

Financial Press Conference of Bilfinger Berger AG in Mannheim on Thursday, April 22, 2004, at 10 a.m.

Speech by Herbert Bodner, Chairman of the Executive Board

(Please check against delivery).

Welcome, Ladies and Gentlemen,

Bilfinger Berger can look back on 2003 as a successful year. We achieved the goals that we set, not only in respect to earnings and output volume but also in terms of the further strategic development of our Company.

Our transformation into a multi service group is having an important, positive impact on our financial success. Our newly expanded services activities have become an additional major business area for us.

Chart: EBITA 2001–2003

Last year we substantially increased our operating profit (EBITA) to €101 million (2002: €74 million), thereby surpassing our target. The services business was consolidated for a full year for the first time, and contributed more than 40% of the Group's operating profit, which we have almost tripled within the past two years.

Chart: Net profit 2001-2003

Our net profit also posted another major increase compared with the previous year (€115 million) to reach €126 million, a new record for us.

Chart: Dividend 2001-2003

The Executive Board and the Supervisory Board will propose at the Annual General Meeting on May 26 that an increased dividend of 65 cents per share be distributed (2002: 55 cents) along with a bonus – from the Buderus sale – of 65 cents. This means the combined dividend and bonus will rise by 30% to €1.30. The total distribution will amount to €48 million (2002: €36 million).

Last year we committed ourselves to strengthen our presence in major international markets and to further expand our relatively new services business. We have made substantial progress toward these goals.

Chart: Abigroup

For example, at the end of 2003 we acquired the stock-exchange-listed Abigroup in Australia. This company is mainly active in road building and civil engineering, and ideally complements the activities of our other Australian subsidiary, Baulderstone Hornibrook, which has been a part of the Group since 1993. In addition to its construction activities, Abigroup carries out repair and maintenance work on gas and water distribution systems and on toll roads, and is involved in private-sector concession projects. Abigroup will achieve an output volume of €600 million this year, and we anticipate an EBIT margin of 3%.

Chart: Centennial

We have expanded our activities in the services business in the United States. In autumn 2003, we acquired Centennial, a leading provider of building repair, maintenance and expansion work on public buildings that is carried out on the basis of long-term framework agreements. Centennial's most important customers include the U.S. Defense Department, schools, universities and international organizations. In its particular segment, the company has a market share of 15% and is active throughout the United States: It will generate an output volume of €150 million this year, and will exceed by a comfortable margin the EBIT margin of 4% that we have set as a target for our services businesses.

Even after goodwill amortization and financing costs, Abigroup and Centennial will deliver positive contributions to net profit right from the start.

Chart: Relative share-price development January 2003-March 2004

Please note that Bilfinger Berger's continuing development is also reflected in our share price, which increased 85% in 2003, meaning we outperformed all relevant indexes by a wide margin. The growth in value has continued this year, an indication of the continuing attractiveness of our stock for investors in Germany and abroad. The coverage of Bilfinger Berger by financial analysts has increased considerably, with the number of institutions that regularly publish studies on our company having risen to 15. And they nearly always recommend that investors buy Bilfinger Berger shares: Rising earnings, a sound capital structure and finances, and a corporate strategy that is pursued with consistency are decisive factors that will continue to give our stock further potential.

In terms of our output volume, orders received and order backlog, we also achieved our ambitious goals last year, setting new records despite a significant statistical reduction that had to be taken at the end of 2003 because of the strength of the euro.

Chart: Output volume 2001-2003

In the period under review, our output volume increased by 14% to nearly €5.6 billion, with our newly expanded services business being the key factor in our growth. The share of output volume generated in international markets totaled 56%, whereas the share of the Group's total output volume accounted for by the domestic construction business was around 27%, and will continue to decrease.

Chart: Orders received 2001-2003

Our volume of orders received increased by 7% to €5.6 billion.

Chart: Order backlog 2001-2003

The order backlog increased in all business segments, in aggregate by 21% to €6.3 billion. Of this figure, €870 million is accounted for by Abigroup, which was consolidated at the end of the year.

Please allow me to return briefly to the key points of our 2003 year-end financial statements. In addition to the substantial increase in our operating profit, we also achieved a tax-free capital gain of €238 million on the sale of our Buderus shares. When confronted with the

question of how best to use this exceptional income, our priority, as in 2002, was to create provisions that would strengthen our balance sheet.

Chart: Exceptional items, 2003

In view of the persistent weakness in the German real estate market and against the background of our ambitious return-on-capital target, we have withdrawn from real estate project development. In future, we will restrict our activities in this field to contract developments that do not require a significant investment of our own capital. In order to rapidly reduce our capital tied up in this area, we are using €90 million of the exceptional income to recognize a precautionary impairment charge on our real estate held for sale. With lower carrying values, we are creating the right conditions for the quick disposal of these objects.

As an additional precaution, we have formed a provision out of the exceptional income in the amount of €45 million to safeguard against possible political and financial risks related to our involvement in developing countries and emerging markets. We have set aside an additional €25 million as a provision for capacity reductions in the construction business and for adjustments to our portfolio of investments.

Chart: Net profit, 2002-2003

Goodwill amortization increased from €7 million to €12 million as a result of the first consolidation of Rheinhold & Mahla and HSG for a full financial year. Furthermore, we utilized some of our exceptional income to carry out precautionary goodwill write-downs in an amount of €30 million, to guard in advance against any possible negative impact from future impairment tests. EBIT rose by 30% to €137 million (2003: €105 million). As expected, the International Accounting Standards Board recently issued a regulation stating that goodwill is not to be subject to scheduled amortization in the future. A positive impact from this on our net profit will already be felt this year.

Investment income fell by half due to the sale of our Buderus shares in July 2003.

The net interest expense includes one-time share-price losses of €10 million caused by the transfer of securities within the context of the contractual trust arrangement (CTA), on which we have already reported. It serves to cover the Company's pension obligations to an

amount of €101 million. The additional interest expense is offset in EBITA by a capital gain from the transfer of real estate in the same magnitude, so that this change has no net effect on net profit.

Our earnings before taxes rose to €134 million (2003: €121 million). Despite the improved operating profit, taxes on income were unchanged at €4 million. This is due to positive tax effects from the application of the exceptional income.

Chart: Consolidated balance sheet

The consolidated balance sheet shows a renewed strengthening of our assets and capital structure.

On the assets side, fixed assets decreased to €1,012 million, due to a reduction of €247 million as a result of the sale of our Buderus shares. Securities and cash increased to €900 million, however. The cash inflow of €551 million from the sale of our Buderus shares was partially offset by cash outflows of €185 million for acquisitions, €66 million as a result of transferring securities in the context of the CTA, and €130 million for loan repayments.

On the liabilities side, provisions decreased due to the CTA by some €100 million to €544 million. As a result of the direct allocation of assets to cover future pension obligations, our balance-sheet structure, equity ratio and return on capital were further improved, enhancing Bilfinger Berger's creditworthiness from the perspective of the capital markets. Liabilities to banks were reduced to €343 million, including project credit on a non-recourse basis of €162 million for which Bilfinger Berger is not liable. As a result of our strong net profit, shareholders' equity increased by €100 million to €1.1 billion, while the Group's equity ratio improved from 28% to 32%.

Significant progress was also made in the development of return on capital.

Chart: Value added, ROCE

Our business segments achieved total value added of €1.3 million, which is a significant improvement over the previous year's performance. However, this positive development in our operative business is still being negatively affected by the following factors:

- The return on our liquid resources invested in the form of fixed-interest securities and term deposits is, of course, significantly below our imputed cost of capital of 11%.
- Our income from investments was halved due to the sale of our Buderus shares.
- The capital tied up in real estate held for sale leads to a negative value added.

The Group's overall value added – measured against a cost-of-capital hurdle of 11% – is therefore still negative, but has improved continuously over recent years, from -€61.7 million in 2001 to -€47.2 million in 2002 and -€32.5 million in the year under review.

All of our efforts are directed towards our ambitious goal of achieving by the 2005 financial year a rate of return at the Group level that surpasses our cost of capital of 11%. In addition to further improvements in our operating business, the following measures will help us to achieve this goal:

- We intend to apply our liquidity to make targeted, value-adding acquisitions.
- Negative value added from real estate held for sale will be gradually reduced by the rapid sale of these properties.
- The CTA will reduce our average capital employed by €100 million.

Ladies and gentlemen, I now come to the development and outlook for our business segments. The strong euro has led to a substantial statistical reduction in our key figures for output volume, orders received and order backlog, and this applies in particular to the Civil and the Building and Industrial business segments.

Chart: Key figures for Civil, 2003

Output volume for the **Civil business segment** amounted to €2.0 billion last year. Orders received of €2.0 billion were of the same magnitude as in 2002. The order backlog of €2.9 billion was sharply higher than in the previous year.

Once again, the Civil business segment achieved good earnings of €39 million (2003: €43 million). The slight decrease is due to higher exceptional income from supplementary invoicing in 2002.

Chart: Key figures for Civil, Q1 / 04

In the first three months of this year, output volume by the Civil business segment increased significantly. Calendar effects led to lower orders received than in the previous year. The high order backlog forms a sound basis for a continuation of this segment's positive development.

Our strategy of targeted internationalization is to be continued. The focus will be on ambitious infrastructure projects and expanding our presence in regions where we are already successful. In Australia, we have attained an excellent market position for large transport projects with the acquisition of Abigroup. We also intend to increase our civil-engineering capacities in the United States and Eastern Europe both through organic growth and through acquisitions. Despite the deteriorating situation in public-sector construction in Germany, the output volume and earnings achieved by the Civil business segment will increase this year.

Chart: Key figures for Building and Industrial, 2003

Our **Building and Industrial business segment** generated an output volume of €1.9 billion last year. The value of our newly acquired orders was of the same magnitude. The order backlog also rose, to €1.9 billion.

The EBITA of €6 million achieved by the Building and Industrial business segment was fractionally lower than in the previous year (€8 million).

Chart: Key figures for Building and Industrial 03/04

Output volume in the first quarter of 2004 was at the same level as in the previous-year period. The substantial growth in orders received and order backlog are welcome.

Our Building and Industrial units are well positioned in their worldwide markets. The proportion of business done outside Germany will continue growing, but despite the

sustained difficulties of the domestic market we anticipate a distinct improvement in earnings for the full year.

Chart: Key figures for Project Development and Concessions, 2003

Output volume in the **Project Development and Concessions business segment** of €231 million was slightly lower than in 2002, while growth in the concessions business was offset by our withdrawal from real estate project development. Due to the successful expansion of our concessions activities, orders received increased to €375 million, and the order backlog rose to €370 million.

The concessions business delivered a positive contribution to earnings, whereas real estate project development still had a negative impact. The segment's overall result was a loss of €3 million (2003: -€2 million).

Chart: Key figures for Concessions, Q1 / 04

Since the beginning of 2004, the business segment has consisted solely of our private-sector concessions activities. The output volume from this business increased at a strong pace in the first three months of this year, with substantial growth rates recorded for orders received and the order backlog.

The high level of capital employed and the long-term nature of the business require that we continue to give concessions its own segment. We concentrate concessions activities in markets where there is a dependable legal and economic structure: In addition to our existing focus on Great Britain and Australia, these markets include North America and selected European countries. We will at least double the volume of our concessions business in the coming years, and from our existing project portfolio alone we expect future profit contributions of more than €400 million over the total contract periods. Measured in terms of capital employed, this is equivalent to an average annual rate of return of more than 11% after deducting general business expenses.

Chart: Key figures for Services, 2003

The first consolidation of Rheinhold & Mahla and HSG for a full financial year brought a significant increase in the key figures of the **Services business segment**, with output

volume nearly doubling last year to €1.4 billion. Orders received increased by more than 100% to €1.5 billion, while the order backlog grew by around 50% to €1.1 billion.

The segment's earnings rose to €47 million (2003: €26 million). This means that the services business accounted for more than 40% of our operating profits.

Chart: Key figures for Services, Q1 / 04

In the first three months of this year, the growth trend continued for our services activities, with another important rise in output volume. The further expansion of services as a second, equally strong pillar of our business in addition to construction remains a major driver of Bilfinger Berger's corporate development. Industrial and building services form the platforms for continued growth – both organic and through acquisitions.

The acquisition of Centennial at the end of 2003 enhanced the importance of the U.S. market for Bilfinger Berger, and Centennial is an excellent supplement to the existing services business of Fru-Con. Australia also offers good prospects: In addition to the construction of roads and tunnels, Abigroup's activities include the repair and maintenance of gas and water distribution systems.

A broad-based integration project started in 2003 systematically utilizes the existing synergy potential between the individual services companies. It also creates the right conditions for close cooperation with other units of the Group.

Output volume and earnings in the Services segment will continue their growth in the current year.

Chart: Key figures for Environmental, 2003

The output volume of the **Environmental business segment** in 2003 was at a similar level to the previous year, while the order backlog increased substantially. Earnings doubled compared to 2002, to €6 million.

The companies active in the Environmental business segment have good prospects in their particular markets, but due to their low share of the Group's revenues we will no longer

report on their activities in a separate segment. At the beginning of this year, they were allocated to the Civil business segment.

Chart: Overview of output volume and orders situation, Q1 / 04

The group's key figures for the first quarter of 2004 continue the positive trend of last year, and give us confidence for the rest of this year. After increasing our output volume to €5.6 billion in 2003, we are planning on further growth, to €6 billion, in 2004. Future acquisitions are not included in this forecast.

The financial success of our company is decisively based on the consistent implementation of our strategic goals. Let me briefly summarize some of the most important steps we have taken recently:

Chart: Corporate development

- We have built up the Services business segment to one of our most important sources of operating earnings in a very short time.
 - Through the acquisition of Rheinhold & Mahla, we have become a leading supplier of repair and maintenance services for demanding industrial customers all over Europe.
 - Through the acquisition of HSG and Wolfferts, we have decisively expanded our involvement in real estate services.
 - In the United States, Centennial's building and property services have been added to Fru-Con's existing industrial services business.
- In Australia, Abigroup provides an ideal complement to Baulderstone Hornibrook's product portfolio. We have formed the second-largest construction group on the continent and have built an excellent competitive position from which to pursue major transportation projects. And our services business also has good prospects in Australia.

- Our American subsidiary, Fru-Con, has successfully extended its activities to civil engineering.
- Our concessions portfolio has continued its growth through our involvement in Australia and Great Britain. Although this business segment's earnings are still relatively low, our existing projects will generate high profit contributions in the future. This future profit potential will be further increased by our involvement in new BOT projects.

At Bilfinger Berger, the foundation for a successful future has been built not only on acquisitions and the acceptance of new challenges, however: Divestments, such as our withdrawal from real estate project development and the construction-materials business, will also make us more successful. We will continue to pursue this course with consistency; our strategy remains oriented towards a sustained increase in earnings and corporate value. And finally, I would like to summarize our goals for the future:

Chart: Strategic focus

- The expansion of our services business remains an important driving force of our development.
- We intend to continue growing in our key international markets. In the future, we will have an even stronger international presence than we do today.
- Acquisitions will still play an important role in the implementation of our corporate strategy. They will be carried out with great care and will have to meet strict criteria – not only in terms of their strategic relevance, but also in terms of their profitability.
- In addition, our portfolio of private-sector concessions projects, which is still young, will grow steadily. The projects' earnings over their entire contract periods are already impressive, and within a few years this will be reflected by a high, stable level of contributions to this business segment's earnings.

Chart: Financial goals

Our financial goals are also clearly defined:

- We anticipate a further increase this year in the operating profit of all our business segments. Based on our strong operating profit, our earnings will continue to rise steadily over the coming years.
- Our ambitious goal is to achieve a return of 11% on all capital employed within the Group in the year 2005.
- We intend that our shareholders will also participate in the future in the Group's increasing earnings.

Ladies and gentlemen, our success confirms that our decision to strategically reorient Bilfinger Berger as a multi service group was the right one. And I assure you that we will make every effort to continue on this successful course.

Thank you very much for your time and attention.