Speech by Herbert Bodner, 
Chairman of the Executive Board

Please check against delivery.

Ladies and Gentlemen,

On behalf of the entire Executive Board, I would like to welcome you to today’s Annual General Meeting.

Bad news has become a daily occurrence in recent months. The crisis on the financial markets has led to a global crisis in the real economy the scale of which we would not have thought possible one year ago. Economists are finding it difficult to make any forecasts at all. When and how the downward spiral will end, how long the economy will stay down and how strong the next upswing will be, no one can say for sure.

The important message in this environment is that Bilfinger Berger is healthy and can rely on its own powers of resistance. We look back at a successful financial year in 2008 and we can
present you with good figures for the first three months of the current financial year.

Of course our business will also feel the consequences of the economic downturn. We believe, however, that we are well equipped to deal with the crisis. Our position is strong – strategically, operationally and financially.

*Chart: Fundamental strengths of the Group*

The Multi Service Group, Bilfinger Berger, offers comprehensive solutions for real estate, industrial plants and infrastructure. On the strength of our services business, we have made ourselves less dependent on the cycles and risks associated with the project business. Our international reach allows us to better protect ourselves against economic weakness in individual markets.

An important competitive advantage is the interaction of our services along the entire value chain. Our expertise covers the full lifecycle of building structures and plants. This is a prerequisite for developing sustainable solutions that create long-term value added.
We support our growth with consistent portfolio management. In 2008 we acquired companies with a total value of €500 million, sold companies with a total value of €100 million and thus further strengthened our business. As a result of our cautious financial policies, we have no need for refinancing in this crisis.

Overall, our business model is geared toward long-term developments which are unchanged by the current environment.

(Chart: Business opportunities)

We therefore see good business opportunities despite – or in some cases because of the crisis.

- The cost-optimization solutions that we offer are especially attractive in economically difficult times. These include, for example, comprehensive solutions for efficiency improvement or the outsourcing of capacities from our clients to our services units.

- In many countries, economic stimulus programs for infrastructure as well as climate and environmental
protection are being established. These generate demand for our services.

- Growing deficits in national budgets will necessitate the mobilization of more private-sector capital for public-sector projects and the more efficient application of tax revenue. We are a proven partner to the public sector – in Germany and around the world – and a prime address for future PPP projects.

- Sustainability, climate protection and the conservation of resources remain the greatest challenges of our time. We optimize building structures and plants over their entire lifecycle. In many places, our expertise is helping to save energy, reduce CO₂ emissions and conserve valuable resources.

We want to take advantage of these opportunities – here are a few examples:

*(Chart: Outsourcing of maintenance, Norsk Hydro)*

- Industrial restructuring processes are driven by companies’ needs to concentrate on their core competences as well as by cost and quality considerations. Our Industrial Services
division is very much in demand when it comes to the outsourcing of complete service areas. As European market leader for the maintenance, repair and modernization of production plants, our full-service package ranges all the way to the complete maintenance management of entire industrial parks.

(Chart: Lufthansa Training Center, Seeheim-Jugenheim)

- In Germany, 40 percent of greenhouse gases are generated by buildings. Effective climate protection cannot be achieved without more sustainability in this field. This does not apply only to new buildings. Three quarters of existing buildings in Germany are over 25 years old. Significant modernization must be undertaken if climate protection goals are to be achieved. With our comprehensive approach, we are perfectly positioned to develop business opportunities from the increased requirements from real-estate properties.

(Chart: Golden Ears Crossing, Vancouver)

- The potential savings opportunities of public private partnerships compared to conventional approaches are
indisputable. The importance of these procurement models will continue to grow. Our particular strength in this business is our comprehensive expertise as a Multi Service Group: through interlocking in-house competences in design, construction, operation and finance, we are very well positioned in the market.

(Chart: RWE power plant Westfalen)

- Strong global demand for investment and modernization in the power plant sector and ambitious climate protection goals are creating sustained demand for our power services division. With piping systems that are particularly pressure and temperature resistant, modern facilities for coal drying or our contribution to technical solutions for CO₂ separation, we are helping to ensure that ever stricter environmental and climate protection requirements are met.

(Chart: Relative performance of our shares)

The successful development we have experienced in recent years and our strong international position not only give us reason to be confident, they also give us faith in the future
development of the value of our shares. No one can escape the distortions in the capital markets that are being caused by the financial crisis. If measured by the value and potential of our Group, our share price is very low. When fundamental value considerations again become important in a more stable market environment, this will benefit the performance of the Bilfinger Berger share.

Allow me now to discuss the development of Bilfinger Berger in the past financial year.

Thanks to strong organic growth and a series of successful acquisitions, we have further expanded our position in important markets.

(Chart: Output volume, orders received, order backlog 2007 - 2008)

Compared to the prior year, output volume increased by €1.5 billion, thereby exceeding the €10 billion mark for the first time. International activities contributed 68 percent of total output volume, the services business in Germany contributed 18 percent and German construction activities 14 percent. Orders received at €10.3 billion were 9 percent lower than the prior-
year level. This was due to currency influences but, more importantly, to our strict order selection in the construction business. Order backlog remained stable at €10.6 billion. Adjusted for currency effects and the sale of the French subsidiary Razel, it increased by 9 percent.


As previously outlined, with the annual financial statements for 2008 we have changed our reporting from EBITA to EBIT – earnings before interest and taxes – and have thus adopted the more common practice in the presentation of our results. Amortization on intangible assets from acquisitions are now part of cost of sales in the income statement.

EBIT rose by 30 percent to €298 million. This includes a positive exceptional item in the amount of €45 million. This resulted from a book gain of €90 million arising from the sale of Razel minus one-time expenses in the amount of €45 million from a more careful application of the percentage of completion method. Excluding these exceptional items, the increase in earnings was 10 percent.
The net interest result worsened to an expense of €15 million. This was mainly due to the increased interest expense on our promissory note loan of €250 million placed in the middle of 2008. Additional factors were the higher expense from additions to pension provisions, minority interest and earn-out obligations.

Earnings before taxes increased to €283 million, income taxes nevertheless decreased to €79 million. This was because the capital gain realized on the sale of Razel was tax free.

Net profit increased by 49 percent to €200 million. This includes the previously described exceptional item of €60 million after taxes. Earnings per share amounted to €5.61, compared with €3.60 in the prior year. Not including the sale of Razel, net profit grew by 4 percent.

*(Chart: Dividend 2007 - 2008)*

In view of the successful business development, we recommend an increased dividend of €2.00. In relation to the share price at the end of 2008, this represents a dividend yield of 5.4 percent.
And under item 6 of the agenda, we propose changes in the approved capital. Although we currently have no intention of making use of the approved capital, we would like to keep every option open for the future development of the company.

We also request that you authorize the purchase of own shares in the future as well. We did not make use of the authorization granted in 2008, but would like to maintain the option of applying liquidity for a share buyback. We therefore request under item 7 of the agenda that you renew the relevant authorization. Investing in the Group’s further development, however, continues to take priority in the application of available funds.

I return now to our look at the year 2008.

*(Chart: Value added at the Group 2007 - 2008)*

Through the successful implementation of our strategy, a consistent focus on value and the ongoing improvement of our risk profile, we were able to further increase the enterprise value of Bilfinger Berger, also in this past year. At 23.2 percent, return on capital employed 2008 was twice as high as the cost of capital of 10.5 percent – and 4.5 percentage points higher
than it was in the previous year. Value added increased from €126 million to €202 million.

The consolidated balance sheet reflects the sound financial situation and healthy capital structure of the company. The crisis in the financial industry has no negative impact on Bilfinger Berger’s financial situation. We have no need to impair our financial assets, no short-term refinancing requirements and sufficient financing scope to invest in the Group’s further development.

*(Chart: Consolidated balance sheet, assets 2007 - 2008)*

In the past year, the Group’s balance sheet total grew by €650 million to €6.8 billion. This growth was the result of growth in our concessions business and consolidation effects, whereas currency translation led to a decrease.

On the assets side, it was primarily the non-current assets which increased by a good €800 million. Goodwill and intangible assets from acquisitions rose by €450 million. Receivables from concession projects and other non-current assets in the Concessions business segment increased by €330 million.
Cash and marketable securities remained at the very high level of €720 million at the end of the year, despite substantial investment.

*(Chart: Consolidated balance sheet, equity and liabilities 2007 - 2008)*

On the liabilities side, our borrowings increased – excluding project credit on a non-recourse basis – to €328 million. The reason for this increase was the promissory note loan of €250 million placed in the past year.

Corresponding to the receivables from concession projects, non-recourse loans taken by the consolidated project companies and for which the Group is not liable, increased by about €150 million to €1.5 billion.

Despite net profit of €200 million, equity decreased to €1.1 billion. This was due on the one hand to the share buyback with a volume of €100 million, and on the other hand to the fair-value measurement of long-term hedging transactions in accordance with IFRS; currency translation also had an impact.
The equity ratio amounted to 22 percent excluding our non-recourse credit, which a creditworthiness analysis does not take into consideration.

*(Chart: Cash flow statement 2007 - 2008)*

Cash flow from operating activities of €357 million once again surpassed the very good prior-year level. This increase was primarily the result of particularly low working capital needs last year.

Investments in property, plant and equipment and intangible assets totaled €237 million. This was partially offset by inflows of €129 million mainly from the sale of office buildings used by Bilfinger Berger. Disposals of financial assets, in particular the sale of Razel, resulted in further cash inflows of €92 million.

This means that we had an unusually high free cash flow of €341 million last year.

Investments in financial assets increased to €460 million. €400 million of that total are accounted for by acquisitions in the services business and €60 million relate to concession projects.
The net cash inflow from financing activities of €83 million includes the placement of the previously mentioned promissory note loan. There was a cash outflow of €100 million for the buyback of own shares. Dividends of €68 million were paid out, of which €64 million was paid to the shareholders of Bilfinger Berger AG.

How did our business segments develop in the past financial year?

*(Chart: Key figures for the Services business segment 2007 - 2008)*

With an increase in output volume of 27 percent to €4.6 billion, **Services** is now the business segment with the highest revenue in the Group. Each of its three divisions – Industrial Services, Power Services and Facility Services – surpassed its targets for 2008. The high growth rates are due to both organic growth and acquisitions. EBIT increased by 34 percent to €224 million.

Our **Industrial Services** division is the market leader in Europe. For our clients in the chemical, petrochemical, pharmaceutical, energy and oil & gas industries we offer a full range of services for the repair, maintenance and modernization of production
plants. Through the acquisition of the Norsk Hydro Group’s services activities, we achieved a leading position in Scandinavia in 2008. And in the United States, too, we managed to make a significant step forward in terms of growth. There we expanded our market position in industrial services with the acquisition of Tepsco. The company is specialized in services for the oil & gas sector as well as in the petrochemical industry. As the USA has to strengthen its security of supply, we will profit in the coming years from significant investment activity in the American oil & gas industry.

The service range of our **Power Services** division is tailored to the special requirements of energy providers. In addition to ongoing maintenance works, we are involved in lifetime extensions, efficiency enhancements and the rehabilitation of power plants. The delivery of components for plant construction rounds out our range. We are in the fortunate position that demand is stable in all of Bilfinger Berger Power Services’ important markets – Germany, Europe, the Arabian Gulf and South Africa.

The development of our **Facility Services** division is aided by the ongoing trend to outsource facility-management services and by increasing consolidation within the industry. Last year’s
acquisition of M+W Zander doubled Facility Services' output volume. In Germany, we are the largest facility management provider and in Europe we are among the top 5. The Acquisition of M+W Zander offers good international growth opportunities.

This positive development has continued in the first months of the current year.

*(Chart: Key figures for the Services business segment Q1 2008 - Q1 2009)*

Output volume rose by 28 percent, especially as a result of the companies acquired in the past year. Orders received and the order backlog both increased significantly. EBIT increased by 28 percent to €41 million.

Among the important orders received in Industrial Services, the expansion of the maintenance contract with plastics producer Borealis in Sweden is particularly noteworthy. This order includes services with a total volume of about €60 million over a period of five years.

In power plant service, we received an order from RWE for the supply of piping systems for two new blocks of the Hamm coal-
fired power plant in Westfalen with a volume of €140 million. To secure skilled workers and, at the same time, to strengthen our market position in South-Eastern Europe, we increased our existing holding in the listed Croatian assembly company Duro Dakovic to a majority interest.

In facility services, the renewal of major framework agreements with important clients such as Deutsche Bank, IBM, EADS and Alstom was very significant. The contracts have a volume of €360 million and contract periods are between three and five years.

The severe economic downswing will certainly not leave the Services segment untouched. But buildings and equipment also have to be maintained in difficult times. At the very least, this will secure a basic utilization of capacities for our service units.

First-time consolidation effects from acquisitions made in 2008 will likely offset decreasing demand. In the Services business segment, we therefore anticipate an output volume in 2009 of at least the same level as the prior year. Due to the expected impact of the economic downturn, however, EBIT will not match the very good level of 2008.
In the construction business, the focus in 2008 was on the execution of a strong order backlog.

*(Chart: key figures for the Civil business segment 20067 - 2008)*

In *Civil*, output volume increased by 14 percent to €4.1 billion. Orders received were, in light of the full utilization of capacities, affected by our caution with the acceptance of new projects. The one-time charge in the second quarter reduced the earnings contribution to €17 million.

*(Chart: key figures for the Civil business segment Q1 2008 - Q1 2009)*

As expected, output volume in the Civil business segment in the first three months of this year decreased due to the sale of Razel. EBIT amounted to €3 million, the same as in the prior year.

Orders received rose as a result of important new projects. These include a motorway in Scotland, a tunnel system for an x-ray laser facility in Hamburg and the infrastructure for a seawater desalination plant in Australia.
In 2009, we expect the Civil business segment to improve its EBIT, while output volume will decrease following the sale of Razel.

Allow me at this point to go into the collapse of the municipal archive in Cologne. The death of two people and the loss of cultural treasures have affected us all.

As you know, Bilfinger Berger, as the leader of a joint venture, is involved in the construction of the subway in Cologne. The investigation of the accident is currently underway. At this time, there is no definitive information on the cause of the accident or on who may be responsible.

Please understand, therefore, that we will not participate in speculation on how the accident could have happened. It would be irresponsible to make any comment that is not based on clear facts. The joint venture is of course supporting the investigation by experts and the public prosecutor's office in every possible way.

Even though no definitive information on who is responsible for the damage is currently available, it should nevertheless be
made clear that Bilfinger Berger has appropriate insurance coverage for construction damage and any liability claims.

*(Chart: Key figures for the Building and Industrial business segment 2007 - 2008)*

Output volume in **Building and Industrial** in 2008 was, at a good €2 billion, slightly above the prior year. EBIT in this business segment fell to €14 million due to the after-effects of older projects in Germany.

*(Chart: Key figures for the Building and Industrial business segment Q1 2008 - Q1 2009)*

In the first quarter of 2009, output volume in Building and Industrial increased while orders received decreased due to weaker demand for commercial construction and our unchanged selective bidding policy. EBIT improved to €1 million.

Against the backdrop of negative economic developments, private clients have adopted a cautious attitude in our markets in Germany and Australia. This is partially compensated by demand from the public sector. Bilfinger Berger will modernize
four schools in the district of Hof in Bavaria on the basis of a public-private partnership, and will subsequently operate the schools for a period of 21 years.

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

Last year, the Annual General Meeting decided to spin-off the Building and Civil divisions from Bilfinger Berger AG. They were transformed into independent, limited companies. This allowed us to standardize our Group structure and give greater independence, more responsibility and a clearer profile to the two business areas.

What will the future bring in the construction business? The economic stimulus programs put together in recent months both in Germany and around the world will give a positive boost to public-sector construction and provide some compensation for declining demand in commercial construction. Regardless of how the economy develops, our primary goal is to improve the profitability of our building construction business. To this end, we have further expanded and tightened our risk management
system. We prefer to compete on terms of competence and to avoid pure price competition.

*(Chart: Key figures for the Concessions business segment 2007 - 2008)*

I turn now turn to the Concessions business segment. Its portfolio grew by 6 projects to a total of 24 in the reporting year. Our equity commitment at the end of the year had increased to €291 million. With an average portfolio discount rate of 10.5 percent, the net present value of the portfolio rose to €154 million. We thus achieved a new all-time high in 2008.

*(Chart: Key figures for the Concessions business segment Q1 2008 - Q1 2009)*

The financing of new projects has certainly become more difficult because of the crisis in the financial markets. It is nevertheless still possible to carry out medium-sized public private partnerships with a conservative risk profile. We reached financial close for a motorway project in Scotland with an investment volume of €340 million. We will make an equity commitment of €44 million and assume responsibility for the design, financing and construction of the route. We will
subsequently ensure the availability of the motorway over a period of 30 years in return for contractually-fixed payments from the state. Our committed equity for concession projects now totals €334 million.

Over the course of 2009, seven projects that are currently under construction will go into operation. This will further increase the maturity and value of our portfolio. We are optimistic about the future of our concessions business. In the medium and long term, we expect that privately-financed procurement models will increasingly be relevant in light of rising public sector budget deficits.

(Chart: Output volume, orders received and order backlog Q1 2008 – Q1 2009)

The Group’s output volume in the first three months of this year increased by 9% to €2.4 billion. Orders received reached €2.7 billion, which represents an increase of 22 percent. Order backlog rose by 2 percent and, at €11 billion, exceeded the level of a full-year’s output volume.

(Chart: Net profit Q1 2008 – Q1 2009)
EBIT improved to €43 million which, after adjusting the prior-year figure for a gain from the sale of our office buildings, corresponds to an increase of 54 percent. Net interest income decreased to minus €6 million. This resulted in earnings before taxes of €37 million and net profit of €23 million.

As you can see from the key figures for the first quarter, Bilfinger Berger had a good start in 2009. The positive development continued in the services business, the construction business proved to be generally stable and we added an important transport project to our privately-financed concessions portfolio.

“Economic Researchers Give Up” proclaimed the renowned Süddeutsche newspaper in the middle of April after the German Institute for Economic Research refused to make a growth forecast for the coming year. The high degree of uncertainty means that not only are economists and politicians faced with a dilemma, entrepreneurs are, too. If we, despite all this, make a forecast for 2009, it must therefore be based on the understanding that the economy does not deteriorate at a rate even greater than expected.

(Chart: Outlook)
The crisis will also have a negative impact on Bilfinger Berger. We nevertheless anticipate that 2009 will be a comparatively good year for our company and continue to believe that EBIT and net profit will at least maintain the prior-year’s level of €250 million and €140 million, respectively – after adjustment for the exceptional item from the sale of the French subsidiary Razel.

The best way to prepare oneself for a difficult future is to try to actively shape it. For us this means recognizing growth opportunities and trends in economically difficult times and developing an appropriate range of services. This requires personnel with special qualifications and a high degree of commitment – qualities that our employees have impressively displayed in the past. I surely also speak on behalf of you, our shareholders, when I thank all Bilfinger Berger employees for their efforts in the past financial year.

The current finance and economic crisis is also a severe crisis of confidence. It can only be overcome when trust and confidence have been re-established. I hope that today’s Annual General Meeting has strengthened your confidence in the value and future prospects of Bilfinger Berger.
Thank you for your attention.