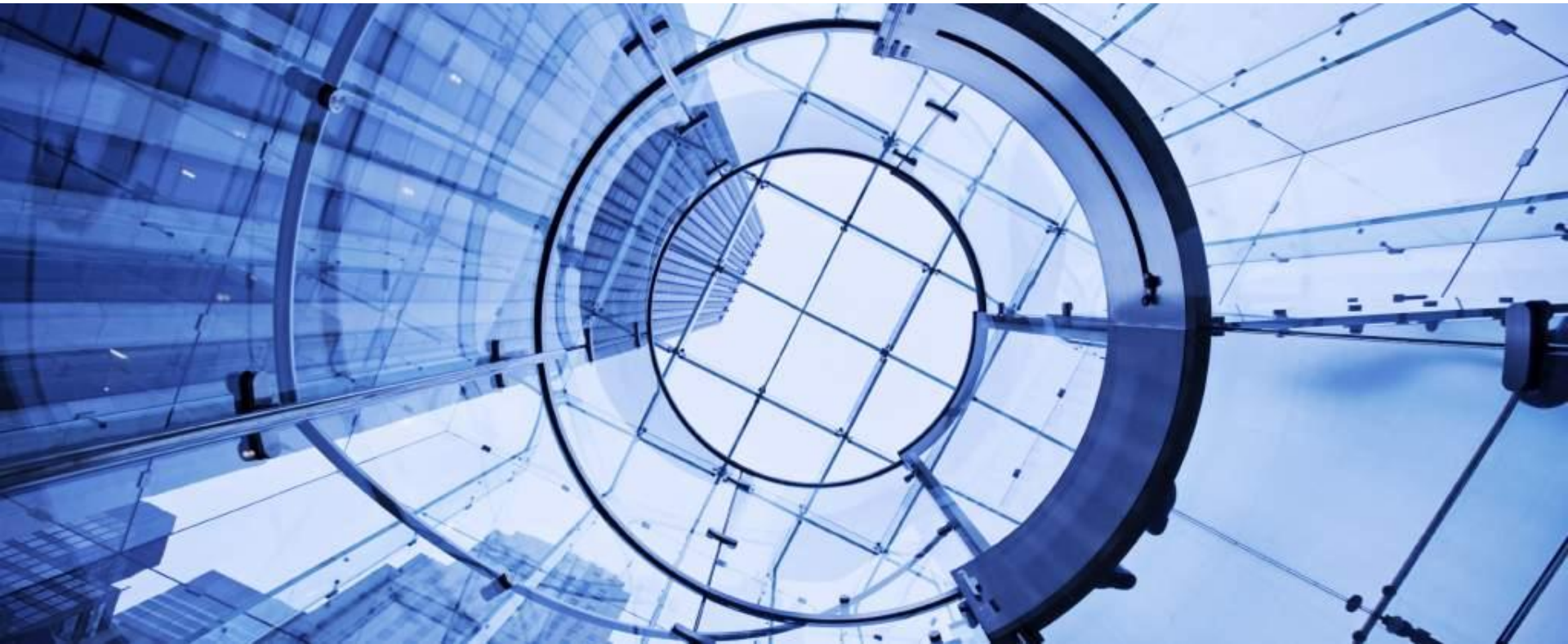


# Capital Markets Day 2011 The Lifecycle of Real Estate – Strategy and Service Profile of BB Building

Frank Jainz, CEO of Bilfinger Berger Hochbau GmbH

November 30, 2011



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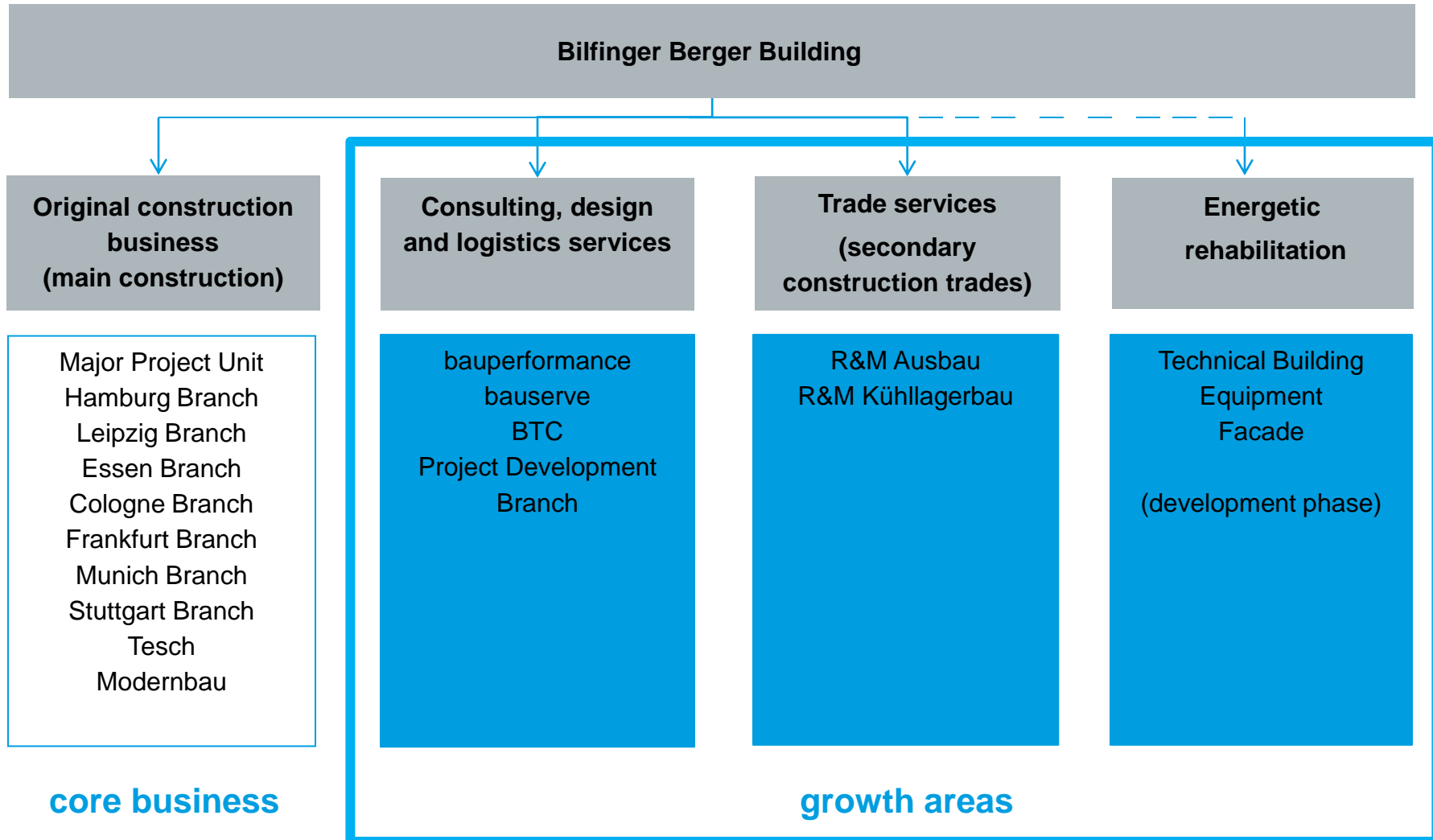
1. Overview Bilfinger Berger Building
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4. New lifecycle product “one”
5. Implementation of strategy

## General Overview of Bilfinger Berger Building

- Bilfinger Berger Building offers full service solutions for the real estate industry
- We accompany our clients throughout the entire real estate lifecycle
  - Development / Planning
  - Design
  - Build
  - Revitalization
- 2011 expected: Output volume of approx. € 500 million
- Among the market leaders for lifecycle projects
- Market leader for lifecycle solutions with cost guarantee:  
Bilfinger Berger is the only provider to prove cost savings from optimization

# Management Structure

## Strategic alignment of core business and growth areas



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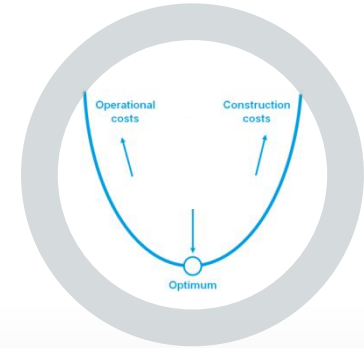
# Trends in the Building Market



## Regional Business / Small projects



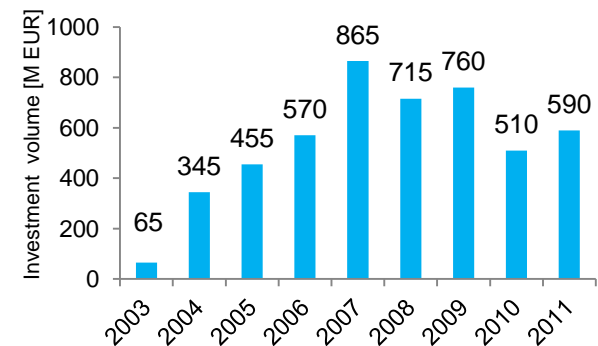
## Sustainability / Lifecycle



## Public Private Partnership / Partnering

- Single orders (framework, interior works, technical building services)
  - Expansion, addition of stories, reconstruction
  - Construction in existing buildings / reinstatement work
  - Energetic modernization
  - Lifecycle projects
- Using cost minimizing potential in real estate sector  
 → Small and medium project volumes (€1 - €30 million)  
 → But also: support of major projects through Major Projects Unit  
 → Continuity of regional locations and personnel  
 → Bundling of competences Building and Facility Services by lifecycle product **“one”**

PPP-Projects Germany 2003-11



Source: www.ppp-plattform.de  
November, 2011

# Market and competitive environment

## Strategic approach

### Original construction business

### Design, consulting, logistics

#### Market and competitive environment

- Very strong competition for small, medium and large projects
- Large projects with highly competitive proposal phases of up to 2 years
- Logistics: Increasing competition from low-cost competitors (but lower quality)
- Consulting: competition with architecture, engineering and project-management offices

#### Strategy

- Regional units are focused on small and medium projects
- Profitability is key
- Growth focus on bauperformance and bauseve, organically and via acquisitions
- Regional expansion to Austria and Switzerland

# Market and competitive environment

## Strategic approach

### Trade Services

#### Market and competitive environment

- Highly competitive market, but sound results because of extremely good quality and specialization

### Energetic rehabilitation

- Prospect of high market volume and growth
- Driving forces are, above all, legal requirements and sustainability debates

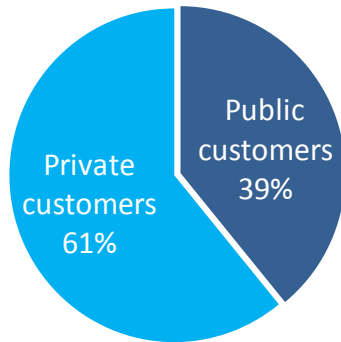
#### Strategy

- Growth area, organically and via acquisitions
- Growth area, organically and via acquisitions

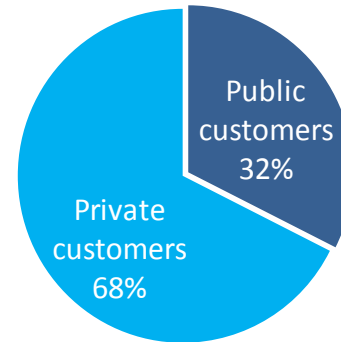


# Customer and project structure

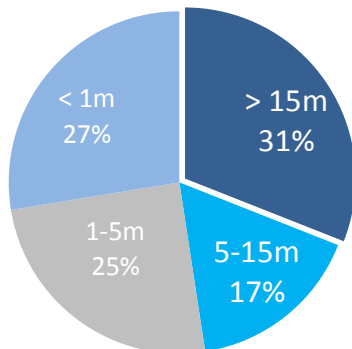
Output volume by client **2010**



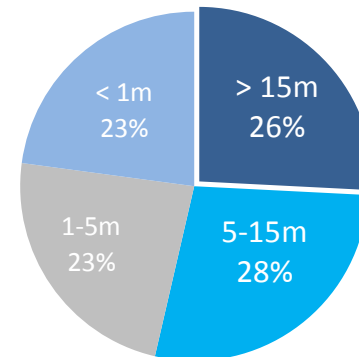
Output volume by client **2011**



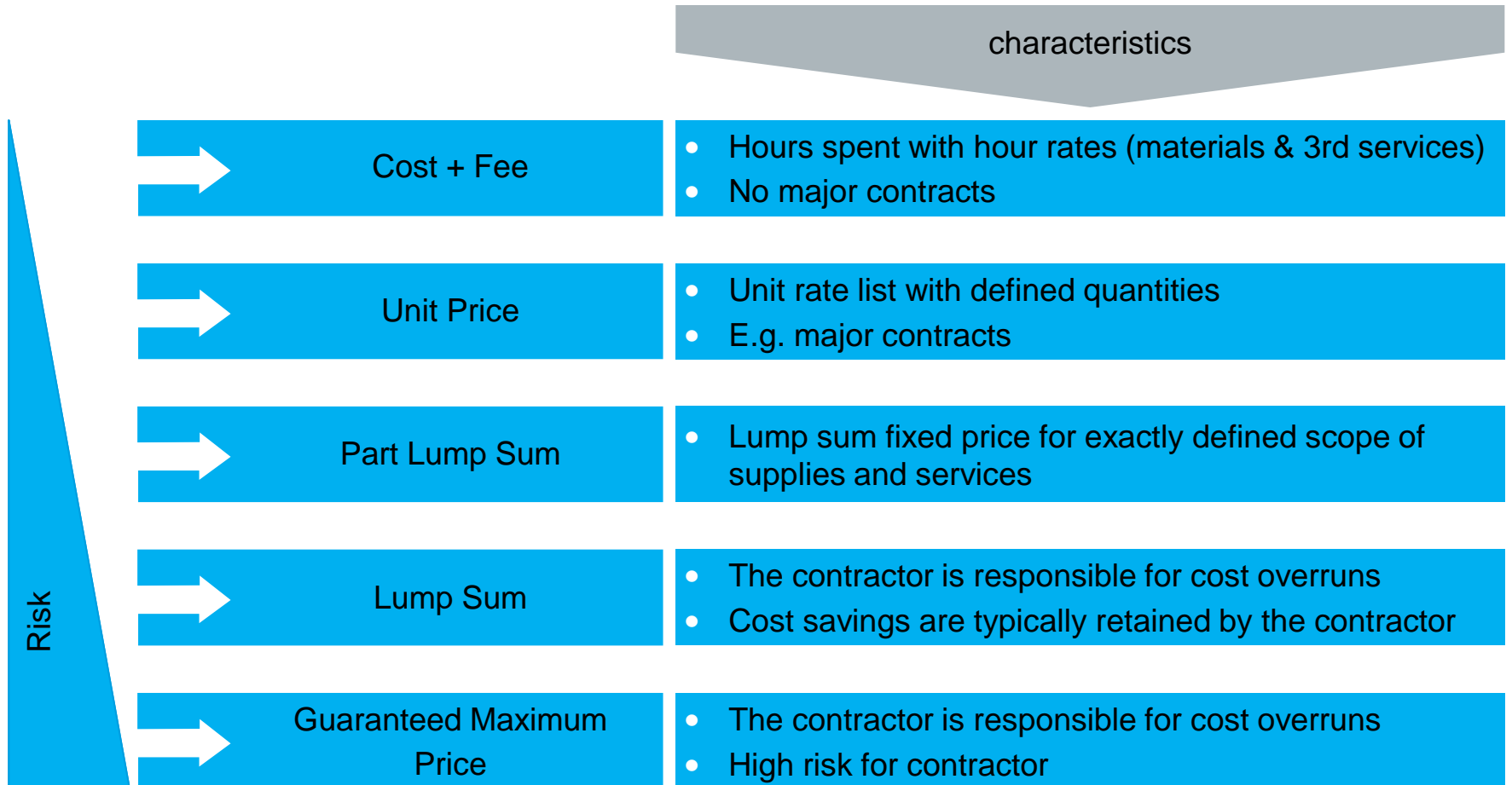
Output volume by order size **2010**



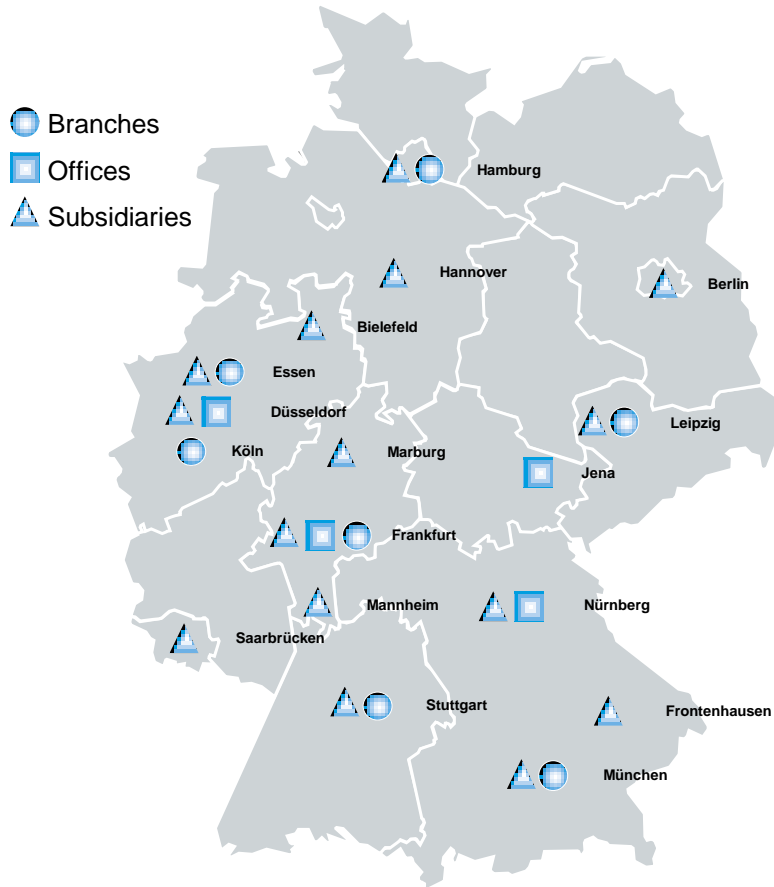
Output volume by order size **2011**



# Contract Structure



## Regional characteristics and footprint: Germany



Foreign locations: Vienna, Luxembourg

- High-caliber project management expertise and technical know how, thus setting ourselves apart from competitors
- Quality of workmanship and on-schedule completion is exemplary
- Excellent service and a partnership relationship with clients, subcontractors and suppliers
- Strong financial position of Bilfinger Berger Group
- USP: Integrated lifecycle approach for real estate with operating cost guarantee

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## Expansion strategy

### Potential to expand product portfolio

	Germany	Switzerland	Austria	Benelux	Northern Europe
Original construction business	X		X		
Consulting, design and logistics services	X	X	X	X	X
Trade services	X	X	X	X	-
Energetic rehabilitation	X	X	X	X	-

Black = Current

Blue = Target (via knowledge transfer / acquisition)

## Acquisition strategy

Selection criteria for acquisitions:

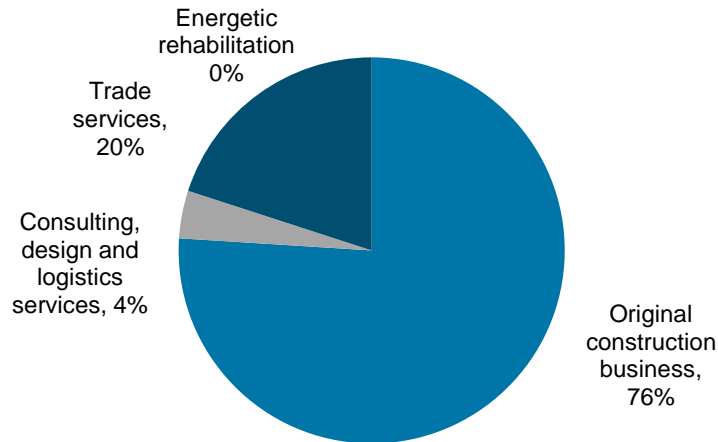
- High profitability
- Regions: Germany, Switzerland, Austria
- Unique Selling Point
- Positive commitment of management

Main focus on development of consulting, engineering, design and logistics services:

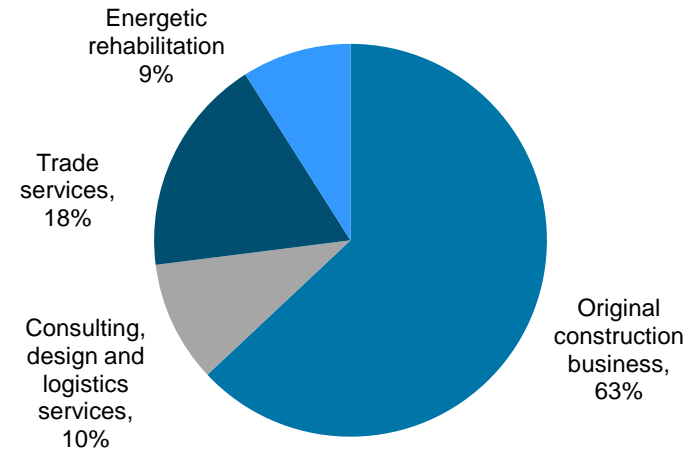
1. Extension of service range for building equipment and layout planning, with particular focus on “one”-projects.
2. Development of new segment “energetic rehabilitation” in order to offer the full package of services to the customer (e.g. facade construction, climatic ceilings).

# Targeted shift in business mix

Business mix 2011e



Targeted business mix 2014  
(including acquisitions)



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## Strategy lifecycle products

- Stricter legal requirements for energy reduction
- Rising demand for energy efficient and thus sustainable properties with optimized lifecycle costs
- Increasing complexity of technology and service
- Sustainable company management and social responsibility
- Exploitation of new market potential with higher margins by leveraging the PPP-experience and best practice
  - Idea competition rather than price competition
- Establishment of Bilfinger Berger as the leading provider for tailor-made, all-in real-estate solutions from a single source



**PRODUCT „Lifecycle-guarantee for real-estate“**  
**Integrated, holistic real-estate solution for**  
**design, build, facility management as well as support financing process**

## Product – core elements

Guarantee of operating costs  
(analog PPP)

Single point of contact  
throughout the entire  
lifecycle

Easy to get started for the  
customer

Exit-options  
for the customer



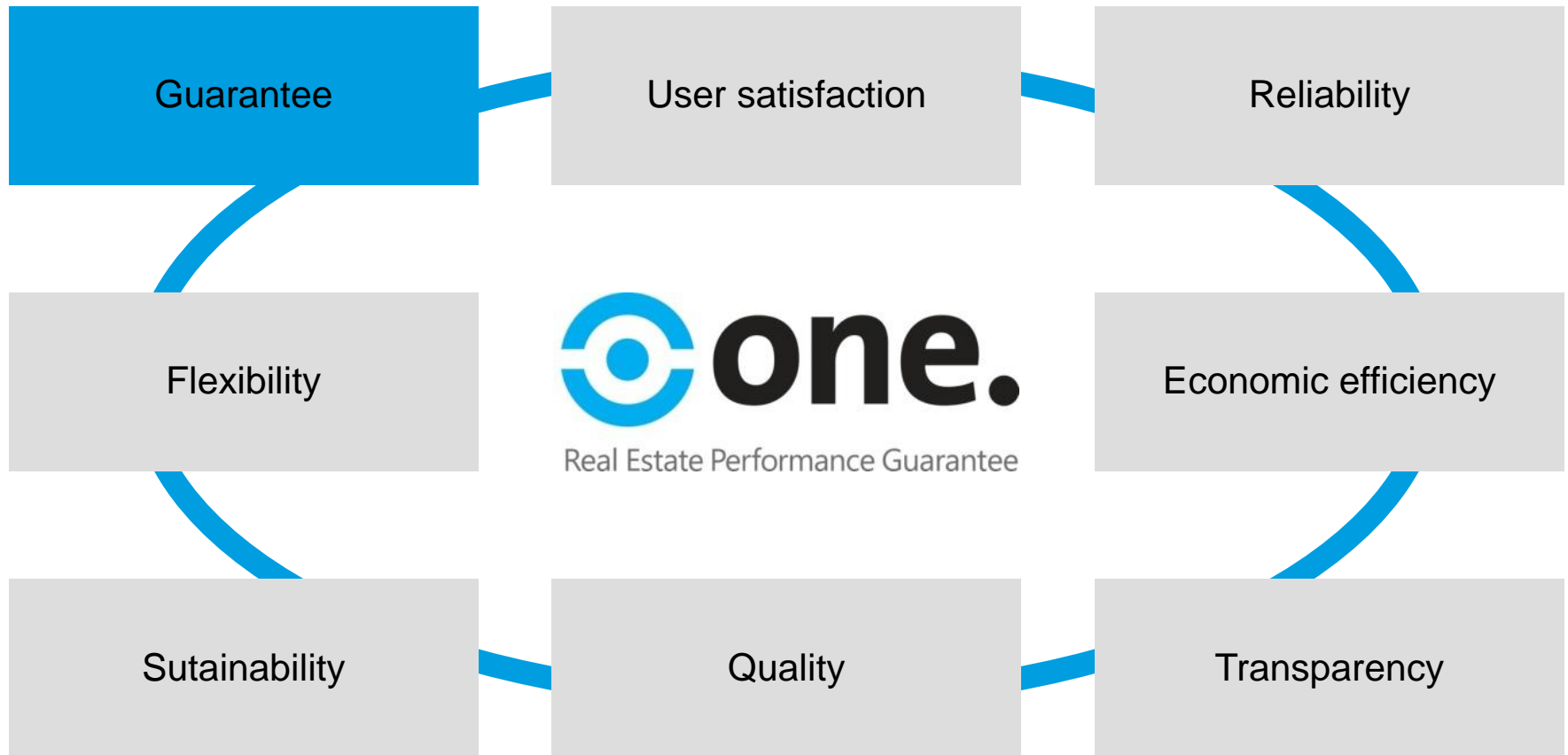
Use of optimization  
potentials throughout the  
entire lifecycle

Full-service-package  
design, build, facility  
management (and  
support of financing)

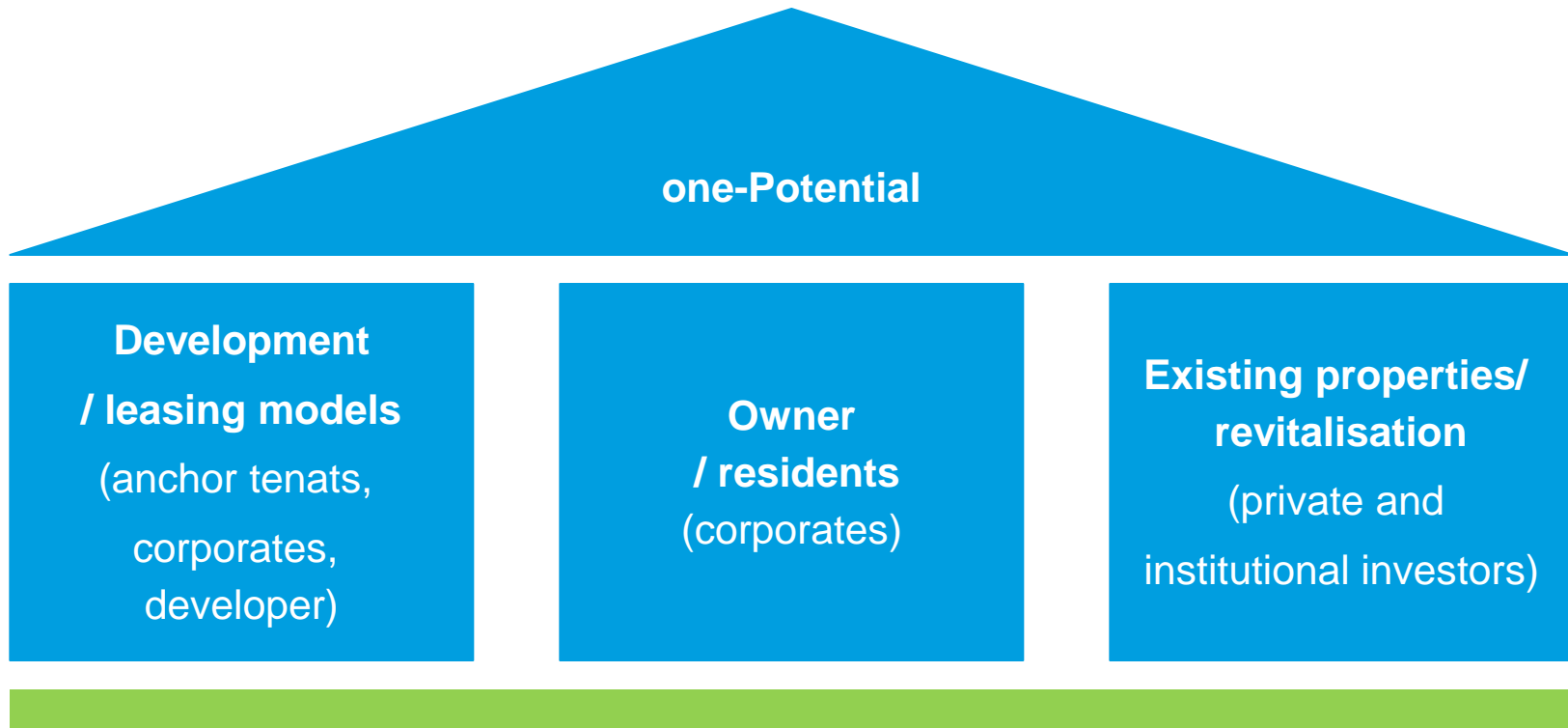
Customized service  
packages

Transparent  
implementation

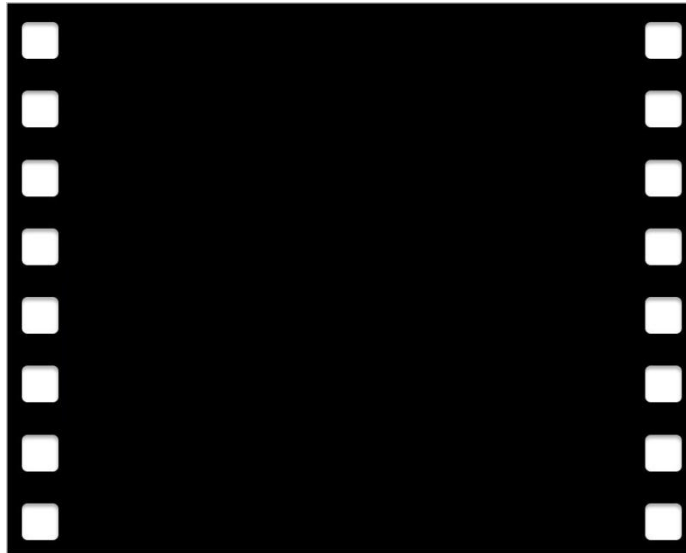
## Product – customers needs



## Client groups / sales potential




## Sales presentation movie



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## Implementation of strategy

- Take advantage of cross-selling potential with other subgroups
- Volume increase with higher profitability from lifecycle joint venture with Facility Services (lifecycle product )  
Real Estate Performance Guarantee
- Implementation of customer information system to improve hit rate
- Prepare for expected increase in demand for PPP projects from 2012/1013
- Attract young talents through campaign at universities

## Summary

- Core business strengthened
- Growth fields identified
- Strategy aligned accordingly
- Concrete implementation planned
- Successful implementation of lifecycle product **one**



Strong arguments for increasing efficiency in real estate!

