Interim Report Q2 2011

The Multi Service Group. BILFINGER BERGER

Interim group management report

- **Successful first half of 2011**
- **EBIT rises at a rate greater than output volume**
- **Net profit doubles as a result of Valemus sale**
- **Increased output volume and earnings expected for full year**

In the first half of 2011, Bilfinger Berger increased its output volume while operating profit (EBIT) grew at a disproportionately high rate. The successful business development will continue in the second half of the year.

Roland Koch is the new Chairman of the Executive Board of Bilfinger Berger SE effective July 1, 2011. He succeeds Herbert Bodner, who has retired after twelve years at the head of the company. The newly elected Supervisory Board of Bilfinger Berger SE confirmed Dr. Bernhard Walter as its chairman in its constitutive meeting on May 31, 2011.

In the context of focusing our construction business, we have abandoned remaining construction activities in North America; the sale of a unit specialized in the construction of sewage treatment plants was concluded in June 2011. In these interim consolidated financial statements, both Valemus Australia (which was sold in the first quarter) and the abandoned construction business in North America are presented as discontinued operations. The prior-year figures have been adjusted accordingly. Unless otherwise stated, all of the figures provided in this interim report refer to the Group's continuing operations.

Further growth in output volume

In the first six months of 2011, output volume increased by 7 percent to €4,028 million. Orders received were slightly below the volume of the prior-year period at €3,818 million. The order backlog decreased as a result of the planned focusing of our construction business; it was 6 percent lower than a year earlier at €8,221 million.

Key figures for the Group

€ million	**H1 2011**	**H1 2010**	**Δ in %**	**FY 2010**
Output volume	4,028	3,779	+7	8,059
Orders received	3,818	3,891	–2	7,954
Order backlog	8,221	8,752	–6	8,497
EBIT	153	132	+16	341
Earnings after taxes from continuing operations	91	77	+18	208
Earnings after taxes from discontinued operations	174	41	+324	78
Net profit*	264	118	+124	284
Earnings per share (in €)*	5.99	2.67	+124	6.43
Investments	71	185	–62	343
thereof in P, P & E	49	56	–13	141
thereof in financial assets	22	129	–83	202
Number of employees	58,585	60,569	–3	58,182

* Includes continuing and discontinued operations

Positive development of earnings

First-half EBIT increased to €153 million (H1 2010: €132 million). All business segments contributed to this positive development. The net interest expense amounted to €17 million, as in the first half of last year. Earnings after taxes from continuing operations increased to €91 million (H1 2010: €77 million). Earnings after taxes from discontinued operations amounted to €174 million (H1 2010: €41 million). As well as underlying first-half earnings of €13 million, that figure includes an additional gain of €161 million realized on the sale of Valemus Australia. As a result, net profit for the first half of 2011 more than doubled to €264 million (H1 2010: €118 million).

Increased output volume and earnings planned for full year

In full-year 2011, we anticipate slight growth in output volume generated by continuing operations – without taking potential acquisitions into account – to a magnitude of €8.2 billion and an increase in EBIT to an amount of about €350 million. This corresponds to an increase of approximately 9 percent as compared to the adjusted figure from the prior year which included a special effect from the sale of shares in concession projects in the amount of €21 million. Due to the gain realized on the sale of Valemus Australia, we expect net profit to increase to approximately €380 million in 2011. It will therefore be substantially higher than the net profit of €284 million posted in 2010.

Significant increase in liquidity

The cash inflow of approximately €600 million resulting from the sale of Valemus has had a significant impact on the Group's cash position. Cash and cash equivalents increased to €825 million (end of 2010: €537 million). Despite the increase in working capital during the year (which is normal due to the seasonal nature of our business), cash flow from operating activities of continuing operations improved to a net outflow of €162 million (H1 2010: net outflow of €211 million).

Investments in financial assets totaled €22 million (H1 2010: €129 million) and capital expenditure on property, plant and equipment totaled €49 million (H1 2010: €56 million). The payment of the dividend for the year 2010 amounted to €110 million (H1 2010: €88 million).

Financial debt – excluding project financing on a non-recourse basis, for which Bilfinger Berger is not liable – remained nearly unchanged at €271 million (December 31, 2010: €273 million).

Our available liquidity and financing potential on the basis of a sound capital structure give us substantial scope for investment. An amount of at least €1 billion is available to us for the further expansion of our services activities.

Number of employees

At June 30, 2011, the Bilfinger Berger Group employed a workforce of 58,585 people (June 30, 2010: 60,569). 22,924 people were employed in Germany and 35,661 were employed in other markets (June 30, 2010: 24,597 and 35,972 respectively).

Opportunities and risks

No significant changes occurred with regard to opportunities and risks during the reporting period compared with the situation as described in Annual Report 2010. Provisions have been recognized for all discernible risks; in our assessment, no risks exist that would jeopardize the continuing existence of the Bilfinger Berger Group.

Developments in the business segments

Overview of output volume and order situation	Output volume		Orders received		Order backlog		Output volume
€ million	**H1 2011**	**Δ in %**	**H1 2011**	**Δ in %**	**H1 2011**	**Δ in %**	**FY 2010**
Industrial Services	1,539	+11	1,676	+10	2,646	+11	2,932
Power Services	541	+1	534	+19	1,355	+24	1,106
Building and Facility Services	1,092	+3	1,079	–22	2,190	–14	2,333
Construction	845	+9	512	+8	1,958	–26	1,661
Consolidation, other	11		17		72		27
Continuing operations	**4,028**	**+7**	**3,818**	**–2**	**8,221**	**–6**	**8,059**

EBIT by business segment

€ million	**H1 2011**	**H1 2010**	**Δ in %**	**FY 2010**
Industrial Services	71	63	+13	134
Power Services	43	41	+5	83
Building and Facility Services	29	25	+16	80
Construction	11	3	+267	29
Concessions	9	8	+13	40
Consolidation, other	–10	–8		–25
Continuing operations	**153**	**132**	**+16**	**341**

Industrial Services

- **Double-digit growth in output volume and orders received**

The Industrial Services business segment achieved double-digit growth rates for output volume, orders received, order backlog and earnings. EBIT increased to €71 million (H1 2010: €63 million).

The upswing in the maintenance business that has been apparent since the second half of 2010 is continuing, with positive impetus primarily from the oil and gas industry. We were recently contracted by BP to maintain oil rigs and stationary oil tankers at three oil and gas fields off the coast of Norway. This work has a volume of €40 million over a period of three years. In Austria, we have completed installation work for the expansion of the country's biggest natural gas storage facility. Bilfinger Berger Industrial Services installed a total of 1,700 tons of equipment and 850 tons of piping for the construction of the central station and two compressor units. This new stage of expansion has doubled the capacity of the Haidach storage facility near Salzburg to approximately 2.4 billion cubic meters of natural gas. Our order volume was approximately €20 million.

In Belgium, we have received an order to install a pharmaceutical production plant with a value of approximately €30 million at the Geel location of Genzyme, a part of the Sanofi pharmaceuticals group.

For full-year 2011, we expect the Industrial Services business segment to increase its output volume to €3.1 billion and to achieve further growth in earnings.

Key figures for Industrial Services

€ million	H1 2011	H1 2010	Δ in %	FY 2010
Output volume	1,539	1,383	+11	2,932
Orders received	1,676	1,529	+10	3,253
Order backlog	2,646	2,375	+11	2,601
Capital expenditure on P, P & E	28	26	+8	73
EBIT	71	63	+13	134

Power Services

- **Further increase in EBIT margin**
- **Strong international business**
- **Energy policy changes in Germany open up opportunities**

In the Power Services business segment, output volume was stable while orders received and order backlog grew significantly. EBIT rose to €43 million (H1 2010: €41 million), resulting in a renewed increase in the segment's high EBIT margin.

The effects of German energy policy on the investment behavior of energy-supply companies are difficult to foresee at present. In the medium term, further investment in the construction of new conventional power plants and in the modernization of existing facilities will be essential in order to secure the country's electricity supply. This opens up new opportunities for Bilfinger Berger Power Services as a major service provider in the German energy sector.

In our international markets, we continue to meet with good demand for our services. We see long-term growth potential in the Arab region, for example. We recently received an order for the design, project management, supply and installation of five new filter units for the Habshan gas processing plant in Abu Dhabi. Independently of the developments in Germany, demand for our expertise in the field of nuclear power remains strong in other countries.

In July, we acquired AE&E, a company based in Brno in the Czech Republic that specializes in servicing power plants. With 170 highly specialized employees and an annual output volume of approximately €50 million, AE&E focuses, among other things, on components for gas-fired combined-cycle power plants and biomass boilers.

We anticipate an output volume of a good €1.1 billion and another increase in earnings for the full year in the Power Services segment.

Key figures for Power Services

€ million	H1 2011	H1 2010	Δ in %	FY 2010
Output volume	541	538	+1	1,106
Orders received	534	447	+19	1,281
Order backlog	1,355	1,094	+24	1,371
Capital expenditure on P, P & E	4	14	–71	33
EBIT	43	41	+5	83

Building and Facility Services

- **EBIT margin improves once again**

The output volume generated by the Building and Facility Services business segment increased in the first half of the year. However, orders received did not reach the level of the prior-year period, which was boosted by some large orders and a high volume of orders received from Nigeria. The order backlog decreased accordingly. EBIT increased to €29 million (H1 2010: €25 million). It was thus possible to further increase the margin in a highly competitive environment.

In the field of property management, Bilfinger Berger is profiting from the growing dynamic of the German real-estate market: In recent months, we have signed new contracts with renowned banks and investment companies such as DZ Bank, DG Anlage, SEB and Commerz Real. In this context, we have taken over the management of numerous office buildings, including the DZ Bank Tower in Frankfurt as well as center and rental management for several shopping centers in Germany. These contracts have a total volume of more than €65 million and run for periods of between three and seven years.

The business of building construction in Germany is developing positively. We are constructing a multifunctional building with offices, workshops and research facilities in Munich for MAN, a producer of commercial vehicles. In Cologne, we are building a new residential complex with more than 200 housing units. The orders have a total volume of approximately €40 million.

For full-year 2011, we expect unchanged output volume of €2.3 billion in combination with increased earnings in the Building and Facility Services business segment.

Key figures for Building and Facility Services

€ million	H1 2011	H1 2010	Δ in %	FY 2010
Output volume	1,092	1,062	+3	2,333
Orders received	1,079	1,387	–22	2,379
Order backlog	2,190	2,550	–14	2,217
Capital expenditure on P, P & E	6	5	+20	13
EBIT	29	25	+16	80

Construction

- **Moderate demand**
- **Significant earnings improvement**

At the Construction business segment, output volume increased in the first half of the year while the high order backlog was reduced as planned. At the same time, first-half EBIT increased significantly to €11 million (H1 2010: €3 million).

The public sector spending cuts that are to be expected in Germany and some other European countries will lead to weaker demand for civil-engineering work. A stable development is anticipated in Scandinavia, however, and Poland continues to offer good prospects as it is benefiting from European Union funding for infrastructure expansion. As an infrastructure and services provider with strong technology, we have a good basis for the further development of our civil-engineering business.

Together with our Danish partner, Per Aarsleff, we received an order in April 2011 to construct the foundations for 80 wind turbines of the new DanTysk offshore wind farm 70 kilometers west of Sylt, an island in the North Sea. And north of the city of Bergen in Norway, we are erecting two 100-meter reinforced steel pylons for the new suspension bridge over the Dalsfjord.

For full-year 2011, we expect the Construction business segment to achieve output volume of €1.7 billion and thus in the magnitude of the prior-year figure. Due to the improved risk structure, we anticipate a further increase in the EBIT margin.

Key figures for Construction

€ million	H1 2011	H1 2010	Δ in %	FY 2010
Output volume	845	776	+9	1,661
Orders received	512	472	+8	961
Order backlog	1,958	2,654	–26	2,235
Capital expenditure on P, P & E	10	10	0	20
EBIT	11	3	+267	29

Concessions

- **Further growth in portfolio's net present value**
- **Opportunities in Canada, Australia and the UK**

Our Concessions portfolio comprised 30 projects as of June 30, 2011. Our total equity commitment of €362 million was only slightly lower than a year earlier, although we sold shares in four of the project companies in our portfolio in 2010. The equity paid into the project companies was significantly higher than a year earlier, totaling €205 million at the end of June. EBIT amounted to €9 million (H1 2010: €8 million). The net present value of our portfolio had increased to €306 million by the end of the reporting period (December 31, 2010: €268 million) and is substantially higher than the amount of paid-in equity.

Our markets in Canada and Australia are very dynamic. We are submitting bids for the attractive transport-infrastructure projects coming onto the market there. Those countries also offer good prospects with public-private-partnership projects in the health and education sectors and for prisons. In Europe, demand for public-private partnerships is reserved. We are currently processing selected projects, especially in the United Kingdom. In Northern Ireland, the East Down and Lisburn school project has been in full operation since May 2011, following the completion of the last of four school complexes.

Equity of almost €400 million is currently invested in our project portfolio. As this volume is now of the magnitude we had targeted, it is becoming increasingly important to market mature projects so that we can reinvest the proceeds in new ones. The sale of shares in project companies or the involvement of partners in our portfolio will lead to additional earnings for the business segment in the future.

For full-year 2011, we expect the Concessions business segment to achieve an EBIT in the magnitude of the prior year figure, adjusted for the capital gain from the sale of equity interests, of €19 million.

Key figures for Concessions

Number / € million	H1 2011	H1 2010	FY 2010
Projects in portfolio	30	28	29
thereof under construction	10	9	10
Committed equity	362	380	358
thereof paid-in	205	167	160
Net Present Value	306	265	268
EBIT	9	8	40

Interim consolidated financial statements

The interim consolidated financial statements as of June 30, 2011 have been prepared in accordance with the guidelines of the International Accounting Standards Board (IASB), London, as were the consolidated financial statements for the year 2010, and comply with the requirements of IAS 34. They do not provide all of the information and disclosures included in complete consolidated financial statements and are therefore to be read in conjunction with the consolidated financial statements as of December 31, 2010. The accounting and valuation methods explained in the notes to the consolidated financial statements for the year 2010 have been applied unchanged.

On January 26, 2010, the Executive Board of Bilfinger Berger SE decided to initiate the sale of Valemus Australia Pty. Limited, Sydney, Australia. The sale of that subsidiary was completed on March 10, 2011. In accordance with the provisions of IFRS 5, the business activities of Valemus Australia have been presented since the first quarter of 2010 and are also presented in these interim consolidated financial statements as of June 30, 2011 as discontinued operations.

In the context of concentrating its construction activities, Bilfinger Berger has abandoned its construction business in North America. In accordance with the provisions of IFRS 5, as of the year 2011, those activities are also presented in the consolidated income statement and in the consolidated statement of cash flows as discontinued operations. The prior-year figures have been adjusted accordingly.

Consolidated income statement	January 1 - June 30		April 1 - June 30	
€ million	**2011**	**2010**	**2011**	**2010**
Output volume from continuing operations (for information only)	4,028	3,779	2,199	2,022
Revenue	**3,867**	**3,753**	**2,081**	**2,035**
Cost of sales	–3,367	–3,275	–1,807	–1,768
Gross profit	**500**	**478**	**274**	**267**
Selling and administrative expenses	–378	–376	–193	–197
Other operating income and expense	19	21	6	9
Income from investments accounted for using the equity method	12	9	7	6
Earnings before interest and taxes (EBIT)	**153**	**132**	**94**	**85**
Net interest result	–17	–17	–8	–8
Earnings before taxes	**136**	**115**	**86**	**77**
Income tax expense	–45	–38	–28	–25
Earnings after taxes from continuing operations	**91**	**77**	**58**	**52**
Earnings after taxes from discontinued operations	**174**	**41**	**0**	**18**
Earnings after taxes	265	118	58	70
thereof minority interest	1	0	0	0
Net profit	**264**	**118**	**58**	**70**
Average number of shares (in thousands)	44,140	44,140	44,140	44,140
Earnings per share (in €)*	5.99	2.67	1.29	1.57
thereof from continuing operations	2.05	1.74	1.29	1.16
thereof from discontinued operations	3.94	0.93	0.00	0.41

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

First-half revenue increased by 3 percent to €3,867 million (H1 2010: €3,753 million). However, that figure does not include our proportion of output volume generated by joint ventures. In order to present the Group's entire output volume in the interest of more complete information, we therefore also disclose our output volume in the consolidated income statement. It amounts to €4,028 million for the first half of this year (H1 2010: €3,779 million).

Gross profit increased to €500 million (H1 2010: €478 million). In relation to output volume, the gross margin is 12.4 percent (H1 2010: 12.6 percent). Selling and administrative expenses are almost unchanged at €378 million (H1 2010: €376 million). In relation to output volume, they decreased to 9.4 (H1 2010: 9.9) percent. EBIT increased by 16 percent to €153 million (H1 2010: €132 million) and the EBIT margin rose to 3.8 percent (H1 2010: 3.5 percent), with positive contributions being made by all business segments.

Scheduled amortization of €17 million has been carried out on intangible assets from acquisitions (H1 2010: €20 million) and is included in cost of sales. Depreciation of property, plant and equipment and amortization of other intangible assets amount to €63 million (H1 2010: €54 million).

Net interest result is unchanged at minus €17 million. Current interest income increased to €10 million due to the higher volume of cash and cash equivalents (H1 2010: €6 million). Current interest expense and the interest expense from the allocation to pension provisions remained nearly constant at €14 million and €8 million respectively (H1 2010: €13 million and €7 million respectively). The interest expense for minority interest increased to €5 million (H1 2010: €3 million).

The resulting earnings from continuing operations amount to €136 million before taxes (H1 2010: €115 million) and €91 million (H1 2010:

€77 million) after taxes. The effective income-tax rate is unchanged as compared to the prior-year period at 33 percent.

Earnings after taxes from discontinued operations increased significantly to €174 million (H1 2010: €41 million), including the gain of €161 million realized on the sale of Valemus Australia. More details are provided in the *Discontinued operations* section.

The Group's net profit for the period increased to €264 million (H1 2010: €118 million).

Consolidated statement of comprehensive income	January 1 - June 30		April 1 - June 30	
€ million	**2011**	**2010**	**2011**	**2010**
Earnings after taxes	**265**	**118**	**58**	**70**
Gains / losses on hedging instruments				
Unrealized gains / losses	–8	–83	–48	–56
Reclassifications to the income statement	3	32	10	18
	–5	–51	–38	–38
Currency translation differences				
Unrealized gains / losses	–44	104	1	39
Reclassifications to the income statement	–58	0	0	0
	–102	104	1	39
Actuarial gains / losses on pension plans	2	–13	2	–13
Unrealized gains / losses on investments accounted for using the equity method	–3	–28	–12	–16
Income taxes on unrealized gains / losses	–1	3	8	15
Other comprehensive income after taxes	**–109**	**15**	**–39**	**–13**
Total comprehensive income after taxes	**156**	**133**	**19**	**57**
attributable to shareholders of Bilfinger Berger SE	156	134	18	58
attributable to minority interest	0	–1	1	–1

In addition to the earnings after taxes of €265 million presented in the consolidated income statement (H1 2010: €118 million), other comprehensive loss after taxes of €109 million was recognized directly in equity (H1 2010: gain of €15 million). This is the net amount of unrealized gains and losses on hedging instruments, unrealized gains and losses on investments accounted for using the equity method also resulting from hedging instruments, currency translation differences recognized in equity and actuarial gains and losses on pension plans. The hedging instruments relate primarily to interest-rate derivatives used in the concessions business for the long-term financing of project companies. The non-recourse character of this project financing calls for long-term, predictable interest cash flows and thus requires long-term, static hedging against the risk of interest-rate fluctuations. Changes in market values occurring in this context must be reflected in the balance sheet, but they have no impact on the development of the Group due to the closed project structure.

The large negative currency translation differences of minus €102 million result from the appreciation of the euro against currencies relevant to Bilfinger Berger and in particular from the deconsolidation of Valemus Australia.

Total comprehensive income after taxes amounts to €156 million (H1 2010: €133 million). All of that total is attributable to the shareholders of Bilfinger Berger SE (H1 2010: €134 million).

Consolidated balance sheet

	€ million	June 30 2011	Dec. 31 2010
Assets	**Non-current assets**		
	Intangible assets	1,444	1,457
	Property, plant and equipment	638	663
	Investments accounted for using the equity method	102	98
	Receivables from concession projects	1,763	1,789
	Other financial assets	263	260
	Deferred tax assets	189	193
		4,399	**4,460**
	Current assets		
	Inventories	187	199
	Receivables and other financial assets	1,765	1,594
	Current tax assets	31	39
	Other assets	71	58
	Cash and cash equivalents	825	537
	Assets classified as held for sale	0	1,050
		2,879	**3,477**
	Total	**7,278**	**7,937**
Equity and liabilities	**Equity**		
	Equity attributable to shareholders of Bilfinger Berger SE	1,847	1,803
	Minority interest	7	9
		1,854	**1,812**
	Non-current liabilities		
	Retirement benefit obligation	316	313
	Provisions	69	71
	Financial debt, recourse	182	184
	Financial debt, non-recourse	1,637	1,624
	Other financial liabilities	227	212
	Deferred tax liabilities	110	107
		2,541	**2,511**
	Current liabilities		
	Current tax liabilities	86	118
	Provisions	782	633
	Financial debt, recourse	89	89
	Financial debt, non-recourse	14	19
	Other financial liabilities	1,635	1,800
	Other liabilities	277	252
	Liabilities classified as held for sale	0	703
		2,883	**3,614**
	Total	**7,278**	**7,937**

Compared with December 31, 2010, the balance sheet total decreased by €0.7 billion to €7.3 billion. Approximately €450 million of the decrease is due to the sale of our business in Australia, which is reflected in particular by the disposal of assets and liabilities classified as held for sale and at the same time by the increase in cash and cash equivalents to €825 million (December 31, 2010: €537 million).

The increase in current provisions reflects provisions recognized for risks in connection with the sale of Valemus Australia. The negative working capital decreased, however, to minus €727 million (December 31, 2010: minus €913 million). This was caused by the seasonally typical increase in receivables with a simultaneous decrease in current liabilities.

Consolidated statement of changes in equity

	Equity attributable to the shareholders of Bilfinger Berger SE							Minority interest	Equity
				Other reserves					
€ million	Share capital	Capital reserve	Retained earnings and distributable earnings	Hedging instruments reserve	Currency translation reserve	Treasury shares	Total		
Balance at January 1, 2010	**138**	**759**	**882**	**–119**	**–22**	**–100**	**1,538**	**23**	**1,561**
Total comprehensive income	0	0	109	–78	103	0	134	–1	133
Capital contributions	0	0	0	0	0	0	0	0	0
Dividends paid out	0	0	–88	0	0	0	–88	–1	–89
Other changes	0	0	–2	2	0	0	0	–5	–5
Balance at June 30, 2010	**138**	**759**	**901**	**–195**	**81**	**–100**	**1,584**	**16**	**1,600**
Balance at January 1, 2011	**138**	**759**	**1,062**	**–172**	**116**	**–100**	**1,803**	**9**	**1,812**
Total comprehensive income	0	0	265	–7	–102	0	156	0	156
Dividends paid out	0	0	–110	0	0	0	–110	–2	–112
Changes in ownership interest without change in control	0	0	0	0	0	0	0	0	0
Other changes	0	0	–2	0	0	0	–2	0	–2
Balance at June 30, 2011	**138**	**759**	**1,215**	**–179**	**14**	**–100**	**1,847**	**7**	**1,854**

Equity increased by €42 million during the first half of 2011. Earnings after taxes accounted for an increase of €265 million while the payment of the dividend for the year 2010 led to a decrease of €110 million. Changes recognized directly in equity with no effect on profit and loss reduced equity attributable to the shareholders of Bilfinger Berger SE by €109 million. Those changes include €102 million of negative differences on currency translation and €7 million of unrealized losses on hedging instruments, which are presented in more detail in the consolidated statement of comprehensive income. Equity attributable to minority interest decreased by €2 million.

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

Consolidated statement of cash flows

January 1 - June 30

€ million	2011	2010
Cash earnings from continuing operations	171	147
Change in working capital	–325	–357
Gains on disposals of non-current assets	–8	–1
Cash flow from operating activities of continuing operations	**–162**	**–211**
Cash flow from investing activities of continuing operations	**349**	**–177**
thereof property, plant and equipment	–42	–49
thereof financial assets	391	–128
Cash flow from financing activities of continuing operations	**–115**	**47**
thereof dividend paid to the shareholders of Bilfinger Berger SE	–110	–88
thereof dividend paid to non-controlling interests	–2	–1
thereof repayment of debt / borrowing	–3	136
Change in cash and cash equivalents of continuing operations	**72**	**–341**
Cash flow from operating activities of discontinued operations	–59	110
Cash flow from investing activities of discontinued operations	–3	–10
Cash flow from financing activities of discontinued operations	–5	–3
Change in cash and cash equivalents of discontinued operations	**–67**	**97**
Other adjustments to cash and cash equivalents	–23	41
Cash and cash equivalents at January 1	537	798
Cash and cash equivalents of discontinued operations at January 1	306	–
Cash and cash equivalents of discontinued operations at June 30	–	254
Cash and cash equivalents at June 30	**825**	**341**

One of the key aspects of the cash flow from operating activities is the increase in working capital by €325 million (H1 2010: €357 million). This is primarily due to the seasonal nature of our business. In addition, the reduction as planned in the volume of our construction business also led to an increase in working capital. Nonetheless, the cash flow from operating activities improved to a net cash outflow of €162 (H1 2010: net cash outflow of €211 million).

Bilfinger Berger had a net cash inflow of €349 million from the investing activities of continuing operations (H1 2010: net cash outflow of €177 million). The cash inflow was the result of proceeds of €615 million from the disposal of financial assets (H1 2010: €1 million); €595 million of that amount is accounted for by the net cash inflow from the sale of our business in Australia. The sale resulted in the disposal of cash and cash equivalents in an amount of €202 million. Investments in financial assets resulted in a cash outflow of €22 million (H1 2010: €129 million). €4 million was for capital contributions and loans in the concessions business (H1 2010: €42 million) and €18 million was invested in the area of services (H1 2010: €87 million). Property, plant and equipment accounted for cash outflows of €49 million (H1 2010: €57 million) and cash inflows of €7 million (H1 2010: €8 million).

The cash outflow from financing activities of continuing operations of €115 million (H1 2010: cash inflow of €47 million) million was the result of dividend payments of €112 million (H1 2010: €89 million) and net debt repayments of €3 million (H1 2010: net borrowing of €136 million).

In total, changes in cash and cash equivalents of continuing operations amounted to a net cash inflow of €72 million (H1 2010: net cash outflow of €341 million).

The cash flows of discontinued operations resulted in a net cash outflow of €67 million (H1 2010: net cash inflow of €97 million).

Changes in currency exchange rates led to an arithmetical decrease in cash and cash equivalents of €23 million (H1 2010: increase of €41 million).

At June 30, 2011, cash and cash equivalents amount to €825 million.

Segment reporting	Output volume		External revenues		Internal revenues		EBIT	
	January 1 - June 30		January 1 - June 30		January 1 - June 30		January 1 - June 30	
€ million	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
Industrial Services	1,539	1,383	1,530	1,386	13	7	71	63
Power Services	541	538	538	536	1	2	43	41
Building and Facility Services	1,092	1,062	1,020	1,028	9	5	29	25
Construction	845	776	685	588	6	8	11	3
Concessions	35	37	89	210	0	0	9	8
Consolidation, other	–24	–17	5	5	–29	–22	–10	–8
Continuing operations	**4,028**	**3,779**	**3,867**	**3,753**	**0**	**0**	**153**	**132**

Segment reporting corresponds to our internal reporting by business segment.

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

Discontinued operations

Discontinued operations comprise Valemus Australia, which was sold as of March 10, 2011, and the abandoned construction activities in the North American market.

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

Earnings from discontinued operations are comprised as follows:

	January 1 - June 30		April 1 - June 30	
€ million	**2011**	**2010**	**2011**	**2010**
Output volume (for information only)	518	1,542	6	848
Revenue	425	1,264	4	687
Expenses / income	–408	–1,205	–4	–660
EBIT	**17**	**59**	**0**	**27**
Net interest result	2	3	0	2
Earnings before taxes	**19**	**62**	**0**	**29**
Income tax expense	–6	–21	0	–11
Earnings after taxes	**13**	**41**	**0**	**18**
Gain on the sale of Valemus Australia	**161**	**0**	**0**	**0**
Earnings after taxes from discontinued operations	**174**	**41**	**0**	**18**

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

The gain on the sale of Valemus Australia is comprised as follows:

€ million	**June 30 2011**
Goodwill	149
Non-current assets	259
Current assets	570
Cash and cash equivalents	202
Financial debt	72
Other liabilities	642
Disposal of net assets	**–466**
Reclassification of other comprehensive income into the income statement	**58**
Net disposal proceeds	**571**
Income tax expense	**–2**
Gain on the sale of Valemus Australia	**161**

Net disposal proceeds take into account a risk provision for contractual guarantees provided as well as for warranty obligations and litigation risks accepted in connection with the sale of Valemus Australia.

In the context of abandoning the construction activities in North America, the sale was concluded of a unit of our subsidiary Fru-Con that is specialized in the construction of sewage treatment plants. The net proceeds of that sale amount to €15 million; no significant gain was realized on the sale.

Related-party disclosures

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

Contingent liabilities

Contingent liabilities of €256 million (December 31, 2010: €57 million) relate to guarantees, primarily provided for subsidiaries that have meanwhile been sold. €196 million of the increase compared with 2010 relates to Valemus Australia, which was sold during the reporting period. Bilfinger Berger is indemnified by the respective purchasers against any risk arising from those guarantees. In addition, we are jointly and severally liable as partners in companies constituted under the German Civil Code and in connection with consortiums.

Responsibility statement

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

Mannheim, August 10, 2011

Bilfinger Berger SE
The Executive Board

Roland Koch

Joachim Enenkel

Joachim Müller

Klaus Raps

Thomas Töpfer

Review Report

To Bilfinger Berger SE, Mannheim

We have reviewed the interim condensed consolidated financial statements, comprising the income statement, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and selected explanatory notes, and the interim group management report of Bilfinger Berger SE, Mannheim, for the period from January 1 to June 30, 2011, which are part of the six-monthly financial report pursuant to Sec. 37w WpHG ["Wertpapierhandelsgesetz": German Securities Trading Act]. The preparation of the interim condensed consolidated financial statements in accordance with IFRSs [International Financial Reporting Standards] on interim financial reporting as adopted by the EU and of the group management report in accordance with the requirements of the WpHG applicable to interim group management reports is the responsibility of the Company's management. Our responsibility is to issue a report on the interim condensed consolidated financial statements and the interim group management report based on our review.

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

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

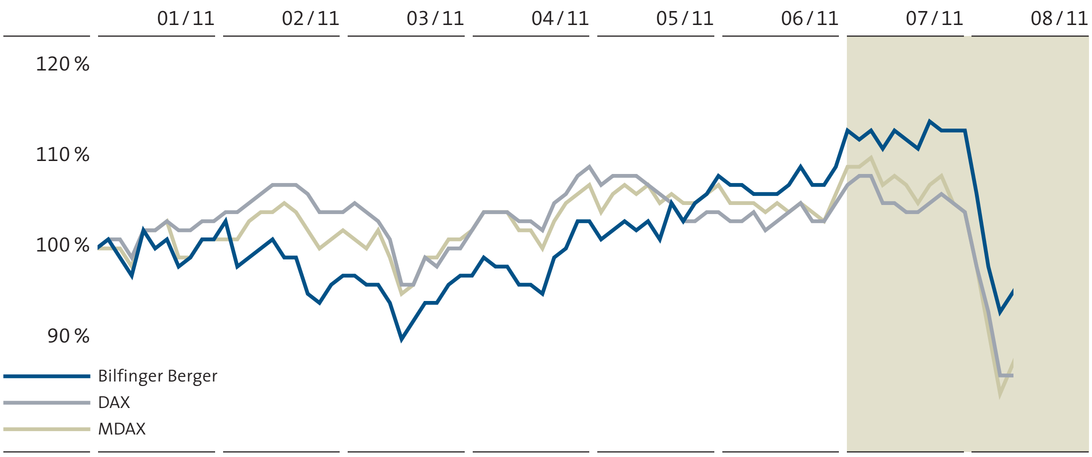
Mannheim, August 10, 2011

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

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

Bilfinger Berger shares

Relative performance of our shares



Key figures on our shares

January 1 - June 30

€ per share		2011
Highest price		68.83
Lowest price		54.44
Closing price [1]		68.19
Book value [2]		41.83
Market value / book value [1,2]		1.6
Market capitalization [1,3]	in € million	3,138
MDAX weighting [1]		3.5 %
Number of shares [1,3]	in thousands	46,024
Average daily volume	no. of shares	263,426

All price details refer to Xetra trading

1 Based on June 30, 2011

2 Balance sheet shareholder's equity excluding minority interest

3 Including treasury shares

Basic share information

ISIN / stock exchange symbol:

DE0005909006 / GBF

Main listings: XETRA / Frankfurt

Deutsche Boerse segment / indices:

Prime Standard, MDAX, Prime Construction Perf. Idx.,

DJ STOXX 600, DJ EURO STOXX,

DJ EURO STOXX Select Dividend 30

Financial calendar

	2011
November 14	Interim Report Q3 2011
November 15	Press and Capital Markets Conference on the Interim Report

	2012
February 13	Preliminary report on the 2011 financial year
March 21	Press Conference on financial statements
May 10	Annual General Meeting* Interim Report Q1 2012
August 9	Interim Report Q2 2012
November 14	Interim Report Q3 2012

*Congress Centrum Rosengarten Mannheim, 10 a.m.

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

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