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**Bilfinger Berger: Preliminary report on the 2008 financial year**

- **Output volume increased**
- **Earnings exceed forecast**
- **Higher dividend proposed**

Bilfinger Berger concluded the 2008 financial year with clear increases in both output volume and earnings. Shareholders are to benefit from this positive development with a higher dividend.

**Key figures for the Group**

In € million	2008	2007	Δ in %
Output volume	10,742	9,222	+ 16
Orders received	10,314	11,275	- 9
Order backlog	10,649	10,759	- 1
Investments	697	268	
thereof in property, plant and equipment	237	204	
thereof in financial assets	460	64	
<b>EBITA</b>	<b>+ 322</b>	<b>+ 242</b>	<b>+ 33</b>
<b>EBIT*</b>	<b>+ 298</b>	<b>+ 229</b>	<b>+ 30</b>
<b>Net profit</b>	<b>+ 200</b>	<b>+ 134</b>	<b>+ 49</b>

**\*Change from EBITA to EBIT**

*Beginning with the annual financial statements for 2008, reporting will be changed from EBITA to EBIT (earnings before interest and taxes). This applies at both Group and segment level. The prior year figures have been adjusted for the purpose of comparability. The amortization of intangible assets from acquisitions in the amount of €24 million (2007: €13 million) is now part of costs of sales in the income statement. This relates solely to the Services business segment. This change is being made in order to adapt to common practice.*

### Output volume increased

The output volume of the Group grew by 16 percent to €10,742 million. Orders received at €10,314 were 9 percent lower than the prior year level, due to strict order selection in the construction business. Order backlog reached the prior year level at €10,649 million. Adjusted for the effect from the sale of the French subsidiary Razel, it increased by 4 percent. Exchange rate fluctuations led to mathematical reductions in output volume (by approximately €200 million), in orders received (by approximately €600 million), and in order backlog (also by approximately €600 million).

### Earnings exceed forecast

In 2008, earnings at Bilfinger Berger once again increased, and exceeded the forecast previously given in the report for the third quarter.

EBIT rose by 30 percent to €298 million (2007: €229 million). This figure includes a positive exceptional item in the amount of €45 million resulting from a €90 million book gain arising from the sale of Razel, minus a one-time charge of €45 million particularly from a more careful application of the percentage of completion method. Adjusted for the exceptional item, EBIT amounts to €253 million.

Net profit grew by 49 percent to €200 million (2007: €134 million). On an after-tax basis, the exceptional item amounts to €60 million.

### Higher dividend proposed

In order for shareholders to participate appropriately in the business success, and subject to resolution of the Supervisory Board, the Executive Board will propose to the Annual General Meeting that the dividend be increased to €2.00 (2007: €1.80) per share for the 2008 financial year.

### Net profit

in € million	2008	2007
<b>EBIT</b>	<b>+ 298</b>	<b>+ 229</b>
Net interest result	- 15	- 1
<b>Earnings before taxes</b>	<b>+ 283</b>	<b>+ 228</b>
Income taxes	- 79	- 88
Minority interest	- 4	- 6
<b>Net profit</b>	<b>+ 200</b>	<b>+ 134</b>
Average number of shares (in thousands)	35,753	37,196
<b>Earnings per share (in €)</b>	<b>5.61</b>	<b>3.60</b>

### Sound financial situation

Bilfinger Berger's financial situation was not impaired by the crisis in the financial markets. The Group has no short-term refinancing needs. Sufficient financial means are available for further development of the Group.

Despite significant investment activity, the end-year cash and marketable securities remained at a high level of €720 million (2007: €796 million). At €357 million (2007: €325 million), cash flow from operating activities exceeded the very good figure from the previous year. This increase was primarily the result of lower working capital needs.

Investment in financial assets was increased to €460 million. Of that amount, €401 million was related to acquisitions in the Industrial Services and Facility Services divisions. Equity contributions and loans for concession projects amounted to €59 million. Investments in property, plant and equipment totaled €237 million. These outflows were offset by cash inflows of €129 million, primarily from the sale of office real estate used by Bilfinger Berger, as well as €92 million from the disposal of financial investments, primarily from the sale of Razel. Cash outflows in the amount of €100 million were the result of the share buyback program concluded in the first half of the year. The dividend to shareholders of Bilfinger Berger AG for financial year 2007 amounted to €64 million. €4 million was distributed to minority interests.

Liabilities to banks increased to €328 million (2007: €111 million). This figure excludes non-recourse project financing in the amount of €1.5 billion, and for which Bilfinger Berger has no liability. The primary reason for the increase was the July 2008 placement of a long-term promissory note loan in connection with financial investments totaling €250 million.

### Consolidated statement of cash flows

in € million	2008	2007
Cash earnings	322	289
Change in working capital	+ 148	+ 53
Gains on the disposal of non-current assets	- 113	- 17
<b>Cash flow from operating activities</b>	<b>357</b>	<b>325</b>
<b>Cash flow from investing activities</b>	<b>- 476</b>	<b>- 237</b>
thereof property, plant and equipment	- 108	- 183
thereof financial assets	- 368	- 54
<b>Cash flow from financing activities</b>	<b>+ 83</b>	<b>- 70</b>
thereof share buyback	- 100	0
thereof dividend payout	- 68	- 52
thereof borrowing (+) /repayment (-) of loans	+ 251	- 18
Change in cash and marketable securities	- 36	+ 18
Other adjustments to cash and marketable securities	- 40	- 5
Cash and marketable securities at January 1	796	783
<b>Cash and marketable securities at December 31</b>	<b>720</b>	<b>796</b>

## Development of the business segments

### Overview of output volume and order situation

in € million	2008 output volume	Δ in %	2008 orders received	Δ in %	2008 order backlog	Δ in %	2007 output volume
Civil	4,161	+ 14	3,541	- 22	4,482	- 19	3,647
Building and Industrial	2,020	+ 3	1,915	- 26	2,263	- 5	1,965
Services	4,578	+ 27	4,875	+ 18	3,919	+ 38	3,606
Consolidation, other	- 17		- 17		- 15		4
	10,742	+ 16	10,314	- 9	10,649	- 1	9,222

### EBIT

in € million	2008	2007	Δ in %
Civil	+ 17	+ 58	- 71
Building and Industrial	+ 14	+ 24	- 42
Services	+ 224	+ 167	+ 34
Concessions	+ 9	- 2	
Consolidation, other	+ 34	- 18	
	<b>+ 298</b>	<b>+ 229</b>	<b>+ 30</b>

In the construction business segments, the focus was on the execution of a strong order backlog. Orders received and order backlog were impacted by exchange rate fluctuations, and by a highly cautious approach to the acceptance of new projects. EBIT in the Civil business segment fell to €17 million (2007: €58 million) due to the one-time charge on earnings of €65 million reported in the second quarter of 2008. In Building and Industrial, EBIT fell to €14 million (2007: €24 million) as a direct result of additional costs from projects in Germany.

The services business again performed very well in 2008. High growth rates in output volume, orders received and order backlog were all provided through both organic growth and acquisitions. EBIT increased at a disproportionate rate to €224 million (2007: €167 million).

A record year was recorded in the concessions business, with the portfolio growing by six to a total of 24 projects. At the end of the year, committed equity had risen to €291 million (2007: €161 million), and equity paid-in to project companies increased to €101 million (2007: €71 million). EBIT improved to €9 million (2007: minus €2 million). With an average portfolio discount rate of 10.5 percent, the net present value of the portfolio rose to €154 million (2007: €119 million). At the beginning of 2009, Bilfinger Berger reached financial close on a transport infrastructure project in Scotland, bringing the total committed equity of the portfolio up to its current level of €335 million.

EBIT not allocated to the business segments increased to €34 million (2007: minus €18 million) due to the exceptional item described above.

### **Outlook**

The full extent to which the economic crisis will impact Bilfinger Berger is difficult to predict with accuracy at this time.

In the construction business, demand for commercial works will fall. However, at the same time, government economic stimulus programs should benefit the company. Despite the sale of Razel, the Company expects a clear increase in the earnings contribution from construction in 2009.

In the services business, activities based primarily on maintenance and modernization will provide a sound basis for the efficient utilization of capacities. However, a quantitative segment forecast in the current environment is premature. From today's perspective, Bilfinger Berger expects an output volume at least equal to the prior year in the Services business segment. Earnings, however, are not expected to reach the very good level of 2008.

Based on current assessments of future economic development, Bilfinger Berger expects output volume in the range of €10 billion in the financial year 2009. The company believes that EBIT and net profit will at least maintain the prior year's level, after adjustment for the exceptional items of €250 million and €140 million respectively.

The final figures for the 2008 financial year, and the annual financial statements will be available in our Annual Report 2008, publication of which will coincide with the annual press conference on March 17, 2009. The Annual General Meeting of Bilfinger Berger will be held in Mannheim on May 7, 2009.

### **Disclaimer**

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