Berger PI Europe Holding GmbH, Wiesbaden	100
Bilfinger Berger Project Investments GmbH, Wiesbaden	100
Bilfinger Berger Real Estate GmbH & Co. KG, Mannheim	100
BIS Equipment Service GmbH, Munich	100
BIS Gas Turbine Systems GmbH, Bremen	93
BIS Gerätetechnik Deutschland GmbH, Bochum	100
BIS Gerber GmbH, Dortmund	81
BIS HIMA GmbH, Heinsberg	100
BIS IKF GmbH, Oststeinbek	93
BIS Industrieservice Mitte GmbH, Frankfurt	96
BIS Industrieservice Nord GmbH, Hamburg	100
BIS Industrieservice Nordost GmbH, Kavelstorf	100
BIS Industrietechnik Minden GmbH, Minden	100
BIS Maintenance Nord GmbH, Leuna	100
BIS Montageservice Deutschland GmbH, Leuna	100
BIS Montageservice GmbH, Kavelstorf	100
BIS Rohrbau Grenzach GmbH, Grenzach-Wyhlen	100
BIS Shared Services Leuna GmbH, Leuna	100
BIS TSG Industrieservice GmbH, Gersthofen	100
BIS Turnaround GmbH, Ludwigshafen	100
Caecilium Coeln GmbH, Cologne	100
CEC Construction Engineering + Contracting GmbH, Wiesbaden	100
Djuro Djakovic Montage GmbH, Oberhausen	81
EPM InServ GmbH, Wiesbaden	100
EPM Wohnen GmbH, Frankfurt	100
Fondsmanagement Berlin GmbH, Berlin	100
HSG Zander Automotive GmbH, Neu-Isenburg	100
HSG Zander City Light & Services GmbH, Neu-Isenburg	51
HSG Zander FS GmbH, Neu-Isenburg	100
HSG Zander Hausmeister Services GmbH, Neu-Isenburg	100
HSG Zander Security & Services GmbH, Neu-Isenburg	100
MCE Industrieservice Deutschland GmbH, Leuna	100
MCE Industrietechnik West GmbH, Bochum	100
MCE Treasurymanagement GmbH, Leuna	100
PASSAVANT-INTECH GmbH, Rimpar	100
PASSAVANT-ROEDIGER CONTROLS GmbH, Aarbergen	100
Patientendienste Rosenheim GmbH, Rosenheim	89
Peters Engineering AG, Ludwigshafen	52
PJB Beteiligungs-GmbH, Wiesbaden	100
PKB GmbH Ingenieurbüro, Frankfurt	75
PPP Schloss Sonnenstein GmbH, Frankfurt	100
PPP Schulen Halle GmbH, Halle	100
PPP Schulen Landkreis Hof GmbH, Frankfurt	100

	Equity interest %
Projekt- und Betriebsgesellschaft Kreishaus Unna mbH, Unna	90
Projektgesellschaft Justizvollzug Burg GmbH & Co. KG, Burg	90
PSG Perfekt Service GmbH, Dreieich	100
PTZ Kiel Beteiligungs GmbH, Wiesbaden	100
R&M Ausbau Hamburg GmbH, Hamburg	85
R&M Ausbau Stuttgart GmbH, Schönaich	100
R&M Baudienstleistungen GmbH, Munich	100
R&M International GmbH, Oberhausen	100
Roediger BioEnergie GmbH, Hanau	100
Roediger Gebäudetechnik GmbH, Hanau	100
Roediger Grundbesitz GmbH, Hanau	100
Rotring Engineering AG, Buxtehude	100
Sönnichsen & Görtz Baugesellschaft mbH, Hamburg	100
TBS Technische Betriebs- und Service Gesellschaft Chemnitz mbH, Chemnitz	51
TWP Ingenieurbüro GmbH, Hattingen	90
TYROBE Vertriebsgesellschaft für Haus- und Labortechnik mbH, Cologne	100
Washington Zander Global Services GmbH, Stuttgart	70

A. Fully consolidated companies III. Outside Germany	Equity interest %
Abigroup Asset Developments Pty Limited, Sydney, Australia	100
Abigroup Contractors Pty Limited, Belmont, Australia	100
Abigroup Limited, Sydney, Australia	100
Abigroup Management Services Pty Limited, Sydney, Australia	100
Abigroup Mining Services Pty Limited, Sydney, Australia	100
Abigroup Properties Pty Limited, Sydney, Australia	100
Abigroup Services Pty Limited, Sydney, Australia	100
AIRVAC, Inc., Rochester, Indiana, USA	100
Australian Pacific Technologies Pty Limited, Sydney, Australia	100
Babcock Borsig Service Arabia Ltd., Dammam, Saudi Arabia	100
Baulderstone Holdings Pty Limited, Sydney, Australia	100
Baulderstone Hornibrook Engineering Pty Limited, Sydney, Australia	100
Baulderstone Hornibrook International Pty Limited, Sydney, Australia	100
Baulderstone Hornibrook Projects Pty Limited, Sydney, Australia	100
Baulderstone Pty Limited, Sydney, Australia	100
Baulderstone Queensland Pty Limited, Sydney, Australia	100
Baulderstone Services Pty Limited, Sydney, Australia	100
BBPI (Aegis) Holdings Pty Ltd, Melbourne, Australia	100
BBV Systems Co. Ltd., Bangkok, Thailand	100
BBV Systems Sp. z o.o., Gdańsk, Poland	100
BEDFORD EDUCATION PARTNERSHIP HOLDINGS LIMITED, Egham, Surrey, United Kingdom	100
BEDFORD EDUCATION PARTNERSHIP LIMITED, Egham, Surrey, United Kingdom	100
Beheermaatschappij Brabant Mobiel B.V., Oosterhout, Netherlands	90
BHR Piping (Pty) Ltd., Rivonia, South Africa	75
BILFINGER BERGER AMBIENTE S.r.l., Bolzano, Italy	100
Bilfinger Berger Baugesellschaft m.b.H., Vienna, Austria	100
Bilfinger Berger Budownictwo S.A., Warsaw, Poland	100
Bilfinger Berger Building Polska Sp. z o.o., Warsaw, Poland	100
Bilfinger Berger (Canada) Inc., Vancouver, Canada	100
Bilfinger Berger Civil Hungária Kft., Budapest, Hungary	100
Bilfinger Berger Civil Inc., Vancouver, Washington, USA	100
Bilfinger Berger Civil Odenplan AB, Stockholm, Sweden	100
Bilfinger Berger Civil Pty. Ltd., Sydney, Australia	100
Bilfinger Berger Civil UK LIMITED, Warrington, Cheshire, United Kingdom	100
Bilfinger Berger Emirates Construction B.V., Rotterdam, Netherlands	100
Bilfinger Berger Emirates Construction LLC, Abu Dhabi, United Arab Emirates	100
Bilfinger Berger Facility Services Holding Switzerland AG, Wallisellen, Switzerland	100
Bilfinger Berger Finance (HK) Limited, Hong Kong, People's Republic of China	100
Bilfinger Berger Funderingstechnieken B.V., Roermond, Netherlands	100
Bilfinger Berger Government Services s.r.l., Bolzano, Italy	100
Bilfinger Berger Industrial Services (UK) Limited, Aberdeen, United Kingdom	99
Bilfinger Berger Industrial Services Rohrbau Pratteln AG, Pratteln, Switzerland	100
Bilfinger Berger Industrial Services Spain S.A., Madrid, Spain	95
Bilfinger Berger Industrial Services Swiss AG, Zofingen, Switzerland	100
Bilfinger Berger KVH Holdings Inc., Vancouver, Canada	100
Bilfinger Berger P.I. (Finance) Ltd., Maidenhead, Berkshire, United Kingdom	100
Bilfinger Berger Power Holdings (pty) Ltd., Rivonia, South Africa	100
Bilfinger Berger Project Development S.á.r.l., Senningerberg, Luxembourg	100
Bilfinger Berger Project Investments Inc., Ontario, Canada	100
Bilfinger Berger Project Investments Limited, Maidenhead, Berkshire, United Kingdom	100
Bilfinger Berger Project Investments Pty Ltd., Sydney, Australia	100
Bilfinger Berger Project Investments S.C.A. SICAR, Senningerberg, Luxembourg	100
Bilfinger Berger Projects S.á.r.l., Senningerberg, Luxembourg	100
Bilfinger Berger Qatar W.L.L., Doha, Qatar	100

	Equity interest %
Bilfinger Berger Umwelt Hellas A.E., Thessaloniki, Greece	100
BIS Beteiligungsverwaltungs GmbH, Linz, Austria	100
BIS Chemserv GmbH, Linz, Austria	100
BIS Czech s.r.o., Most, Czech Republic	100
BIS Dunaj s.r.o., Bratislava, Slovakia	99
BIS Engineering s.r.o., Prague, Czech Republic	87
BIS Equipment AB, Uddevalla, Sweden	100
BIS Frucon Engineering Inc., Ballwin, Missouri, USA	100
BIS Frucon Industrial Services Inc., Ballwin, Missouri, USA	100
BIS Gerätetechnik GmbH, Wels, Austria	100
BIS Guernsey Limited, St. Peter Port, Guernsey	99
BIS Hungary Kft., Budapest, Hungary	99
BIS Industrial Services België N.V., Antwerp, Belgium	89
BIS Industrial Services Limited, Runcorn, Cheshire, United Kingdom	99
BIS Industrial Services N.A. Inc., Ballwin, Missouri, USA	100
BIS Industrial Services Nederland B.V., Brielle, Netherlands	89
BIS Industrial Services Austria GmbH, Linz, Austria	100
BIS Industrial Services Sweden AB, Karlstad, Sweden	100
BIS Industrier AS, Sandnes, Norway	84
BIS Industrietechnik Polska Sp. z o.o., Kraków, Poland	100
BIS Industrietechnik Salzburg GmbH, Salzburg, Austria	100
BIS Industriteknik AB, Gävle, Sweden	99
BIS Insulation B.V., Brielle, Netherlands	89
BIS International Construction and Trading N.V., Schoten, Belgium	89
BIS Isenta AB, Kungälv, Sweden	100
BIS Isenta Norr AB, Örnsköldsvik, Sweden	100
BIS IZOMAR Sp. z o.o., Warsaw, Poland	95
BIS MainServ Sp. z o.o., Warsaw, Poland	87
BIS Mixab AB, Uddevalla, Sweden	100
BIS Multiserwis Sp. z o.o., Krapkowice, Poland	81
BIS Personalservice Austria GmbH, Linz, Austria	100
BIS plettac Sp. z o.o., Ostrzeszów, Poland	78
BIS Prefal Isolamentos Térmicos Lda., Lisbon, Portugal	100
BIS Production Partner AB, Stenungsund, Sweden	99
BIS Production Partner AS, Porsgrunn, Norway	99
BIS Production Partner Holding AS, Porsgrunn, Norway	99
BIS Production Partner IFS AS, Porsgrunn, Norway	99
BIS Production Partner IM AS, Porsgrunn, Norway	99
BIS Production Partner Interpipe AB, Stenungsund, Sweden	99
BIS Production Partner Oy, Orimattila, Finland	99
BIS ROB Montagebedrijf N.V., Beveren, Belgium	95
BIS ROB Zeeland B.V., Terneuzen, Netherlands	95
BIS Salamis (M&I) Limited, Aberdeen, United Kingdom	99
BIS Salamis Inc., Broussard, Louisiana, USA	100
BIS Salamis International Limited, Aberdeen, United Kingdom	99
BIS Salamis Limited, Suffolk, United Kingdom	99
BIS Scaffolding B.V., Brielle, Netherlands	89
BIS Shared Services B.V., Brielle, Netherlands	89
BIS Shared Services Austria GmbH, Linz, Austria	100
BIS Slovensko s.r.o., Rovinka, Slovakia	100
BIS Standortservices Linz GmbH, Linz, Austria	100
BIS Tepsco Inc., Deer Park, Texas, USA	100
BIS VAM Anlagentechnik GmbH, Wels, Austria	100
BIS Willich GmbH, Vienna, Austria	85

	Equity interest %
BIS Willich Industrial Services Limited, Dublin, Ireland	100
BIS Willich Limited, Dublin, Ireland	100
BIS Willich Management and Consulting Company Belgium N.V., Antwerp (Schoten), Belgium	89
Bohr- und Rohrtechnik GmbH - BIS, Vienna, Austria	100
Centennial Contractors Enterprises Inc., Reston, Virginia, USA	100
Centennial Holding Corporation, Wilmington, Delaware, USA	100
CHEMOPETROL CHEMBUILD s.r.o., Most, Czech Republic	100
CIS Infrastructure Pty Limited, Sydney, Australia	100
CIS Projects Pty Lmited, Sydney, Australia	100
CIS Roads Pty Limited, Sydney, Australia	100
CIS Victoria Pty Limited, Sydney, Australia	100
CIS Water Pty Limited, Sydney, Australia	100
Clackmannanshire Schools Education Partnership (Holdings) Ltd., Maidenhead, Berkshire, United Kingdom	85
Clackmannanshire Schools Education Partnership Ltd., Maidenhead, Berkshire, United Kingdom	85
Conneq Industrial Infrastructure Services Pty Ltd. Brisbane, Australia	100
Conneq Infrastructure Services (Australia) Pty Limited, Sydney, Australia	100
Conneq Infrastructure Services (Holding) Pty Limited, Sydney, Australia	100
Conneq Infrastructure Services (New Zealand) Pty Limited, Auckland, New Zealand	100
COVENTRY EDUCATION PARTNERSHIP HOLDINGS LIMITED, London, United Kingdom	100
COVENTRY EDUCATION PARTNERSHIP LIMITED, London, United Kingdom	100
CROSS CITY TUNNEL Pty Limited, Sydney, Australia	100
Deutsche Babcock LLC, Abu Dhabi, United Arab Emirates	90
Deutsche Babcock Middle East FZE, Abu Dhabi, United Arab Emirates	100
Duro Dakovic Montaža d.d., Slavonski Brod, Croatia	81
EPM Assetis Mülk Yönetim Hizmetleri Ticaret Limited fiirketi, Istanbul, Turkey	100
EPM Eurasia Ticaret Limited Şirketi, Istanbul, Turkey	51
EPM Swiss Property Management AG, Wallisellen, Switzerland	100
Euro Ressurs AS, Sandnes, Norway	84
EUROMONT GROUP a.s., Most, Czech Republic	100
Fire Support (SSFR) Holdings Ltd., Staffordshire, United Kingdom	85
Foreshore Asset Holdings Pty Limited, Sydney, Australia	100
FRU-CON Construction Corporation, Woodbridge, Virginia, USA	100
FRU-CON Holding Corporation, Woodbridge, Virginia, USA	100
Golden Crossing Holdings Inc., Vancouver, Canada	100
HEATEC COMPANY LIMITED, Laemchabang, Thailand	100
Highway Management (City) Holdings Ltd., Belfast, Northern Ireland	75
HSG Austria Corporate Services GmbH, Vienna, Austria	100
HSG Zander CZ s.r.o., Prague, Czech Republic	100
HSG Zander Danmark A/S, Copenhagen, Denmark	100
HSG Zander España S.A., Madrid, Spain	100
HSG Zander Facility Services Yönetim Hizmetleri ve Ticaret Limited fiirketi, Istanbul, Turkey	100
HSG Zander GmbH, Vienna, Austria	64
HSG Zander Hungaria Kft., Budapest, Hungary	100
HSG Zander Ireland Limited, Dublin, Ireland	100
HSG Zander KRK O.O.O., Krasnojarsk, Russia	100
HSG Zander KZN O.O.O., Kazan, Russia	100
HSG Zander Luxembourg Sarl, Luxembourg, Luxembourg	100
HSG Zander Polska Sp. z o.o., Warsaw, Poland	100
HSG Zander RND, Rostov-on-Don, Russia	100
HSG Zander Romania S.R.L., Bucharest, Romania	100
HSG Zander RUS O.O.O., Moscow, Russia	100
HSG Zander (Switzerland) AG, Schaffhausen, Switzerland	100
HSG Zander Services Limited, Dublin, Ireland	100
HSG Zander Slovakia s.r.o., Bratislava, Slovakia	100

	Equity interest %
HSG Zander SPB O.O.O., St. Petersburg, Russia	100
HSG Zander UK Limited, Gloucester, United Kingdom	100
HSG Zander UKR O.O.O., Kiev, Ukraine	100
Hydrobudowa-6 S.A., Warsaw, Poland	100
I Power Solutions (WA) Pty Ltd, Perth, Australia	100
Industrial & Marine Electrics Pty Ltd, Cairns, Australia	100
iNTACT Technische Gebäudemanagement Gesellschaft m.b.H., St. Pölten, Austria	90
International Contracting Services LTD, Nassau, Bahamas	100
Intervalve (pty) Ltd., Rivonia, South Africa	50
iPower Solutions Pty Ltd, Brisbane, Australia	100
iPower Utility Services Pty Ltd., Brisbane, Australia	100
K-1 Eventservice Limited, Birmingham, United Kingdom	100
Kin Sun Construction & Engineering (Macau) Limited, Macau, People's Republic of China	100
KOG Fabricators (pty) Ltd., Alrode, South Africa	100
KOG Machine Tool & Die (Pty) Ltd., Alrode, South Africa	100
KOG Piping Systems South Africa (Pty) Ltd., Woodmead, South Africa	75
L.T.M. Industrie SAS, Toussieu, France	80
MCE Energietechnik Beteiligungs GmbH, Vienna, Austria	100
MCE Energietechnik GmbH & Co. KG, Vienna, Austria	100
MCE Industrietechnik Holding GmbH, Linz, Austria	100
MCE Industrietechnik Linz Beteiligungs GmbH, Linz, Austria	100
MCE Maschinen- und Apparatebau GmbH & Co. KG, Linz, Austria	100
MCE Maschinen- und Apparatebau GmbH, Linz, Austria	100
MCE Nyíregyháza Kft., Nyíregyháza, Hungary	100
MCE Service Polska Sp. z o.o., Kraków, Poland	81
MCE Slany s.r.o., Slany, Czech Republic	100
MCE Stahl- und Maschinenbau Beteiligungs GmbH, Linz, Austria	100
MCE Stahl- und Maschinenbau GmbH & Co. KG, Linz, Austria	100
Millennium Risk Management L.L.C., Clayton, Missouri, USA	100
Modernbau Lux S.A., Sandweiler, Luxembourg	100
OKI Swiss AG, Gebenstorf, Switzerland	55
Passavant-Geiger Envirotech (Hangzhou) Co. Ltd., Hangzhou, People's Republic of China	100
Peters Engineering France SARL, Montrouge, France	52
R&M Ausbau Luxembourg Sárl, Sandweiler, Luxembourg	85
R&M Tüchler Gesellschaft m.b.H., Vienna, Austria	90
Roediger Aktiengesellschaft, Münchenstein, Switzerland	100
RW Health Partnership Holdings Pty. Ltd., Sydney, Australia	100
S.A. Marinas Pty Limited, Sydney, Australia	100
Scottish Borders Education Partnership Holdings Ltd., Maidenhead, Berkshire, United Kingdom	75
Scottish Borders Education Partnership Ltd., Maidenhead, Berkshire, United Kingdom	75
SI UNIMONTEX s.r.o., Most, Czech Republic	100
Steinmüller Africa (pty) Ltd., Rivonia, South Africa	75
Steinmüller Engineering Services (pty) Ltd., Rivonia, South Africa	75
Steinmüller Properties Number Two (pty) Ltd., Rivonia, South Africa	100
Stoney Trail Group Holdings, Edmonton, Alberta, Canada	100
Tanis i-Power Solutions SDN BHD, Kuala Lumpur, Malaysia	100
Valemus Australia Pty Limited, Sydney, Australia	100
Valemus Finance Australia Pty Limited, Sydney, Australia	100
Valemus Risk Management Services Limited, St. Peter Port, Guernsey	100
Victorian Correctional Infrastructure Partnership Pty. Ltd., Sydney, Australia	100
Women's College Partnership, Markham, Canada	100

B. Investments in companies accounted for using the equity method I. Germany	Equity interest %
A1 mobil GmbH & Co. KG, Sittensen	43
AHR-Lippe Dienstleistungsgesellschaft mbH, Detmold	49
AK Krankenhausdienstleistungen GmbH, Essen	40
AK Service GmbH, Essen	20
A-mobil Services GmbH, Mannheim	43
APUW Service GmbH, Hamburg	50
A-Z Service GmbH, Bremen	40
Babcock Fertigungszentrum GmbH, Oberhausen	50
DSG -Dörenberg Klinik-Service-Gesellschaft mbH, Bad Rothenfelde	20
HERRENTUNNEL LÜBECK GmbH & Co. KG, Lübeck	50
Klinik Servicegesellschaft Oberberg GmbH, Lindlar	49
KMR-Reinigung-Service GmbH, Düsseldorf	90[1]
m+p management GmbH, Braunschweig	40
Mühlberger GmbH, Wiesbaden	34
MZG Clean GmbH, Bad Lippspringe	20
Partikeltherapiezentrum Kiel GmbH & Co. KG, Kiel	50
Passavant & Watec GmbH, Aarbergen	33
PMS-Petrochemicals Maintenance Services GmbH, Leuna	20
savemaxx contracting GmbH, Braunschweig	49
Stadion Frankfurt Management GmbH, Frankfurt	50
ukb-service GmbH, Berlin	25
Wohnpark Aubing GmbH & Co. Bauprojekt KG, Munich	50

[1] No controlling interest due to contractual details and legal circumstances

B. Investments in companies accounted for using the equity method II. Outside Germany	Equity interest %
ABW Abbruch, Boden- und Wasserreinigungs-Gesellschaft m.b.H., Vienna, Austria	40
Aegis Correctional Partnership Pty Ltd, Melbourne, Australia	50
Aegis Securitisation Nominees Pty Ltd, Melbourne, Australia	50
Agder OPS Finansselskap AS, Lillesand, Norway	50
Altlastensanierung und Abraumdeponie Langes Feld Gesellschaft m.b.H., Vienna, Austria	24
BILFINGER BERGER (THAI) CONSTRUCTION CO. LTD., Bangkok, Thailand	49
Brisbane Motorway Services Pty Limited, Sydney, Australia	50
Colley Terrace Pty Limited, Sydney, Australia	50
Deutsche Babcock Al Jaber W.L.L., Doha, Qatar	40
Djuro Djakovic Euromontaza d.o.o., Krsko, Slovenia	16
Duro Dakovic Consulting d.o.o., Slavonski Brod, Croatia	16
Duro Dakovic Montaža – Centar za zavarivanje d.o.o., Slavonski Brod, Croatia	16
Duro Dakovic Montaža – Dizalice d.o.o., Slavonski Brod, Croatia	20
Duro Dakovic Montaža – Odrzavanje i usluge d.o.o., Slavonski Brod, Croatia	16
Duro Dakovic Montaža Izolak d.o.o., Slavonski Brod, Croatia	16
East Down Education Partnership Ltd., Belfast, Northern Ireland	50
EBS Training (pty) Ltd., Bethal, South Africa	48
Eduardo Construction (pty) Ltd., Witbank, South Africa	30
Friday Eurotech Holding B.V., Rotterdam, Netherlands	45
Gateway Motorway Services Pty Limited, Sydney, Australia	50
gbconsortium 1 Limited, Northwood, United Kingdom	44
Glenent Pty Limited, Sydney, Australia	50
GLOUCESTER HEALTHCARE PARTNERSHIP LIMITED, London, United Kingdom	50
HEALTHCARE PROVIDERS (GLOUCESTER) LIMITED, London, United Kingdom	50
Highway Management (Scotland) Limited, Maidenhead, Berkshire, United Kingdom	42
HSG Zander MENA Holding Limited	50
Infusion Health KVH General Partnership, Vancouver, Canada	50
Julius Berger Nigeria PLC, Abuja, Nigeria	50
KENT EDUCATION PARTNERSHIP LIMITED, Maidenhead, Berkshire, United Kingdom	50
Lisburn Education Partnership Ltd., Belfast, Northern Ireland	50
M6 Duna Autópálya Koncessziós Rt., Budapest, Hungary	40
M6 Tolna Autópálya Koncessziós Zrt., Budapest, Hungary	45
Mediterranean Sea Engineering Construction Joint Stock Company, Sirte, Libya	49
Northwestconnect Holdings Inc., Edmonton, Canada	50
PASSAVANT España S.A., Barcelona, Spain	45
Pier Apartment Hotel Pty Limited, Sydney, Australia	50
Silos Sp. z o.o., Warsaw, Poland	50
Southern Way Asset Management Nominees Pty Ltd, North Sydney, Australia	33
Southern Way Holdings Pty Limited, North Sydney, Australia	33
Trans-Park Highway Holding Inc., Ontario, Canada	50
Westlink Services Pty Limited, Sydney, Australia	50

C. Non-consolidated companies I. Germany	Equity interest %
A1 mobil Verwaltungs-GmbH, Sittensen	43
A8 mobil GmbH & Co. KG, Gersthofen	43
A8 mobil Verwaltungs-GmbH, Gersthofen	43
Achatz Service GmbH, Mannheim	100
BB Beta PPP-Projektgesellschaft mbH, Frankfurt	100
BB Delta PPP-Projektgesellschaft mbH, Frankfurt	100
BB Gamma PPP-Projektgesellschaft mbH, Frankfurt	100
BB Grundbesitz GmbH, Mannheim	100
BB Rho Verwaltungs GmbH, Mannheim	100
BB Theta Verwaltungs GmbH, Mannheim	100
Bilfinger Berger A8 mobil GmbH, Wiesbaden	100
BIRGIT Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs-KG, Pullach	87
BIS EnTech GmbH, Munich	100
BIS Instandhaltung Neuss GmbH, Neuss	100
Bodenreinigungszentrum Hessen GmbH, Neu-Isenburg	100
Bromit Grundstücksverwaltungsgesellschaft mbH & Co. Vermietungs KG, Mainz	94
City-Parkhaus Betriebsgesellschaft mbH, Oberursel	30
CTA Verwaltungs GmbH & Co. KG, Mannheim	100
DW Immobilien Management GmbH, Düsseldorf	40
Erste DW Immobilien Management GmbH & Co. KG, Düsseldorf	40
F + Z Baugesellschaft mbH, Hamburg	100
GBP - Gesellschaft für Bau- und Prüftechnik mit beschränkter Haftung, Mannheim	100
Grund- und Pfahlbau Gesellschaft mit beschränkter Haftung, Frankfurt	100
HERRENTUNNEL LÜBECK Verwaltungsgesellschaft mbH, Mannheim	50
Hochbau Halle-Seeben GmbH, Leipzig	100
Korksteinwerk GmbH, Munich	100
Mühlberger Lerch Arbeitsschutz GmbH, Wiesbaden	29
Parkhaus Jahnplatz Betriebsgesellschaft mbH, Wiesbaden	25
Parkhaus Luisenplatz Betriebsgesellschaft mbH, Wiesbaden	26
Parkhaus Markt Betriebsgesellschaft mbH, Wiesbaden	26
PJB Management-GmbH, Wiesbaden	100
Polska Holding GmbH, Leipzig	100
Power Office Verwaltungs GmbH, Mannheim	100
PR France GmbH, Aarbergen	100
Projekt- und Betriebsgesellschaft Justizzentrum Chemnitz GmbH, Neu-Isenburg	100
projekt-partner-online GmbH, Mannheim	51
PTZ Partikeltherapiezentrum Kiel Management GmbH, Wiesbaden	50
R&M Ausbau Düsseldorf GmbH, Düsseldorf	100
R&M Fassadentechnik Südwest GmbH, Munich	100
R&M WSI Braunschweig GmbH Wärme-, Schallschutz und Industrieservice, Salzgitter	100
R&M WSI Kiel GmbH Wärme-, Schallschutz und Industrieservice, Kavelstorf	100
R&M WSI Nürnberg GmbH Wärme-, Schallschutz und Industrieservice, Munich	100
Rheinhold & Mahla Unterstützungskasse GmbH, Munich	100
SANCTOR Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Düsseldorf KG, Düsseldorf	100
SFM Payment GmbH, Frankfurt	50
SRC GmbH Sound Reduction Consultance, Munich	100
TMG Tiefbaumaterial GmbH, Emmering	33
Willich Beteiligungen GmbH, Munich	100

C. Non-consolidated companies II. Outside Germany	Equity interest %
Babcock Borsig de Mexico S.A. de C.V., Ciudad de México, Mexico	100
Babcock Borsig Power Usluge d.d.o., Belgrade, Serbia	100
Babcock Borsig Service Hellas E.P.E., Athens, Greece	100
Babcock Borsig Service Hungary KFT, Budapest, Hungary	100
Bilfinger Berger stavebni Praha s.r.o., Prague, Czech Republic	100
BIS Finland Oy, Porvoo, Finland	100
BIS Industrial Services France S.A.R.L., Chateau Thierry, France	100
BIS NIMB S.A., Cernavoda, Romania	98
BIS Production Partner Ipec AS, Kristiansand, Norway	99
BWO Investments (pty) Lt., Lenasia, South Africa	100
Deutsche Babcock Nigeria Ltd., Abuja, Nigeria	70
EG DESIGN s.r.o., Horni Jiretin, Czech Republic	51
EHR German Piping Systems (Pty) Ltd., Johannesburg, South Africa	100
EPM Polska Sp. z o.o., Warsaw, Poland	100
Facility Services International Limited, London, United Kingdom	50
FB Generation Services B.V., Breda, Niederlande	25
Hesp Services B.V., Zwartewaal, Netherlands	45
HoldingBud-2000 Sp. z o.o., Warsaw, Poland	100
HSG Zander Bulgaria EOOD, Sofia, Bulgaria	100
HSG Zander d.o.o., Ljubljana, Slovenia	100
HSG Zander Hrvatska d.o.o., Zagreb, Croatia	100
HSG Zander/Jordan Ltd. Co., Amman, Jordan	50
Inselko AS, Porsgrunn, Norway	99
Kuwaiti German Maintenance and Supply Company, Safat, Kuwait	48
Lagan College Education Partnership (Holdings) Limited, Belfast, Northern Ireland	50
Lagan College Education Partnership Limited, Belfast, Northern Ireland	50
MCE Eins Beteiligungsverwaltungs GmbH, Linz, Austria	100
MCE INSAAT MAKINE IMALAT SANAYI VE TICARET LIMITED ŞIRKETI, Ankara, Turkey	100
MCE Montagen Polska Sp. z o.o., Krakow, Poland	100
MCE United Kingdomraine Ltd., Kiev, United Kingdomraine	100
Mersey Care Development Company Limited, Birmingham, United Kingdom	50
Nexus Partnership Pty Ltd, Melbourne, Australia	33
Noggerath France EURL, Saint Jean Le Blanc, France	100
Olajterv Peters KFT., Budapest, Hungary	26
Ombindi (pty) Ltd., Rivonia, South Africa	75
POLREF Sp. z o.o., Warsaw, Poland	95
R&M Technical Services Austria GmbH, Vienna, Austria	100
RECONA N.V., Geel, Belgium	22
Rotring Engineering India Pvt. Ltd., New Delhi, India	49
Sort 4 Limited, Aberdeen, United Kingdom	50
The Stoke On Trent & Staffordshire Safer Communities Community Interest Company, Maidenhead Berkshire, United Kingdom	100
Tor Bank School Education Partnership (Holdings) Limited, Belfast, Northern Ireland	50
Tor Bank School Education Partnership Limited, Belfast, Northern Ireland	50
Torrens Health Partnership Pty Ltd, Melbourne, Australia	100
Valemus Limited, Sydney, Australia	100

Return-on-capital-employed controlling

€ million	Industrial Services		Power Services		Building and Facility Services	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
Goodwill	705.0	485.1	259.8	223.0	436.6	424.9
Property, plant and equipment	303.5	194.5	118.8	73.2	62.1	64.3
Other non-current assets	19.9	14.7	4.9	4.7	31.1	44.6
Current assets	785.6	596.5	278.6	223.4	435.6	501.5
Segment assets	**1,814.0**	**1,290.8**	**662.1**	**524.3**	**965.4**	**1,035.3**
Segment liabilities	808.3	585.7	462.8	412.3	644.7	726.0
Interest-bearing liabilities	0.0	0.0	0.0	0.0	21.0	16.9
Non-interest-bearing liabilities	**808.3**	**585.7**	**462.8**	**412.3**	**665.7**	**742.9**
Balance	**1,005.7**	**705.1**	**199.3**	**112.0**	**299.7**	**292.4**
Financial assets, project-related	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets, division-related	0.0	0.0	71.1	85.2	94.6	97.0
Operating financial assets	**0.0**	**0.0**	**71.1**	**85.2**	**94.6**	**97.0**
Capital employed	**1,005.7**	**705.1**	**270.4**	**197.2**	**394.3**	**389.4**
EBIT (earnings before interest and taxes)	**134.0**	**117.8**	**83.3**	**73.5**	**80.0**	**58.0**
Amortization of intangible assets from acquisitions	26.7	13.8	4.6	0.6	9.5	8.9
Interest income	0.0	0.0	0.0	0.0	0.0	0.0
Increase in value of concessions portfolio	0.0	0.0	0.0	0.0	0.0	0.0
Interest income, project-specific (4.5% p.a.)	0.0	0.0	0.0	0.0	0.0	0.0
Interest income, division-specific (4.5% p.a.)	0.0	0.0	3.2	3.8	4.3	4.3
Return	**160.7**	**131.6**	**91.1**	**77.9**	**93.8**	**71.2**
ROCE (return on capital employed)	**16.0%**	**18.7%**	**33.7%**	**39.5%**	**23.8%**	**18.3%**
WACC (weighted average cost of capital)	**9.5%**	**9.0%**	**9.5%**	**9.0%**	**9.5%**	**9.4%**
Value added, relative	**6.5%**	**9.7%**	**24.2%**	**30.5%**	**14.3%**	**8.9%**
Value added, absolute	**65.2**	**68.1**	**65.4**	**60.2**	**56.4**	**34.5**

	Construction		Concessions		Total of segments		Consolidation, other		Total continuing operations		Discontinued operations		Consolidated Group	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	5.8	5.5	0.2	0.2	1,407.4	1,138.7	0.0	0.0	1,407.4	1,138.7	143.9	120.6	1,551.3	1,259.3
	116.3	123.8	1.4	1.4	602.1	457.2	70.7	73.9	672.8	531.1	170.9	128.9	843.7	660.0
	17.9	15.7	2,420.6	1,957.6	2,494.4	2,037.3	66.3	53.8	2,560.7	2,091.1	3.1	1.8	2,563.8	2,092.9
	468.6	558.3	30.2	30.1	1,998.6	1,909.8	483.8	431.6	2,482.4	2,341.4	567.4	459.4	3,049.8	2,800.8
	608.6	**703.3**	**2,452.4**	**1,989.3**	**6,502.5**	**5,543.0**	**620.8**	**559.3**	**7,123.3**	**6,102.3**	**885.3**	**710.7**	**8,008.6**	**6,813.0**
	622.1	601.3	136.9	117.7	2,674.8	2,443.0	2,862.9	2,543.5	5,537.7	4,986.5	557.5	533.8	6,095.2	5,520.3
	0.0	0.0	2,092.7	1,679.3	2,113.7	1,696.2	–2,608.6	–2,328.2	–494.9	–632.0	0.0	0.0	–494.9	–632.0
	622.1	**601.3**	**2,229.6**	**1,797.0**	**4,788.5**	**4,139.2**	**254.3**	**215.3**	**5,042.8**	**4,354.5**	**557.5**	**533.8**	**5,600.3**	**4,888.3**
	–13.5	**102.0**	**222.8**	**192.3**	**1,714.0**	**1,403.8**	**366.5**	**344.0**	**2,080.5**	**1,747.8**	**327.8**	**176.9**	**2,408.3**	**1,924.7**
	13.4	0.0	0.0	0.0	13.4	0.0	–13.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	248.6	162.5	0.0	0.0	414.3	344.7	–414.3	–344.7	0.0	0.0	0.0	0.0	0.0	0.0
	262.0	**162.5**	**0.0**	**0.0**	**427.7**	**344.7**	**–427.7**	**–344.7**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
	248.5	**264.5**	**222.8**	**192.3**	**2,141.7**	**1,748.5**	**–61.2**	**–0.7**	**2,080.5**	**1,747.8**	**327.8**	**176.9**	**2,408.3**	**1,924.7**
	30.6	**–73.1**	**39.8**	**13.9**	**367.7**	**190.1**	**–24.9**	**–17.0**	**342.8**	**173.1**	**97.8**	**76.5**	**440.6**	**249.6**
	0.0	0.0	0.0	0.0	40.8	23.3	0.0	0.0	40.8	23.3	1.0	1.6	41.8	24.9
	0.0	0.0	0.0	0.0	0.0	0.0	11.9	13.0	11.9	13.0	13.4	3.7	25.3	16.7
	0.0	0.0	25.6	9.0	25.6	9.0	0.0	0.0	25.6	9.0	0.0	0.0	25.6	9.0
	0.6	0.0	0.0	0.0	0.6	0.0	–0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	11.2	7.3	0.0	0.0	18.7	15.4	–18.7	–15.4	0.0	0.0	0.0	0.0	0.0	0.0
	42.4	**–65.8**	**65.4**	**22.9**	**453.4**	**237.8**	**–32.3**	**–19.4**	**421.1**	**218.4**	**112.2**	**81.8**	**533.3**	**300.2**
	17.1%	**–24.9%**	**29.3%**	**11.9%**	**21.2%**	**13.6%**	**–**	**–**	**20.2%**	**12.5%**	**34.2%**	**46.2%**	**22.1%**	**15.6%**
	12.5%	**13.0%**	**9.0%**	**9.8%**	**10.0%**	**10.5%**	**–**	**–**	**10.0%**	**10.5%**	**10.0%**	**10.5%**	**10.0%**	**10.5%**
	4.6%	**–37.9%**	**20.3%**	**2.1%**	**11.2%**	**3.1%**	**–**	**–**	**10.2%**	**2.0%**	**24.2%**	**35.7%**	**12.1%**	**5.1%**
	11.3	**–100.2**	**45.3**	**4.1**	**243.6**	**66.7**	**–30.5**	**–31.8**	**213.1**	**34.9**	**79.4**	**63.2**	**292.5**	**98.1**

Explanation of return-on-capital-employed controlling

Our return-on-capital-employed controlling is based on the segment reporting, which takes place in accordance with the organizational structure of our business segments.

The *segment assets* of the business segments include goodwill and intangible assets from acquisitions; property, plant and equipment; other non-current assets (with the exception of deferred tax assets); and current assets. The segment assets shown under *consolidation/other* include cash and cash equivalents, as well as non-current and current assets not allocated to the business segments.

The *segment liabilities* are deducted from the segment assets. They include liabilities (with the exception of deferred tax liabilities) and provisions that are available to the company free of interest. Financial liabilities and retirement benefit obligations are not included.

So-called *non-recourse project financing* is also deducted, although it is interest-bearing. This consists of credit granted to project companies – particularly in the Concessions business segment – solely on the basis of a project's cash flow and not on the basis of the Group's creditworthiness. The deduction of this item from the interest-bearing segment assets is taken into account by entering appropriate interest expenses against the business segment's return.

Segment liabilities and so-called non-recourse project financing are termed *non-interest-bearing liabilities*. The balance of segment assets and non-interest-bearing liabilities represents the capital directly employed in the business segments.

Project-related and business-unit-related financial assets are allocated to the business segments in the context of return-on-capital controlling so that adequate capital resources are taken into consideration. As so-called *operating financial assets*, they adjust the balance, which results in the average tied-up interest-bearing net assets. This item is termed *capital employed*.

The definition of return as used in the return-on-capital-employed controlling concept is derived from *EBIT* as shown in the income statement.

This is adjusted for the *amortization and impairment of intangible assets from acquisitions*.

Interest income is earned primarily from the investment of cash deposits listed under *consolidation/other*.

In order to determine a measure of earnings not affected by the form of financing, *interest expenses* are fundamentally not taken into consideration in the context of return-on-capital-employed controlling. On the other hand, in the Concessions business segment, the interest expense of non-recourse financing and the interest income from receivables from concession projects are included in EBIT.

In addition to regular earnings, the calculation of return for the Concessions business segment also takes into account the *increase in value of the concessions portfolios*. It is adjusted by any value increases realized in prior years on projects sold in the current year.

Project-related and business-unit-related interest income relates to credit entries on operating financial assets made by headquarters to the benefit of the business segments.

Return as defined by our return-on-capital-employed controlling is the sum of EBIT and the described additional financial components.

For the calculation of the return, EBIT shown for discontinued operations was reduced by the scheduled depreciation no longer recognized from the date of the reclassification (January 26, 2010) in the amount of €26 million and increased by one-time expenses in connection with the selling process in the amount of €13 million.

ROCE stands for return on capital employed, expressed as a percentage. It is compared with the *weighted average cost of capital (WACC)* for the business segments and for the entire Group.

The difference between *ROCE* and *WACC* is the *relative value added*. The *absolute value added* is the difference between return and the cost of capital employed, and is equal to the amount of capital employed multiplied by the relative economic value added.

Valuation of the project portfolio in the Concessions business segment

To measure the economic success of our portfolio, we consider not only the operating profit of the project companies, but also the annual change in the net present value of all future payments to be made to us as equity investor.

These free cash flows are calculated following the deduction of interest and principal payments due after taxes at the project level, minus future equity contributions. As in previous years, the net present value is calculated using the discounted cash flow (DCF) method. The net present value is the total of future cash flows between the project company and the investor on the balance sheet date. This valuation – as in previous years – adequately reflects the risks involved and is subject to a number of criteria:

- Only projects that have reached financial close are taken into account.
- Cash flows accruing from the projects are calculated on the basis of financial models that have been approved by the external lenders.
- Future potential refinancing gains are not taken into account in the valuation.
- All payments are converted into euro.

The value of a concession project changes in the course of its lifecycle. The initial realization phase holds the greatest potential for value creation because the project is approaching the maturity phase and, thus, future cash flows become more secure from year to year.

At the same time, risks from realization decline.

For the calculation of the discounted cash flows, we take this changing risk profile into account through a risk-free basic interest rate along with a premium for the respective project phase and the project's risk type. The basic interest rate is derived from the weighted long-term interest rates for first class government bonds in the respective countries of investment (European Monetary Union, Norway, Canada, Australia, Hungary).

The supplement for the project phase differentiates between:

- projects in the construction phase (3 percent) with a still relatively high realization risk
- projects in the ramp-up phase (2 percent) in which the risk has already proven to be significantly lower
- projects in a steady-state (0 percent) whose revenue and operating situation is stable. Projects generally enter this phase after one or two years of operation

The supplement for the risk type differentiates between:

- projects whose revenue depends exclusively on the degree of contractually agreed availability (2 percent)
- projects whose revenues contain certain demand risks (3 percent)

Discount rates

	%
Weighted risk-free basic interest rate	6
Supplement for type of project	2–3
Supplement for construction phase	3
Supplement for going into operation	2
Supplement for full operation	0

Project portfolio December 2010

	Contractually committed equity		Paid-in equity		Future cash flows		Present value of future cash flows	
€ million	2010	2009	2010	2009	2010	2009	2010	2009
Transport infrastructure	214	236	96	71	1,011	948	155	108
Building construction	144	104	64	69	520	379	113	94
Total	**358**	**340**	**160**	**140**	**1,531**	**1,327**	**268**	**202**

Cash flows for Bilfinger Berger 2011 - 2043 (after taxes)

€ million	2011	2012	2013	2014	2015	2016	2017	2018	2019
Transport infrastructure	–43	–52	19	23	24	32	28	25	28
Building construction	–7	–23	14	15	–10	21	17	17	17
Total	**–51**	**–75**	**34**	**38**	**14**	**52**	**45**	**42**	**45**

	2020	2021	2022	2023	2024	2025	2026	2027	2028
Transport infrastructure	25	26	27	26	38	47	48	33	35
Building construction	18	18	16	17	16	15	18	17	32
Total	**44**	**44**	**44**	**44**	**54**	**63**	**66**	**50**	**67**

	2029	2030	2031	2032	2033	2034	2035	2036	2037
Transport infrastructure	35	38	34	34	50	46	43	60	60
Building construction	32	23	43	16	29	23	20	27	10
Total	**67**	**61**	**77**	**51**	**80**	**69**	**63**	**87**	**70**

	2038	2039	2040	2041	2042	2043			Total
Transport infrastructure	44	19	82	77	0	0			1,011
Building construction	13	9	5	16	17	6			520
Total	**57**	**28**	**87**	**93**	**17**	**6**			**1,531**

The discount rates used by us thus range from 12 percent (construction phase with demand risks) to 8 percent (operating phase with pure availability). The weighted discount rate 2010 for the entire portfolio amounted to 9.9 percent (2009: 10.2 percent). Six of our projects entered the stable operating phase and in one additional project we successfully completed the construction phase. This effect, which reduces the average rate, was partially compensated by the completion of three new major projects in Canada and Australia. The expected future cash flows from the existing portfolio until the year 2043 amount to €1,531 million (2009: €1,327 million).

The net present value of the portfolio on the balance sheet date under application of the project-specific discount rates amounted to €268 million (2009: €202 million). This figure is substantially higher than the paid-in equity up to that point of €160 million (2009: €140 million).

The following factors contributed to the significant increase in value:

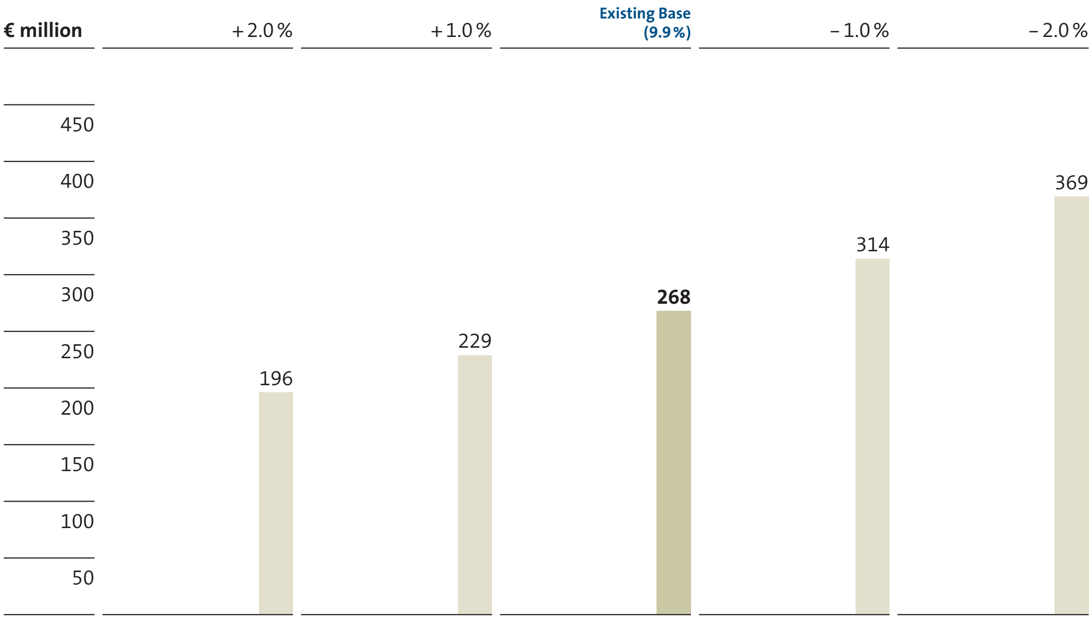
- Scheduled equity contributions of €35 million
- A reduction of net present value in the amount of €12 million as a result of the sale of 50 percent of our shares in four projects
- Exchange-rate movements of €17 million.
  These affect the levels of discounted future cash flows because our portfolio is denominated in €. Changes in value due to exchange-rate movements are eliminated in the calculation of portfolio value creation.
- Growth in intrinsic value of the portfolio of €26 million was attributable primarily to the closing of new major projects.

The maturing process of the individual project from financial close through construction, ramp-up and operating phases through to the end of the contract period constitutes the intrinsic value added of our Concessions business segment. To determine the return on capital employed (ROCE) and thereby the level of economic success, we consider the growth in value of the portfolio during the relevant period in addition to EBIT.

Changes in net present value
Dec. 2009 - Dec. 2010

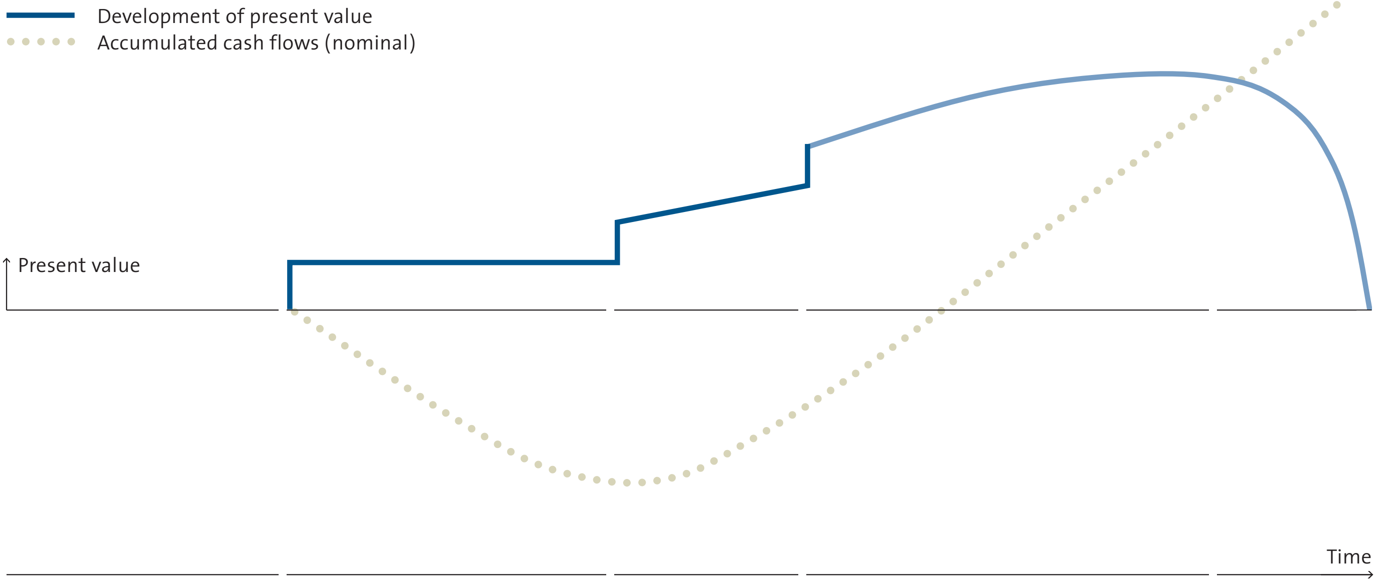
€ million	Transport infrastructure	Building construction	Total
Present value Dec. 2009	108	94	**202**
Capital contributions	34	1	35
Sale of shares	–7	–5	–12
Exchange-rate changes	5	12	17
Present value Dec. 2009 updated to Dec. 2010	140	102	**242**
Increase in value	15	11	26
Present value Dec. 2010	155	113	**268**

Valuation of the portfolio with variable discount rates



Overview of concession projects	Investment volume € million	Bilfinger Berger's share of project %	Bilfinger Berger's share of equity € million	Method of consolidation	Project status	Period of concession
Transport infrastructure						
M6 Highway, Phase I, Hungary	482	40	19	Equity method	In operation	2006 – 2026
Kicking Horse Pass, Canada	100	50	4	Equity method	In operation	2007 – 2030
M1 Westlink, United Kingdom	230	75	9	Fully consolidated	In operation	2009 – 2036
Golden Ears Bridge, Canada	800	100	34	Fully consolidated	In operation	2009 – 2041
E18 Highway, Norway	453	50	8	Equity method	In operation	2009 – 2034
Northeast Stoney Trail, Canada	293	100	9	Fully consolidated	In operation	2009 – 2039
M6 Highway, Phase III, Hungary	520	45	23	Equity method	In operation	2010 – 2038
Northwest Anthony Henday Drive, Canada	750	50	17	Equity method	Under construction	2011 – 2041
M80, United Kingdom	352	42	23	Equity method	Under construction	2012 – 2041
Autobahn A1, Germany	650	43	43	Equity method	Under construction	2013 – 2038
Peninsula Link, Australia	561	33	26	Equity method	Under construction	2013 – 2038
Building construction						
Liverpool & Sefton Clinics, United Kingdom	97	27	3	Equity method	In operation	2004 – 2030
Barnet & Harringey Clinics, United Kingdom	86	27	2	Equity method	In operation	2005 – 2031
Gloucester Hospital, United Kingdom	60	50	3	Equity method	In operation	2005 – 2034
Bedford Schools, United Kingdom	41	100	4	Fully consolidated	In operation	2006 – 2035
Victoria Prisons, Australia	150	100	17	Fully consolidated	In operation	2006 – 2031
District Administration Center, Unna, Germany	24	90	2	Fully consolidated	In operation	2006 – 2031
Coventry Schools, United Kingdom	36	100	4	Fully consolidated	In operation	2007 – 2035
Kent Schools, United Kingdom	155	50	6	Equity method	In operation	2007 – 2035
Royal Women's Hospital, Australia	198	100	11	Fully consolidated	In operation	2008 – 2033
Burg Correctional Facility, Germany	100	90	8	Fully consolidated	In operation	2009 – 2034
Borders Schools, United Kingdom	137	75	8	Fully consolidated	In operation	2009 – 2038
Clackmannanshire Schools, United Kingdom	136	85	6	Fully consolidated	In operation	2009 – 2039
East Down & Lisburn Schools, United Kingdom	91	50	3	Equity method	Under construction	2011 – 2039
Staffordshire Fire Service, United Kingdom	54	85	5	Fully consolidated	Under construction	2011 – 2036
Cancer Therapy Center, Kiel, Germany	258	50	10	Equity method	Under construction	2012 – 2036
Kelowna & Vernon Hospitals, Canada	260	50	9	Equity method	Under construction	2012 – 2042
Ararat Prison, Australia	186	50	16	Equity method	Under construction	2012 – 2037
Women's College Hospital, Canada	350	100	27	Fully consolidated	Under construction	2015 – 2045
			358			

Development of present value and accumulated cash flows (Dec. 2010)



Preferred bidder (1)	**Construction** (10)	**Ramp-up** (2)	**Yield** (17)	**Maturity** (0)
Lagan and Tor Bank Schools, United Kingdom	Autobahn A1, Germany	Golden Ears Bridge, Canada	Burg Correctional Facility, Germany	
	Cancer Therapy Center, Kiel, Germany	M6 Highway, Phase III, Hungary	District Administration Center, Unna, Germany	
	East Down & Lisburn Schools, United Kingdom		Barnet & Harringey Clinics, United Kingdom	
	Kelowna & Vernon Hospitals, Canada		Bedford Schools, United Kingdom	
	Northwest Anthony Henday Drive, Canada		Borders Schools, United Kingdom	
	M80, United Kingdom		Clackmannanshire Schools, United Kingdom	
	Staffordshire Fire Service, United Kingdom		Coventry Schools, United Kingdom	
	Peninsula Link, Australia		Gloucester Hospital, United Kingdom	
	Ararat Prison, Australia		Kent Schools, United Kingdom	
	Women's College Hospital, Canada		Liverpool & Sefton Clinics, United Kingdom	
			M1 Westlink, Nordirland	
			E18 Highway, Norwegen	
			M6 Highway, Phase I, Hungary	
			Kicking Horse Pass, Canada	
			Northeast Stoney Trail, Canada	
			Royal Women's Hospital, Australia	
			Victoria Prisons, Australia	

Boards of the Company

Bilfinger Berger SE
Executive Board

Herbert Bodner, Chairman
Corporate Development, Human Resources (Labor Director), Legal, Compliance, Project Controlling, Communications

Joachim Enenkel
Technology, Civil, Power Services, Nigeria

Membership of comparable monitoring boards of other German and foreign companies:
Bilfinger Berger Budownictwo S.A., Warsaw / Poland*;
Hydrobudowa-6 S.A., Warsaw / Poland*

Roland Koch (from March 1, 2011)
Roland Koch succeeds Herbert Bodner as Chairman of the Executive Board from July 1, 2011

Membership of statutory supervisory boards of other German companies:
UBS Deutschland AG, Frankfurt am Main (Chairman)

Membership of comparable monitoring boards of other German and foreign companies:
Hessische Staatsweingüter GmbH Kloster Eberbach, Eltville (Chairman)

Joachim Müller
Accounting, Finance, Controlling, Internal Audit, Taxes, Investor Relations, Purchasing, IT

Membership of comparable monitoring boards of other German and foreign companies:
Bilfinger Berger Budownictwo S.A., Warsaw / Poland*;
Fru-Con Holding Corporation, Woodbridge / Virginia / USA*;
Hydrobudowa-6 S.A., Warsaw / Poland*;
Valemus Australia Pty Limited, Sydney / Australia*

Klaus Raps
Building, Facility Services, Government Services

Membership of comparable monitoring boards of other German and foreign companies:
Fru-Con Holding Corporation, Woodbridge / Virginia / USA (Chairman)*;
Valemus Australia Pty Limited, Sydney / Australia*

Unless otherwise indicated, all details correct at January 1, 2011.

* Group mandate

Prof. Hans Helmut Schetter (until December 31, 2010)

Membership of comparable monitoring boards of other German and foreign companies:
Bilfinger Berger Budownictwo S.A., Warsaw / Poland (Chairman)*;
Fru-Con Holding Corporation, Woodbridge / Virginia / USA (Chairman)*;
Hydrobudowa-6 S.A., Warsaw / Poland (Chairman)*
(Status: December 31, 2010)

Thomas Töpfer
Health, Safety, Environment, Quality, Industrial Services, Concessions

Membership of comparable monitoring boards of other German and foreign companies:
BIS Production Partner AS, Porsgrunn / Norway (Chairman)*;
Valemus Australia Pty. Limited, Sydney / Australia*

Bilfinger Berger AG Executive Board

(until October 8, 2010)

Herbert Bodner, Chairman
Corporate Development, Legal, Compliance, Project Controlling, Communications, Civil

Joachim Müller
Accounting, Finance, Controlling, Internal Audit, Tax, Investor Relations, Purchasing, IT

Klaus Raps
Building, Facility Services, Government Services, international subsidiaries

Kenneth D. Reid
Concessions, Power Services

Prof. Hans Helmut Schetter
Human Resources (Labor Director), Technology, European and international subsidiaries

Thomas Töpfer
Industrial Services

Bilfinger Berger SE Supervisory Board

Honorary Chairman:
Gert Becker

Dr. h.c. Bernhard Walter, Chairman
Formerly Speaker of the Executive Board at Dresdner Bank AG, Frankfurt am Main

Membership of statutory supervisory boards of other German companies:
Daimler AG, Stuttgart;
Deutsche Telekom AG, Bonn;
Henkel AG & Co. KGaA, Düsseldorf

Stephan Brückner, Deputy Chairman
Employee of BIS HIMA GmbH, Heinsberg

Volker Böhme
Employee of BIS Industrieservice Nordwest GmbH, Dortmund

Dr. John Feldmann
Member of the Executive Board of BASF SE, Ludwigshafen am Rhein

Membership of statutory supervisory boards of other German companies:
BASF Coatings AG, Münster*;
Cognis GmbH, Monheim (Chairman)*

Membership of comparable monitoring boards of other German and foreign companies:
COFACE Holding AG, Mainz

Unless otherwise indicated, all details correct at December 31, 2010.

* Group mandate

Thomas Kern
Employee of HSG Zander Rhein-Main GmbH, Neu-Isenburg

Rainer Knerler
Regional Manager Berlin-Brandenburg of the Industriegewerkschaft Bauen-Agrar-Umwelt (Construction, Agriculture and Environment Trade Union), Berlin

Slawomir Kubera
Employee of Bilfinger Berger Budownictwo S.A., Warsaw / Poland

Thomas Pleines
Formerly Member of the Executive Board of Allianz Deutschland AG
Formerly Chairman of the Executive Board of Allianz Versicherungs AG, Munich

Membership of statutory supervisory boards of other German companies:
DEKRA SE, Stuttgart

Dietmar Schäfers
Deputy Federal Chairman of the Industriegewerkschaft Bauen-Agrar-Umwelt (Construction, Agriculture and Environment Trade Union), Frankfurt am Main

Membership of statutory supervisory boards of other German companies:
ThyssenKrupp Xervon GmbH, Düsseldorf (Deputy Chairman);
Zentrales Versorgungswerk für das Dachdeckerhandwerk VVaG, Wiesbaden;
Zusatzversorgungskasse des Baugewerbes AG, Wiesbaden (Deputy Chairman);
Zusatzversorgungskasse des Dachdeckerhandwerks VVaG, Wiesbaden;
Zusatzversorgungskasse des Steinmetz- und Steinbildhauerhandwerks VVaG, Wiesbaden;
Zusatzversorgungskasse des Gerüstbaugewerbes VVaG, Wiesbaden

Bernhard Schreier
Chairman of the Executive Board of
Heidelberger Druckmaschinen AG, Heidelberg

Membership of statutory supervisory boards of other German companies:
ABB AG, Mannheim;
Heidelberger Druckmaschinen Vertrieb Deutschland GmbH, Heidelberg (Chairman)*;
Universitätsklinikum Heidelberg AöR, Heidelberg

Membership of comparable monitoring boards of other German and foreign companies:
Gallus Holding AG, St. Gallen / Switzerland;
Heidelberg Americas, Inc., Kennesaw / USA (Chairman)*;
Heidelberg Graphic Equipment Ltd., Brentford/UK (Chairman)*;
Heidelberg Japan K.K., Tokyo / Japan*;
Heidelberg USA, Inc., Kennesaw / USA (Chairman)*

Udo Stark
Formerly Chairman of the Executive Board of
MTU Aero Engines Holding AG, Munich

Membership of statutory supervisory boards of other German companies:
MTU Aero Engines Holding AG, Munich

Prof. Dr. Klaus Trützschler
Member of the Executive Board at
Franz Haniel & Cie GmbH, Duisburg

Membership of statutory supervisory boards of other German companies:
Celesio AG, Stuttgart*;
TAKKT AG, Stuttgart (Chairman)*;
Zwiesel Kristallglas AG, Zwiesel (Chairman);
Wuppermann AG, Leverkusen (Chairman)

Membership of comparable monitoring boards of other German and foreign companies:
Wilh. Wehrhahn KG, Neuss

Presiding Committee:
Dr. h.c. Bernhard Walter
Stephan Brückner
Dr. John Feldmann
Dietmar Schäfers

Audit Committee:
Udo Stark
Volker Böhme
Rainer Knerler
Prof. Dr. Klaus Trützschler

Nomination Committee:
Dr. h.c. Bernhard Walter
Dr. John Feldmann
Udo Stark

Special Committee:
Dr. h.c. Bernhard Walter
Stephan Brückner
Volker Böhme
Dr. John Feldmann
Thomas Kern
Rainer Knerler
Udo Stark
Prof. Dr. Klaus Trützschler

Bilfinger Berger AG Supervisory Board

(until October 8, 2010)

Honorary Chairman:
Gert Becker

Dr. h.c. Bernhard Walter, Chairman
Formerly Speaker of the Executive Board at Dresdner Bank AG, Frankfurt am Main

Stephan Brückner, Deputy Chairman
Employee of BIS HIMA GmbH, Heinsberg

Hans Bauer
Formerly Chairman of the Executive Board of HeidelbergCement AG, Heidelberg

Volker Böhme
Employee of BIS Industrieservice Nordwest GmbH, Dortmund

Dr. Horst Dietz
CEO of DIETZ Unternehmensberatungs-gesellschaft mbH, Berlin

Britta Ehrbrecht
Employee of Bilfinger Berger AG, Mannheim

Dr. John Feldmann
Member of the Executive Board of BASF SE, Ludwigshafen am Rhein

Dirk Gieß (from March 11, 2010)
Employee of Bilfinger Berger Verkehrswegebau GmbH, Bochum

Andreas Harnack
Head of the Main Construction Trade department of Industriegewerkschaft Bauen-Agrar-Umwelt (Construction, Agriculture and Environment Trade Union), Frankfurt am Main

Reinhard Heller (until March 10, 2010)
Employee of Franz Kassecker GmbH, Waldsassen

Rainer Knerler
Regional Manager Berlin-Brandenburg, Industriegewerkschaft Bauen-Agrar-Umwelt (Construction, Agriculture and Environment Trade Union), Berlin

Prof. Dr. Hermut Kormann
Formerly Chairman of the Executive Board of Voith AG, Heidenheim

Harald Möller
Employee of Bilfinger Berger AG, Mannheim

Klaus Obermierbach
Employee of J. Wolfferts GmbH, Cologne

Thomas Pleines
Formerly Member of the Executive Board of Allianz Deutschland AG;
Formerly Chairman of the Executive Board of Allianz Versicherungs AG, Munich

Dr.-Ing. E.h. Rudolf Rupprecht
Formerly Chairman of the Executive Board of
MAN Aktiengesellschaft, Munich

Dietmar Schäfers
Deputy Federal Chairman of the
Industriegewerkschaft Bauen-Agrar-Umwelt
(Construction, Agriculture and Environment
Trade Union), Frankfurt am Main

Rainer Schilling
Employee of Babcock Borsig Service GmbH,
Oberhausen

Bernhard Schreier
Chairman of the Executive Board of
Heidelberger Druckmaschinen AG, Heidelberg

Udo Stark
Formerly Chairman of the Executive Board
MTU Aero Engines Holding AG, Munich

Prof. Dr. Klaus Trützschler
Member of the Executive Board at
Franz Haniel & Cie GmbH, Duisburg

Presiding Committee:
Dr. h.c. Bernhard Walter
Stephan Brückner
Udo Stark

Audit Committee:
Udo Stark
Dr. h.c. Bernhard Walter
Klaus Obermierbach

Nomination Committee:
Dr. h.c. Bernhard Walter
Udo Stark

Committee to be formed pursuant to
Section 31, Paragraph 3 of the
German Industrial Codetermination Act:
Dr. h.c. Bernhard Walter
Stephan Brückner
Udo Stark
Reinhard Heller (until March 10, 2010)
Dirk Gieß (from March 11, 2010)

Special Committee (from March 30, 2010):
Dr. h.c. Bernhard Walter
Stephan Brückner
Dr. John Feldmann
Rainer Knerler
Harald Möller
Klaus Obermierbach
Udo Stark
Prof. Dr. Klaus Trützschler

Glossary

Associated companies
Companies upon which a significant influence can be exercised but in which there is no majority holding or controlling interest. The holding is usually between 20% and 50%.

Business-unit-related financial assets/ interest income
Accounting category in Bilfinger Berger's return-on-capital-employed controlling for the assessment of appropriate capital resources of the respective unit of the Group.

Capital employed
The average capital tied up in operative assets, which, in the context of return-on-capital-employed controlling, is expected to yield a return at least as high as the weighted average cost of capital (WACC).

Cash earnings
Financial performance measure for the ability of a company to provide its own funds. Measures the financial surplus earned in a certain period from current, profit-relevant activities, but without taking into consideration the change in working capital.

Cash flow
A metric for the assessment of a company's financial strength and profitability in terms of its flows of cash. The statement of cash flows presents the changes in levels of cash and cash equivalents over the year, showing the cash inflows and outflows for operating, investing and financing activities.

Corporate governance
The internationally common term for a responsible system of corporate management and monitoring with a focus on long-term value creation.

CTA
Abbreviation for 'contractual trust arrangement', a form of financing pension obligations whereby pension plan assets covering the Company's pension obligations are transferred to a trust fund. This has the effect of reducing the balance-sheet total, as the plan assets are netted out against the corresponding pension provisions. The effect is to improve the international comparability of the consolidated financial statements.

Deferred taxes
Asset or liability items that compensate for different accounting periods compared with earnings according to the tax financial statements. Deferred tax expenses / income are corrections to the actual tax expense derived from the tax financial statements for the period. The primary aim is to show an income-tax expense in a proper relation to the reported earnings before taxes.

Discounted cash-flow method

Valuation model for projects and ventures. All future free cash flows are discounted to their present values and added up. Key factors are the cost of capital (discount), the future free cash flows and the period of time involved.

EBIT

Abbreviation for 'earnings before interest and taxes.' In Bilfinger Berger's accounting, EBIT is used as a performance measure for the profits from operating activities.

Equity consolidation

A method of including minority interests in associated companies and joint ventures in the consolidated financial statements. The investment is initially recognized at cost and adjusted thereafter for the investor's share of changes in the investee's equity. These changes are generally shown in the Group's income statement.

Equity ratio

Key figure for a company's financing structure, stating the ratio between equity and total assets.

Fair value

The amount for which an asset could be sold or a liability could be settled between knowledgeable, willing and independent parties.

Goodwill

The difference between the amount paid for a company and the market value of its net assets. It arises as a result of taking into consideration a company's expected future earnings when deciding on a suitable price for it. Goodwill is capitalized under fixed assets and subjected to annual impairment tests in accordance with IFRS 3 / IAS 36.

IASB

Acronym of International Accounting Standards Board. This institution was established in London in 1973 with the task of creating the International Financial Reporting Standards (IFRS).

IFRIC

Acronym of the International Financial Reporting Interpretations Committee. IFRIC is based in London and is responsible for specifying the details of how IFRSs should be interpreted.

IFRS

Acronym of the International Financial Reporting Standards, which were created to facilitate the international comparison of companies' accounts and financial reporting. Since 2005, pursuant to the European Union's so-called IAS Directive, application of the IFRS is mandatory for the consolidated financial statements of listed companies domiciled in the European Union. The IFRS also include those standards of the International Accounting Standards (IAS) which have not yet been superseded.

ISIN code
Abbreviation for 'International Securities Identification Number.' Internationally valid identification number for securities. Uniform system for the simplification of cross-border transactions.

Joint venture
A company, keeping its own accounts, that is established by two or more construction companies for the period of executing a construction contract. Profits and losses are entered in the income statements of the partner companies according to their percentage of participation and shown under sales revenues. The respective shares of joint-venture revenues are not shown in the financial statements of the partner companies.

Long-term incentive plan (LTI)
Components of Executive Board compensation with a long-term incentive effect, related both to internal measures of success as well as the performance of the Bilfinger Berger share price.

Non-recourse financing
Debt which is secured solely against the financed project, without the possibility of any recourse liability for Bilfinger Berger.

Output volume
This comprises the supply of goods and services by the Group and the pro-rated supply of goods and services by joint ventures in which the Group participates.

Percentage-of-completion method (PoC)
Accounting method according to IAS 11 for long-term construction contracts. Contract costs and revenues are accounted for in accordance with the percentage of completion of the contract so that the realization of profits is shown in the income statement in line with the progress made by the project.

Performance share units (PSU)
Phantom shares that are granted to the members of the Executive Board as a part of their compensation within the framework of our long-term incentive plans depending on the development of value added.

Plan assets
Assets that serve to cover pension obligations and fulfill the conditions of IAS 19. Plan assets are netted out against pension provisions, which reduces the balance-sheet total. See CTA.

Project-related financial assets / project-related interest income
Accounting category in Bilfinger Berger's return-on-capital-employed controlling for the assessment of appropriate capital resources of the respective units of the Group.

Public-private partnership (PPP)

Public-private partnerships, are private-sector solutions to real estate or infrastructure tasks in the public sector, with design, financing, construction and long-term operation from one source. Refinancing of the entire investment takes place during the operational phase by means of user fees.

Return

The measure of earnings in return-on-capital-employed controlling at Bilfinger Berger, derived from EBIT.

Return on equity

Measure of earnings which states the ratio between net profit and shareholders' equity.

Return on output volume

Measure of profitability showing the ratio of EBIT to output volume.

ROCE

Abbreviation for 'return on capital employed.' Ratio between the earnings of a reporting period (return) and the average operative assets (capital employed).

Syndicated credit lines

Credit lines that are agreed upon with a group of banks (syndicate) under uniform conditions.

Statement of cash flows

Presentation of liquidity developments / flows of funds taking into consideration the sources and applications of funds within a certain period. The statement of cash flows shows the separate cash flows from, or into, operating, investing and financing activities.

Value added

Difference between ROCE and the weighted average cost of capital multiplied by capital employed. If value added is positive, this means that the return on capital employed is higher than the weighted average cost of capital.

WACC

Abbreviation for 'weighted average cost of capital.' Serves as a measurement of the financing of the operative assets in return-on-capital-employed controlling at Bilfinger Berger. It reflects the minimum required rate of return of the shareholders and the creditors.

Working capital

Factor for observing changes in liquidity. It shows the difference between current assets, without cash and marketable securities, and current liabilities.

Ten-year overview

Group

€ million	2001	2002	2003	2004	2005	2006	2007	2008	2009	Pro-forma 2009[1]	2010
Assets											
Non-current assets	**898.8**	**1,257.8**	**1,117.4**	**1,364.8**	**1,951.9**	**2,451.2**	**3,139.0**	**3,964.3**	**4,914.4**	**4,621.7**	**4,459.9**
Intangible assets	8.4	212.4	299.9	349.3	592.4	738.4	786.9	1,235.3	1,538.5	1,405.9	1,457.3
Property, plant and equipment	502.4	553.6	539.7	475.3	512.0	607.3	581.2	599.3	795.9	650.4	662.5
Receivables from concession projects	0.0	0.0	0.0	139.1	525.3	893.2	1,499.5	1,641.8	2,134.2	2,134.2	1,788.5
Other non-current assets	335.6	419.5	172.7	288.7	187.0	84.2	167.3	299.5	215.9	213.6	358.6
Deferred tax assets	52.4	72.3	105.1	112.4	135.2	128.1	104.1	188.4	229.9	217.6	193.0
Current assets	**2,411.8**	**2,375.0**	**2,365.9**	**2,355.6**	**2,404.7**	**2,678.2**	**2,988.8**	**2,808.7**	**3,026.2**	**3,318.9**	**3,477.2**
Inventories, receivables, other	1,609.7	1,602.6	1,465.4	1,441.9	1,572.8	1,895.5	2,192.8	2,088.5	2,227.8	1,923.3	1,889.9
Cash and cash equivalents	802.1	772.4	900.5	913.7	831.9	782.7	796.0	720.2	798.4	634.7	537.5
Assets held for sale	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	760.9	1,049.8
Equity and liabilities											
Shareholders' equity	**1,113.0**	**1,032.3**	**1,136.1**	**1,130.5**	**1,188.8**	**1,206.2**	**1,331.9**	**1,141.0**	**1,561.4**	**1,561.4**	**1,812.2**
Share capital	108.9	109.1	110.2	110.2	111.6	111.6	111.6	111.6	138.1	138.1	138.1
Reserves	980.9	866.0	953.3	963.1	1,012.3	1,031.3	1,132.0	1,034.0	1,408.2	1,408.3	1,649.6
Treasury shares	–	–	–	–	–	–	–	–100.0	–100.0	–100.0	–100.0
Unappropriated retained earnings	20.0	36.4	47.7	36.7	37.2	46.5	67.0	74.4	92.1	92.0	115.1
Minority interest	3.2	20.8	24.9	20.5	27.7	16.8	21.3	21.0	23.0	23.0	9.4
Non-current liabilities	**532.3**	**541.8**	**436.2**	**471.1**	**898.8**	**1,319.7**	**1,817.1**	**2,602.0**	**2,873.4**	**2,822.8**	**2,510.7**
Pension provisions	119.9	187.6	90.5	97.2	130.2	159.7	135.4	218.8	286.7	286.7	312.7
Other provisions	109.2	106.2	106.1	107.7	105.3	99.5	89.0	68.6	84.3	84.3	71.5
Financial debt, recourse	155.4	87.2	68.3	85.5	86.6	90.9	70.0	306.1	319.6	269.0	183.5
Financial debt, non-recourse	101.7	113.3	110.3	114.2	485.1	808.3	1,313.9	1,488.5	1,880.3	1,880.3	1,624.1
Other liabilities	1.1	6.3	4.6	13.9	17.2	67.3	79.0	392.7	186.5	186.5	212.0
Deferred tax liabilities	45.0	41.2	56.4	52.6	74.4	94.0	129.8	127.3	116.0	116.0	106.9
Current liabilities	**1,665.3**	**2,058.7**	**1,911.0**	**2,118.8**	**2,269.0**	**2,603.5**	**2,978.8**	**3,030.0**	**3,505.8**	**3,556.4**	**3,614.2**
Tax provisions	32.6	47.3	44.8	55.4	50.2	71.5	80.7	120.3	132.7	91.7	118.1
Other provisions	274.3	302.7	302.7	343.3	419.9	424.5	434.8	447.7	612.8	589.7	633.4
Financial debt, recourse	94.2	225.4	113.6	48.7	40.9	47.8	40.6	21.7	34.0	18.2	88.9
Financial debt, non-recourse	0.0	30.3	51.3	90.7	10.1	18.9	48.0	29.6	21.9	21.9	19.3
Other liabilities	1,264.2	1,453.0	1,398.6	1,580.7	1,747.9	2,040.8	2,374.7	2,410.7	2,704.4	2,280.8	2,051.6
Liabilities held for sale	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	554.1	702.9
Balance-sheet total	**3,310.6**	**3,632.8**	**3,483.3**	**3,720.4**	**4,356.6**	**5,129.4**	**6,127.8**	**6,773.0**	**7,940.6**	**7,940.6**	**7,937.1**
Proportion of balance-sheet total											
Non-current assets	27 %	35 %	32 %	37 %	45 %	48 %	51 %	59 %	62 %	58 %	56 %
Current assets	73 %	65 %	68 %	63 %	55 %	52 %	49 %	41 %	38 %	42 %	44 %
Shareholders' equity	34 %	28 %	33 %	30 %	27 %	24 %	22 %	17 %	20 %	20 %	23 %
Non-current liabilities	16 %	15 %	12 %	13 %	21 %	26 %	30 %	38 %	36 %	35 %	32 %
Current liabilities	50 %	57 %	55 %	57 %	52 %	50 %	48 %	45 %	44 %	45 %	45 %

[1] For better comparability, assets held for sale and liabilities held for sale are reported separately

Business developments

€ million	2001	2002	2003	2004	2005	2006	2007	2008	2009	2009[3]	2010
Output volume	4.607	4.912	5.586	6.111	7.061	7.936	9.222	10.742	10.403	7.727	8.123
Orders received	4.680	5.216	5.605	6.139	7.545	10.000	11.275	10.314	11.129	7.696	8.048
Order backlog	4.272	5.168	6.277	6.339	7.001	8.747	10.759	10.649	11.704	8.362	8.585
Capital expenditure	111	324	271	165	330	370	268	697	530	496	343
Property, plant and equipment	73	71	88	70	102	136	204	237	162	135	141
Financial assets	38	253	183	95	228	234	64	460	368	361	202
Employees (at year-end)	43.471	50.277	50.460	49.852	55.346	49.141	52.723	60.923	67.199	61.027	58.312
Group earnings											
EBIT	35	69[1]	89[1]	81	110	170	229	298	250	173	343
Earnings before taxes (EBT)	71	85[2]	86[2]	91	115	173	228	283	214	135	303
Net profit	52	60	50	51	66	92	134	200	140		284
Cash flow from operating activities	35	74	30	198	188	207	325	357	368	365	245
Cash flow per share	0,89	1,88	0,76	4,98	4,70	5,14	8,07	9,22	9,94	9,86	5,56
Earnings per share	1,33	1,53	1,26	1,28	1,66	2,29	3,32	5,18	3,79		6,43
SE											
Dividend distribution	20,0	36,4	47,7	36,7	37,2	46,5	63,6	70,6	88,3		100,4
Dividend per share	0,51	0,51	0,60	0,92	0,92	1,15	1,66	1,85	2,00		2,50
Dividend bonus		0,45	0,65								
Share price at year-end	25,00	14,60	27,00	30,25	40,30	55,52	52,78	37,32	53,92		63,20

1 Adjusted for exceptional items totaling € 48 million in 2003 and € 36 million in 2002
2 Adjusted for exceptional items totaling € 76 million in 2003 and € 54 million in 2002
3 Figures relate exclusively to continuing operations

Financial calendar

2011

May 12	Interim Report Q1 2011
May 31	Annual General Meeting*
August 12	Interim Report Q2 2011
November 14	Interim Report Q3 2011

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Mannheim, 10 a.m.

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.com

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.com

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

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