

**Annual General Meeting of Bilfinger Berger AG  
in Mannheim on Thursday, April 15, 2010, 10:00 a.m.**

**Speech by Herbert Bodner,  
Chairman of the Executive Board**

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*Please check against delivery.*

Ladies and Gentlemen,

I also would like to welcome you most cordially to the Annual General Meeting of Bilfinger Berger AG.

Just less than a year ago, I described an optimistic outlook for Bilfinger Berger in the middle of the worst economic crisis of the postwar period. As you know, we managed to surpass the most recent targets we set for the year 2009. In a difficult environment, we were able to keep our earnings stable – providing further evidence of our solidity and confirmation of our strategic focus.

We justified the confidence placed in us in 2009. But in some areas, we have also lost a certain amount of confidence in

recent months. Before I report on the past financial year, I would therefore like to talk about the issues that have led to negative media coverage of Bilfinger Berger in the past few weeks.

We are extremely concerned about the irregularities we have uncovered in the construction of the Cologne urban rail line. We must assume that long-term employees of Bilfinger Berger who were delegated to the joint venture responsible for the execution of the project manipulated technical documentation and failed to install reinforcement components that they regarded as unimportant. Even though media reporting on these events is often excessive, it is nevertheless clear that this kind of behavior is absolutely unacceptable and incompatible with the values that Bilfinger Berger stands for.

The incidents have led to very emotional and often inaccurate reactions, particularly in the media. The emotions are certainly understandable following the collapse of the municipal archive with its tragic consequences. But the facts and technical background have repeatedly been wrongly presented. We have therefore compiled the facts for you in a leaflet that you will find in the documentation laid out on your seats.

Let me briefly describe the current status.

The southern lot of new Cologne urban rail line is being constructed by a joint venture in which we are participating on an equal basis with Wayss & Freytag (Royal BAM) and Züblin (Strabag). In addition to the collapse of the municipal archives, the Public Prosecutor's Office in Cologne is investigating two allegations.

The first allegation concerns the so-called shear dowels at the connecting points of the reinforcing cages for diaphragm walls which are used to secure the excavation. It is suspected that a foreman did not install the required number of dowels and instead sold them as construction site waste.

The second allegation concerns missing or manipulated measurement protocols on diaphragm wall plates. The protocols serve as documentation that the excavation walls were constructed vertically. Although a flawed geometry in the walls would become apparent during the subsequent excavation, it would lead to potentially costly improvements. I am merely trying to establish the limited importance of the protocols, not seeking to excuse the behaviour of the

employees concerned in dealing with their documentation obligations.

In both cases, Bilfinger Berger and the joint venture in Cologne took far-reaching action: Prof. Dr. Matthias Pulsfort of the University of Wuppertal has been installed as an external expert to look into issues surrounding the measurement protocols. With regard to the possible missing shear dowels, specialists from the companies involved in the joint venture have undertaken extensive calculations and have come to the conclusion that the Heumarkt diaphragm walls are stable. As a precaution and in consultation with the responsible structural engineer, additional measures have been taken to secure the excavation pit. The diaphragm walls are now subject to significantly lower loads than at the time of the excavation due to the early installation of the first intermediate floor at the Heumarkt station. The degree of completion for the entire project is currently about 90 percent. With the exception of the site of the accident at Waidmarkt, all works will be completed as planned.

There are two issues that I would like to once again make abundantly clear - because public representations have been

repeatedly misleading. Firstly: According to the information currently available, the **collapse of the municipal archive** last year was influenced neither by missing shear dowels nor by inaccurate diaphragm wall protocols. The public prosecutor also sees no indication of a connection and is therefore carrying out the two investigations separately. Secondly: the claim that 80 percent of the reinforcement is missing from the diaphragm walls is absurd. The shear dowels make up less than one percent of the total reinforcement. It is no longer possible to determine what share of this one percent was not implemented in the construction.

It is tragic that this accident led to the deaths of two people. Everyone involved with the construction of the urban rail line is deeply concerned by what happened. Our sympathies go out to the relatives of the two young men.

The accident has touched the entire German construction industry - an industry that is an international leader. German engineering expertise and the quality of German construction is valued the world over. In Germany, the industry is currently being disparaged by the general public. Bilfinger Berger, together with the entire construction industry, is making every

effort to correct the distorted image and ensure that the performance of this sector once again receives the recognition it deserves.

Unfortunately, the question of how the accident in Cologne happened will remain unanswered for some time. Research into the underlying causes will take a long time. The joint venture has a great interest in resolving this situation as quickly as possible and is doing everything it can to move the investigations forward. There are a number of hypotheses being offered to explain the cause of the accident. Ground seepage is seen as likely. But based on the information currently available, no-one can say what the cause was.

If, as has happened, accusations are made on the basis of unclear facts, this is of course highly irresponsible and defamatory. I believe there is an urgent need in the current situation for anyone commenting on these events to display a sense of discretion and to refrain from speculating or making inappropriate or politically motivated statements.

The Executive Board is dealing intensively with the events in Cologne. I can assure you that we are also carefully analyzing

the financial risks. In view of the situation and our insurance cover, from today's perspective it is not necessary to recognize any provisions.

I would also like to mention two other projects, which have been at the focus of public attention not least due to the media's heightened awareness.

According to a former employee, in connection with the construction of the **high-speed train line between Nuremberg and Ingolstadt** in 2004, the protocols of the installation of ground anchors were manipulated. The ground anchors, which anchor the retaining walls in cuttings, passed all quality controls, also those of Deutsche Bahn. Such anchors are also checked at regular intervals. Since their completion, no defects have arisen from the anchored retaining walls. They are absolutely stable. In order to remove any doubts, however, Deutsche Bahn and Bilfinger Berger have commissioned experts to review the construction documentation from the year 2004.

The media have also reported on the **A1 autobahn**. It is currently being widened to six lanes between Hamburg and

Bremen over a length of 72 kilometers while in use by traffic. The work is being done on the basis of a public-private partnership with the federal state of Lower Saxony. Already at the end of December 2009, damage was discovered in the asphalt of sections put into early use, leading to potholes. It has meanwhile become clear that the disintegration is the result of sub-standard material, and not a result of the work carried out by the Bilfinger Berger/Johann Bunte joint venture. Responsibility for the defective material lies with the materials supplier. The road-transport laboratory of the Technical University of Darmstadt was commissioned to investigate the damage and arrived at this conclusion. Incidentally: It has always been clear that under no circumstances would there be any damage to the taxpayer.

Due to the premature laying of blame, Bilfinger Berger has wrongly suffered damage to its image. It is particularly offensive that the now clarified, purely technical problem is being used to campaign against public-private partnerships. Such projects, with their long contract periods provide a strong incentive for the private partner to ensure a sustainable level of quality.



Foundation engineering work is the subject of discussion in Cologne, Düsseldorf and Bavaria. Foundation engineering is a traditional core competence of Bilfinger Berger. Revenue of 100 million euros was generated in this area in the year 2009 with 350 employees. Due to these events, the quality of Bilfinger Berger's work overall has nevertheless been brought into question.

Let me first clearly state that Bilfinger Berger has a thoroughly tried and tested system to secure the quality of its work. As Dr. Walter has already explained, Ernst & Young has confirmed the functionality of our internal control systems in the construction business. Unfortunately, the case in Cologne has shown that there can nevertheless be gaps in the implementation of the system – namely in on-site quality controls. I assure you that we – as a precaution – are doing everything to identify and eliminate any possible weaknesses in the application of the systems.

The Executive Board has commissioned two external groups of experts to carry out investigations in this respect. One group is reviewing how quality management is implemented in all of the Civil segment's business units. A second group is analyzing

current and completed foundation engineering projects in which load-bearing structures were built using technologies similar to those applied in Cologne. The two groups of experts are working independently and are headed by recognized construction experts: Prof. Claus Jürgen Diederichs, who lectured for many years at the University of Wuppertal, and Prof. Jürgen Schnell of the University of Kaiserslautern.

Bilfinger Berger is currently the focus of public attention. For the foreseeable future, projects in which we are involved will be examined particularly closely. We welcome this attention, because we have traditionally been able to demonstrate the high quality of our work.

A critical review, from ourselves and from others, is one thing. It should not be forgotten, however, that there is not a company in the world that can prevent individual employees from breaking rules. But the misconduct of individuals may not be used for the general condemnation of tens of thousands of employees, entire companies, or a whole industry. I can assure you that we are doing everything to regain confidence in our construction work and in our company. Whenever we discover misconduct, we make sure that we unsparingly establish the facts. We are

examining our entire quality management and taking the necessary measures to ensure that our quality assurance is above any doubt again in the future.

However, these precautionary measures should not be misunderstood. Bilfinger Berger has made an excellent name for itself, not only in Germany but around the world, through technical competence and quality work in particular. The quality produced by Bilfinger Berger needn't shy away from comparisons with the competition. The events surrounding the joint venture in Cologne have nevertheless led us to ensure that our systems comply with the strictest demands, both in terms of their function and their effectiveness.

I think it was necessary to go into the issues that have affected us all in recent weeks in some detail.

I now turn to the development of Bilfinger Berger in the past financial year. We are looking back on a year in which an even worse economic collapse was only prevented by massive state support for the financial sector and state stimulus programs involving billions of euros. Since last autumn, there have been

increasing signs of recovery, but at a low level. It is still uncertain how sustainable and stable the upswing will be.

Bilfinger Berger's strategic focus has proven its worth particularly in this difficult environment: The Group operated successfully also in the year 2009. We also made decisions and took actions that are important for the Group's further development.

The Industrial Services and Power Services divisions have been further strengthened through the acquisition of industrial and power services provider MCE. The capital increase we carried out to finance the purchase price of 350 million euros yielded net issue proceeds of 260 million euros. The strong interest in the new shares was impressive evidence of investors' confidence in our corporate strategy of further expanding the services business.

MCE has now been integrated into our Industrial Services and Power Services divisions. The process went faster and better than we had planned.

The implementation of our decision to sell our business in Australia is planned for 2010. We intend to use the resources that become available to continue the expansion of our services divisions. At the same time, this sale will represent a significant step towards reducing the size of our construction business to the region of 2 billion euros. This will further improve the Group's risk profile and profitability.

The process of sale of Bilfinger Berger Australia is progressing as planned; the company's initial public offering is being prepared. At present, there is no reason not to place the IPO on the Sydney Stock Exchange. The Australian equity market has been developing well and institutional investors have shown great interest in the initial discussions. We aim to carry out an IPO this summer.

I would now like to give you an overview of our business segments' development last year.

Our **services divisions** – Industrial Services, Power Services and Facility Services – performed better than we had expected in 2009 in view of the general economic situation.

***(Chart: Key figures for Services 2008 - 2009)***

Due to our acquisitions in 2008 – in particular M+W Zander, Tepsco and Norsk Hydro – the Services segment's output volume increased by 6 percent to nearly 5.1 billion euros. Orders received and order backlog also rose. EBIT increased to 238 million euros. We were able to hold the EBIT margin fairly stable compared to the prior year at 4.7 percent, because we adjusted our costs at an early stage.

The output volume of our **Industrial Services** of 2.7 billion euros was at the level of the prior year. The effects of first-time consolidation of the acquired companies amounted to approximately 160 million euros. Overall, the business of Bilfinger Berger Industrial Services thus developed better than had been feared, considering the declining business of important client industries such as chemicals.

Our **Power Services** enjoyed very strong and profitable growth in 2009; output volume increased purely organically to more than 1 billion euros. Bilfinger Berger Power Services continues to profit from the worldwide growth in energy needs and the required renewal of existing power plants.

Our **Facility Services** division also mastered the challenges of last year. Its output volume increased to 1.4 billion euros due to the consolidation of M+W Zander FM for a full financial year.

We intend to accelerate the expansion of the Services business segment. The planned sale of our Australian activities will reduce annual services volumes by approximately 400 million euros. However, this is already significantly overcompensated by the acquisition of MCE. The objective of this expansion is to further improve the leading position we already have in many markets and to penetrate new markets. With our broad spectrum of high-quality services, we want to strengthen existing partnerships with our clients and to gain new ones.

We anticipate growth in output volume and earnings for our Services segment once again in 2010.

I now turn to out **construction business**.

***(Chart: Key figures for Civil 2008 - 2009)***

The international economic crisis had no significant impact on demand for our Civil business segment in 2009. This was mainly due to the economic stimulus programs, which in many countries were focused on infrastructure improvements. This was reflected by growth in our volumes of orders received and order backlogs, especially in Australia. Output volume in this segment decreased to 3.3 billion euros because of the sale of Razel at the end of 2008. Due to the Doha Expressway project, for which we have recognized provisions of 80 million euros as a result of legal disputes with the client, the Civil business segment's EBIT worsened to minus 7 million euros.

The intended separation from our Australian business will reduce this segment's annual output volume by 1.3 billion euros. The remaining civil engineering business will concentrate on Europe in the future. Outside Europe, we intend to operate only as a technology partner for local companies. Only limited project risks will be accepted.

In 2010, we anticipate a decrease in the continuing operations of the Civil business segment's output volume along with a significant improvement in its EBIT margin.



***(Chart: Key figures Building and Industrial 2008 - 2009)***

The output volume of the Building and Industrial business segment remained constant at 2 billion euros in 2009. Orders received and order backlog both decreased, as planned. The segment's earnings improved significantly to EBIT of 22 million euros. The building construction business in Germany also made a positive contribution to this result.

The Building and Industrial business segment's output volume will decrease by 1 billion euros due to the planned sale of the Australian business. We will additionally reduce the output volume of our German building construction. The focus of our building construction is increasingly shifting from normal general contracting towards PPP and partnering projects. This is why we are effectively strengthening the collaboration between the Building and Facility Services divisions.

For the year 2010, we expect the continuing operations of the Building and Industrial business segment to post a decrease in output volume and an increase in EBIT margin.

Our construction business will remain a core activity despite its lower volumes. With the benefit of advanced technical competence, we will continue to be one of the leading players in Germany and our international markets. Our prime goals are to increase our profitability and to improve our risk profile. To these ends, in recent years we have systematically adjusted our criteria for project selection and have further increased the scope of our risk management.

***(Chart: Key figures for Concessions 2008 - 2009)***

In the **Concessions** business segment, we were able to expand our portfolio in 2009 with attractive projects in transport infrastructure and public-sector building construction. However, the focus was on the seven projects that reached the operating phase. This means that the maturity of our portfolio has advanced once again.

Our paid-in equity increased from 291 million euros to 340 million euros at the end of 2009. Of that total, 140 million has been paid into project companies. The portfolio's value added increased from 154 million euros to 202 million euros.

In early 2010, a project company under our leadership was selected to construct a 25-kilometer stretch of highway in the Australian state of Victoria on the basis of an availability model. We will invest 26 million euros of equity capital in this project. Our concessions portfolio now comprises 27 projects worldwide with a total investment volume of 7 billion euros and an equity commitment for Bilfinger Berger of 366 million euros.

A few days ago, a further section of the M6 motorway was put into operation in Hungary. We completed this 65-kilometer section in a record time of just 18 months. During the 28-year operating phase, we will ensure the availability of the new highway and will have continuous revenue of a contractually agreed fee from the Hungarian government.

We intend to further expand our concessions portfolio. We expect to see ongoing improvements in financing possibilities and that larger projects will be realized again. Synergies within the Group between construction and operation constitute a competitive advantage that we will benefit from also in the future.

Our committed equity is approaching the targeted magnitude of 400 million euros. The sale of mature projects or the involvement of partners in our portfolios continue to be elements of our business model. We are monitoring the relevant markets and will utilize attractive possibilities to dispose of individual projects.

***(Chart: Output volume, orders received and order backlog 2008 - 2009)***

In 2009, the **Group's output volume** decreased by 3 percent to 10.4 billion euros. As in the previous year, 68 percent of that total was generated in international markets. Of the 32 percent of Group output volume in Germany, 20 percent was accounted for by services and 12 percent by the construction business.

**Orders received** increased by 8 percent to 11.1 billion euros and the **order backlog** increased by 10 percent to 11.7 billion euros.

***(Chart: Net profit 2008 - 2009)***

With regard to **earnings**, we succeeded in surpassing our most recent target despite the charges from the project in Doha and the difficult economic situation. Adjusted for the exceptional income from the sale of Razel, EBIT and net profit were at the prior-year levels.

EBIT amounted to 250 million euros. The net interest result decreased to an expense of 36 million euros. The main reasons for the reduction are the lower interest income due to lower average liquidity and the lower level of interest rates. Another factor is the increased interest expense for the promissory note loan of 250 million euros we placed in the middle of 2008.

**Earnings before taxes** amounted to 214 million euros. Income taxes decreased to 71 million euros.

Net profit reached the adjusted prior-year figure of 140 million euros; earnings per share amounted to 3 euros and 79 cents.

In view of the pleasingly stable earnings trend, we recommend the distribution of a **dividend** of two euros per share for 2009. The prior-year dividend adjusted for the capital increase amounted to one euro and 85 cents per share. On the basis of

the number of shares currently entitled to a dividend, the total dividend distribution thus rises from 70 million euros to 88 million euros.

The **return on capital employed** of 15.6 percent for the entire Group surpassed our cost of capital of 10.5 percent before taxes also in 2009. **Value added** decreased to 98 million euros. It should be noted that the prior-year figure includes the aforementioned special item of 45 million euros from the sale of Razel. Another key reason for the decrease in value added was the significantly higher level of capital employed.

***(Chart: Consolidated balance sheet 2008-2009)***

The **consolidated balance sheet** reflects the solid structure of our assets and equity. In 2009, the balance sheet total increased by 1.2 billion euros to 7.9 billion euros. This was caused by the expansion of our concessions business, consolidation effects (above all the acquisition of MCE), and exchange-rate effects.

On the assets side, non-current assets increased by a good €950 million. Goodwill and intangible assets from acquisitions

increased by 300 million euros. The segment's receivables from concessions projects and other non-current assets increased by more than 400 million euros.

Cash and cash equivalents increased to 798 million euros at the end of the year, despite substantial capital expenditure.

On the liabilities side, financial debt excluding project debt on a non-recourse basis increased slightly to 354 million euros.

Non-recourse debt, which is granted to the concession companies without any liability for the Bilfinger Berger Group, increased by approximately 380 million euros to 1.9 billion euros. Receivables from concession projects rose correspondingly.

Equity increased by more than 400 million euros to approximately 1.6 billion euros. This was mainly due to the capital increase of just over 260 million euros.

The equity ratio amounted to 26 percent, without taking into account the non-recourse debt, which increases the balance sheet total but is excluded for considerations of

creditworthiness. Including this debt, the equity ratio amounted to 20 percent.

***(Chart: Statement of cash flows 2008 - 2009)***

The **cash flow from operating activities** of 368 million euros surpassed the very good prior-year figure. The increase was primarily a result of a further reduction in working capital.

Thanks to a cautious spending policy, we were able to reduce investment in property, plant and equipment and intangible assets to 162 million euros. Inflows from the disposal of property, plant and equipment amounted to 14 million euros.

Disposals of financial assets resulted in further cash inflows of 18 million euros. The prior-year figure of 92 million euros reflects the sale of Razel.

This means that Bilfinger Berger had a free cash flow of 238 million euros in 2009.

Investments in financial assets of 368 million euros were at a high level once again. Of that total, after deducting the acquired



cash and cash equivalents, 255 million euros were applied for acquisitions in the services business. Capital contributions and loans for concession projects totaled 113 million euros.

The positive cash flow from financing activities of 176 million euros resulted from the capital increase we carried out in October 2009. The dividend paid out to the shareholders for the year 2008 amounted to 70 million euros.

***(Chart: Share-price performance Jan. 2009 – Mar. 2010)***

The capital market has rewarded Bilfinger Berger's positive development of last year. As of mid 2009, the Bilfinger Berger share price developed better than the DAX and the MDAX. There was a particularly positive reaction to the pleasing stability of our services business and our strategic decision to reduce the size of the construction business and use the resources thus made available for the further expansion of the Services segment. The positive share-price development was also supported by the acquisition of MCE in connection with a successful rights issue.

As you know, the events of recent months have also had an impact on our share price. The intensive press reporting about Cologne and the ongoing uncertainty about the cause of the archive collapse have led to insecurity, which we are combating with particularly intensive investor-relations work. In the capital market, Bilfinger Berger continues to be regarded as a sound company with a clear strategy and attractive future prospects. The consistent transformation into a services group is being followed attentively and endorsed.

In order to shape Bilfinger Berger's development successfully also in the future, we request your consent today to a number of actions.

The focus is on the change of legal form from Bilfinger Berger AG into a European company. This is intended to document Bilfinger Berger's status as company with an international reach and to express the considerable growth in the importance of our business activities in Europe. Dr. Walter has already explained the related advantages and our future corporate-governance structure. Details of the transformation process can be found in the transformation plan, which we present for your approval today. In addition to the articles of incorporation of the future

Bilfinger Berger SE, the transformation plan includes regulations on company, location and capital, on Executive Board and Supervisory Board and on the first independent auditor of Bilfinger Berger SE.

As the structure and function of the SE is broadly similar to the German Aktiengesellschaft – for example in the capital structure and the rights of shares and shareholders – the change of legal form will result in only minor changes from the shareholders' perspective.

In the transformation report that you have received, we have described the legal and economic aspects of the transformation and presented the effects that the transformation to an SE will have on shareholders and employees. For further details, I kindly refer you to the documentation that you have received.

We also request your consent to number of anticipatory resolutions.

Under Item 8 of the Agenda, we recommend that the company should continue to be authorized to acquire its own shares. We have not made use of the authorization that was granted last

year, but we would like to retain the option of applying available cash also for a share buyback. However, in connection with the application of liquid funds, we continue to place priority on investing in the Group's further development.

Under Item 9 of the Agenda, as a contingency, we request your consent following the capital increase we carried out last year to create another approved capital in an amount of nearly 50 percent of the current share capital.

Under Item 10 of the Agenda, we recommend authorization for the issue of convertible bonds and bonds with warrants. Although we have no plans at present to make use of this authorization, we also want to retain this option for future corporate development.

Bilfinger Berger has emerged from crisis year 2009 without suffering any serious harm. Despite the long and cold winter, we have made a good start to the year 2010.

***(Chart: Outlook)***

We look forward with confidence to the year 2010. The output volume of our continuing operations, i.e. without Bilfinger Berger Australia, in 2009 was 7.7 billion euros, with EBIT of 173 million euros and net profit of 80 million euros. For 2010, we expect these operations to increase their output volume along with a disproportionately high increase in EBIT and net profit. Furthermore, the Australian business will contribute to earnings until it is sold. Another factor is the anticipated capital gain.

Our business model has proven to be weatherproof; the strategic direction we have taken is the right one. Bilfinger Berger proved that once again last year. We have reduced our former dependence on economic cycles and improved the stability of our earnings. We want to ambitiously press ahead with this development in the future.

At this point, I would like to express particular gratitude to our 67,000 employees, who work for Bilfinger Berger and its customers day in day out with great commitment and responsibility. I am convinced that they will make all efforts to ensure that the name of our company is once again primarily associated with those virtues for which Bilfinger Berger has

traditionally been known: expertise, innovative skills, a focus on service and quality.

I thank you, our shareholders, for the trust you have placed in my Executive Board colleagues and myself. Dependable, responsible actions with a long-term orientation form the basis for Bilfinger Berger's sustained success. I very much look forward to receiving your ongoing support.

Thank you for your attention.