

Information for our shareholders

April 15, 2010

***Dear shareholders,
Ladies and gentlemen,***



HERBERT BODNER
Chairman of the
Executive Board at
Bilfinger Berger AG

The irregularities in the construction of the Cologne urban rail line that we ourselves uncovered concern us deeply. 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 what was in their view unessential technical documentation and failed to install reinforcement components that they regarded as unimportant. Even though reporting of these events has often been excessive, it is nevertheless clear that this kind of behavior is absolutely unacceptable and incompatible with the values that Bilfinger Berger stands for.

These incidents have led to very emotional and often inaccurate reactions 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. For this reason, we have summarized the facts in this leaflet.

I can assure you that we are doing everything we can to restore the confidence in our construction work and in our company that may have been lost. Whenever misconduct is discovered, it will be dealt with quickly and appropriately. 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.

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 events surrounding the joint venture in Cologne have nevertheless prompted us to review our systems and ensure they comply with the strictest requirements, both in terms of their function and their effectiveness.

Yours truly,

A handwritten signature in black ink, appearing to read 'H. Bodner', written in a cursive style.

Below you will find information on the current status of the civil engineering projects North-South urban rail line in Cologne, Wehrhahn line in Düsseldorf, the Nuremberg-Ingolstadt high-speed rail line and the A1 Hamburg-Bremen.

STATUS: APRIL 15, 2010

What allegations have been made with regard to the construction of the subway line in Cologne and what information is available at this time?

In Cologne, in addition to the collapse of the municipal archives, two allegations are being reviewed. The subject of the first of these proceedings is the so-called shear dowels that are installed where the reinforcement cages for the diaphragm walls join. It is suspected that a foreman did not install the required number of dowels and instead sold them as scrap metal. In this context, it has been reported repeatedly that 80 percent of the iron reinforcement is missing in the diaphragm walls at the Heumarkt construction site. This is wrong. When suspicions first arose, the joint venture consisting of Bilfinger Berger, Wayss & Freytag and Züblin, each of which holds a one-third stake, uncovered the

ment protocols for the construction of diaphragm wall panels. 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 then lead to potentially costly improvements. This makes the limited importance of the protocols clear, but in no way excuses the inappropriate behavior of employees concerned with regard to their documentation obligations. The joint venture in Cologne is investigating both allegations closely. Bilfinger Berger has made its best experts available to the joint venture to assist in its investigations. The investigations are currently underway and no conclusive results are available as yet.

Are these allegations related to the collapse of the municipal archives in Cologne last year?

No significant progress has been made in clarifying the cause of the collapse of the municipal archives in Cologne. The salvaging of archive materials currently has the highest priority. The question of the circumstances that led to the accident is not likely to be answered for some months. No connection is suspected between the collapse of the archives and the allegations relating to the measurement protocols and shear dowels. If at this point, when the facts of the case are still absolutely unclear, guilt is assigned in one direction or the other, that is highly defamatory and irresponsible. The Executive Board is dealing intensively with the events in Cologne and taking a very close look at the financial risks. In view of the situation and existing insurance cover, it is not necessary, from today's perspective, to make any provisions.

What is the current level of cooperation with the client in the wake of the events in Cologne?

Cologne's transport authority (Kölner Verkehrsbetriebe) and the joint venture are cooperating closely. The

Bilfinger Berger provides up-to-date information on all findings and implemented measures.

joints at two points that were still accessible. Here, about 80 percent of the shear dowels are missing. Even assuming there were no dowels installed in all of the diaphragm walls at the Heumarkt excavation pit, 99 percent of the total reinforcement would still be in place. In total, 580 tons of steel was installed in the diaphragm walls for the Heumarkt construction site. The total weight of all shear dowels is 4.3 tons, which corresponds to a share of less than 1 percent. The second allegation concerns incorrect or manipulated measure-



joint venture is supporting the resolution of the situation with all of the resources at its disposal. Prof. Dr. Matthias Pulsfort, of the Bergisch University in Wuppertal, has been installed as an external expert to look into issues surrounding the measurement protocols. In connection with potentially missing shear dowels, specialists from the companies participating in the joint venture have carried out detailed calculations – with the conclusion that the stability of the diaphragm walls at the Heumarkt site was given at all times. As a precaution and in consultation with the responsible structural engineer, additional measures to secure the excavation pit have been taken. 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. Together with the transportation authority in Cologne, the joint venture has actively and promptly informed the public on the current situation and most recent findings at press conferences and resident meetings. In so doing, the joint venture has made an important contribution to rebuilding confidence in the project.

What is the current status at the Wehrhahn line project in Düsseldorf?

In the construction of the urban rail line in Düsseldorf, Bilfinger Berger, as part of its own investigations, discovered irregularities regarding the diaphragm wall measurement protocols. Thanks to comprehensive documentation, it was possible to confirm beyond any doubt that the shear dowels used to connect the reinforcement cages were installed in the volumes prescribed in all but six of a total of 500 diaphragm wall slats. This was believed to be relevant because the work was carried out by the same foreman who was responsible for the irregularities in the construction of the urban rail line site in Cologne – and who had therefore been relieved of his duties by Bilfinger Berger. The Company

Bilfinger Berger is working to clarify the situation with all of the resources at its disposal.

immediately informed the client and the public prosecutor of the situation. The status of the project in Düsseldorf cannot be compared to Cologne. Because the project is in its early stages, additional strengthening measures can, if required, be implemented as the excavation progresses. The structural stability is fully guaranteed at all times. No delays in the construction schedule are expected. Furthermore, Bilfinger Berger has commissioned an external expert to accompany and review each individual diaphragm wall panel in the course of the excavation work. This allows the proper execution of the diaphragm walls to be documented after the fact and eliminates any safety risks.

How has Bilfinger Berger reacted to the indications of falsified measurement protocols during the construction of the ICE rail line between Nuremberg and Ingolstadt?

The public prosecutor is investigating claims by a former employee of Bilfinger Berger, employed until 2004 on a temporary basis, that measurement protocols for ground anchors were falsified during the construction of the new ICE line between Nuremberg and Ingolstadt. The ground anchors, which anchor the retaining walls in landscape 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 secure. In order to eliminate any doubt, Bilfinger Berger has reviewed all protocols and technical documentation. In addition, Deutsche Bahn and Bilfinger Berger have commissioned experts to review the construction documentation from the year 2004.

What information is available with regard to the damage to the A1 motorway?

The disintegration that has occurred in the surface layer over sections of the A1 motorway between Hamburg and Bremen has been attributed to defective material and not to the work done by the joint venture Bilfinger Berger/Johann Bunte. 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. The A1 is currently being expanded from four lanes to six over a total stretch of 72.5 kilometers between the motorway interchanges in Buchholz and Bremen with the motorway still in operation. At the end of 2009, damage began to appear in the surface asphalt layer in sections that had already gone into operation which subsequently led to potholes. The surface asphalt layer has now been removed so that traffic can proceed on the stable layer below. The new four-centimeter thick surface layer will be laid in the course of ongoing works in late summer 2010. The work, which will be carried out over a total length of about eight kilometers will only take a few days.

What further efforts is Bilfinger Berger undertaking in response to recent events?

Bilfinger Berger is making every effort to ensure that this situation is fully resolved and that the appropriate conclusions are drawn. Open communication plays an

important role: The Group provides up-to-date information on all findings and implemented measures. Bilfinger Berger has a quality management system that has been proven time and again. Ernst & Young, who was commissioned with a review of the internal control system by the Audit Committee of the Supervisory Board in August of 2009, confirmed that all systems currently in place “are very good in an industry-wide comparison”. The cases in Cologne and Düsseldorf have shown, however, that gaps can occur in the implementation – namely in the on-site quality control. Bilfinger Berger is doing everything in its power to uncover and eliminate possible weaknesses of application. To assist in this process, the Executive Board has established an investigative group under the leadership of independent expert Prof. Dr. Jürgen Diederichs, a renowned authority on quality management in the construction sector. Prof. Diederichs taught for many years at the Bergisch University in Wuppertal. This group thoroughly reviews how quality management is handled in all of Civil’s business units. The insights that are gained will be used to improve quality control at our construction sites. In addition, the Executive Board has established a second investigative group under the leadership of Prof. Dr. Jürgen Schnell from the Technical University Kaiserslautern as independent external expert. They are analyzing ongoing and completed foundation engineering projects with load-bearing structures built using technologies similar to those used in Cologne and Düsseldorf. This is a precautionary measure at a manageable number of projects.

GLOSSARY

Diaphragm walls

Diaphragm walls secure the perimeter of excavation pits. They are made of steel-reinforced concrete and inserted into earth trenches 0.6 to 1.5 meters wide. They are built in sections, known as panels, ranging in length from 2.8 to 10 meters. As excavation pit walls, diaphragm walls generally serve a temporary purpose but can, on occasion, be used as supporting elements for the final structure.

Diaphragm wall reinforcement

Because concrete cannot transfer tensile forces, steel reinforcement is installed. This reinforcement is pre-assembled into so-called reinforcement cages which are inserted into the earth trench before the concrete is poured. Because the length of transports on public roads is limited, reinforcement cages have to be joined at the construction site for deeper trenches. Where the cages join, the horizontal reinforcement can only be connected through overlapping. The horizontal reinforcement for the transfer of lateral

forces, the so-called shear reinforcement, must be installed later because it would otherwise cause problems when the cages are brought together.

Ground anchors

Ground anchors are construction components for the transfer of tensile forces to the surrounding ground. They are anchored in the ground through a concrete injection. Injection anchors are generally used to support excavation pit walls or to secure embankments and rock faces.