

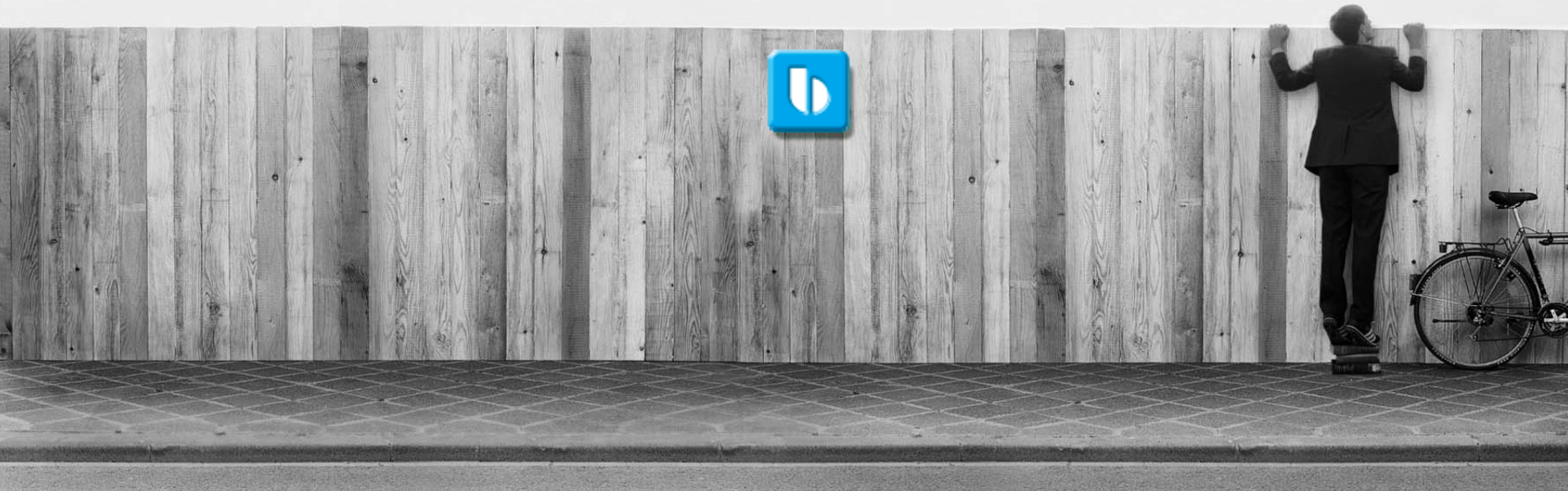
Bilfinger Berger Capital Markets Day

Building construction and Facility Services in Germany: Two strong players and a joint market presence

Bilfinger Berger Facility Services

Otto Kajetan Weixler, Bilfinger Berger Facility Services

November 22, 2007

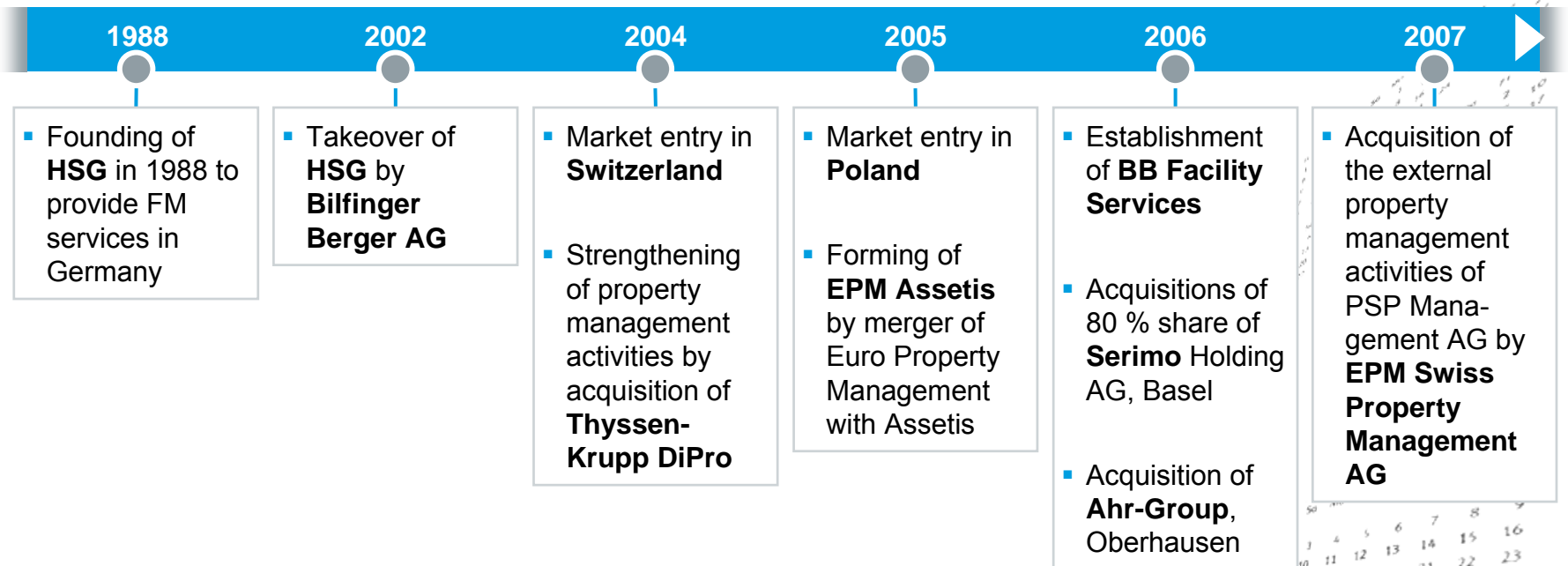


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2. Market Structure and Perspective
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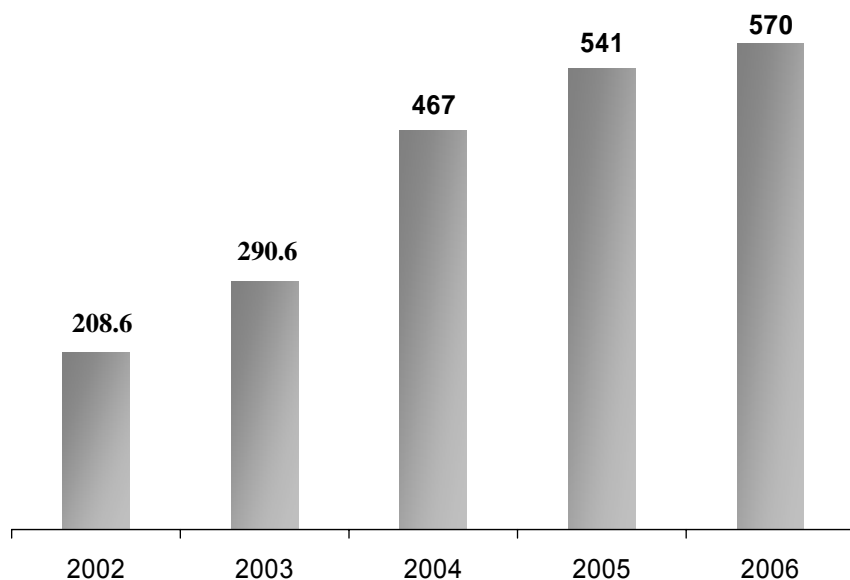
Bilfinger Berger Facility Services – service culture and tradition

Development of Bilfinger Berger Facility Services



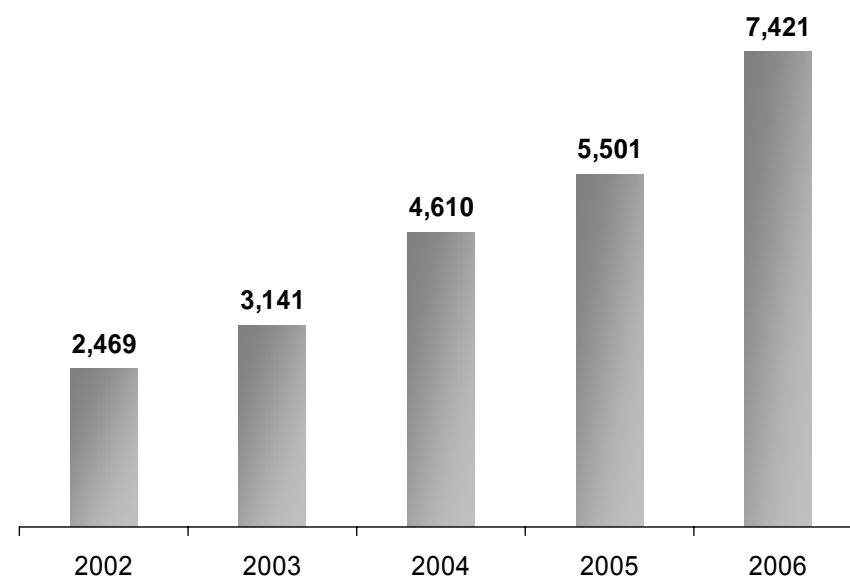
BB Facility Services has developed into one of the leading providers of FM and Real Estate services

Output volume¹⁾



- Increase in output volume well above industry average
- One of the the top 3 providers of FM services in Germany
- Full service provider focused on hard services and property management

Employees²⁾



- Almost exclusively organic growth, only smaller acquisitions until 2003
- In contrast to other corporate spin offs ~ 99 % of services are provided to external customers

1) Including output volume of minority holdings

2) Average number of employees p.a.

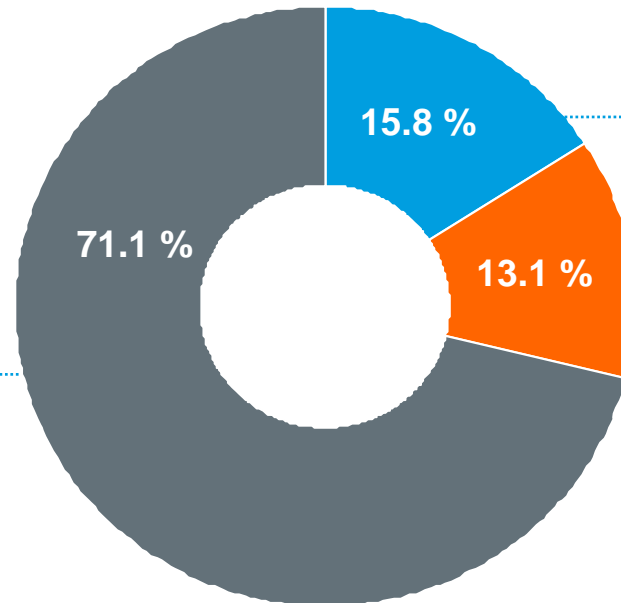
BB Facility Services focuses on hard FM-Services which represent 71 % of total output volume

Output volume Bilfinger Berger Facility Services¹⁾ 2006 by FM segment

Σ = €570 million

Hard FM-Services
 €405 million

(e.g. operation, maintenance, warranty management, commissioning and testing)



Commercial Facility Management
 €90 million

(e.g. facilities and center management, FM accounting, contract management)

Soft FM-Services
 €5 million

(e.g. cleaning, security, reception catering and logistics services)

1) Including output volume of minority holdings

Bilfinger Berger Facility Services consists of three operating companies which provide a complete range of FM-Services

Structure of Bilfinger Berger Facility Services



HSG-Group



Integrated FM-Services

EPM Assetis-Group



Property- / Asset-
Management






Ahr-Group



Health Care Services









BB Facility Services offers a comprehensive range of facility and property management as well as health care services

Service-Portfolio Bilfinger Berger Facility Services

Property & Asset Management	Hard Services	Soft Services	FM-Consulting	Health Care
 <p>Examples:</p> <ul style="list-style-type: none"> ▪ Facility & center management ▪ Rental management ▪ Floor & workplace management 	 <p>Examples:</p> <ul style="list-style-type: none"> ▪ Facility & operations management ▪ Maintenance 	 <p>Examples:</p> <ul style="list-style-type: none"> ▪ Janitorial services ▪ Security & reception services 	 <p>Examples:</p> <ul style="list-style-type: none"> ▪ Operating & partnership concepts ▪ Process & organizational consulting ▪ Integrated facility planning, construction, operation ▪ Energy optimization concepts 	 <p>Examples:</p> <ul style="list-style-type: none"> ▪ Housekeeping services ▪ Ward services / hospital logistics ▪ Hospital gastronomy

BB Facility Services provides integrated and single services through its European subsidiaries

Integrated Facility Service Support by HSG-Group (Europe)

	Switzerland	Austria	Czech Republic	Turkey	Poland
Hard & Soft FM-Services	 Facility Management AG	 Facility Management GmbH [INTACT]		 Teknik Hizmetler İnşaat Sanayi İç Ve Dış Ticaret Ltd. Şti.	
Consulting Services		 Prof. K. Müller + Partner			
Asset & Pro- perty Mgmt.	 IMMOBILIENDIENSTE AG  Swiss Property Management AG				

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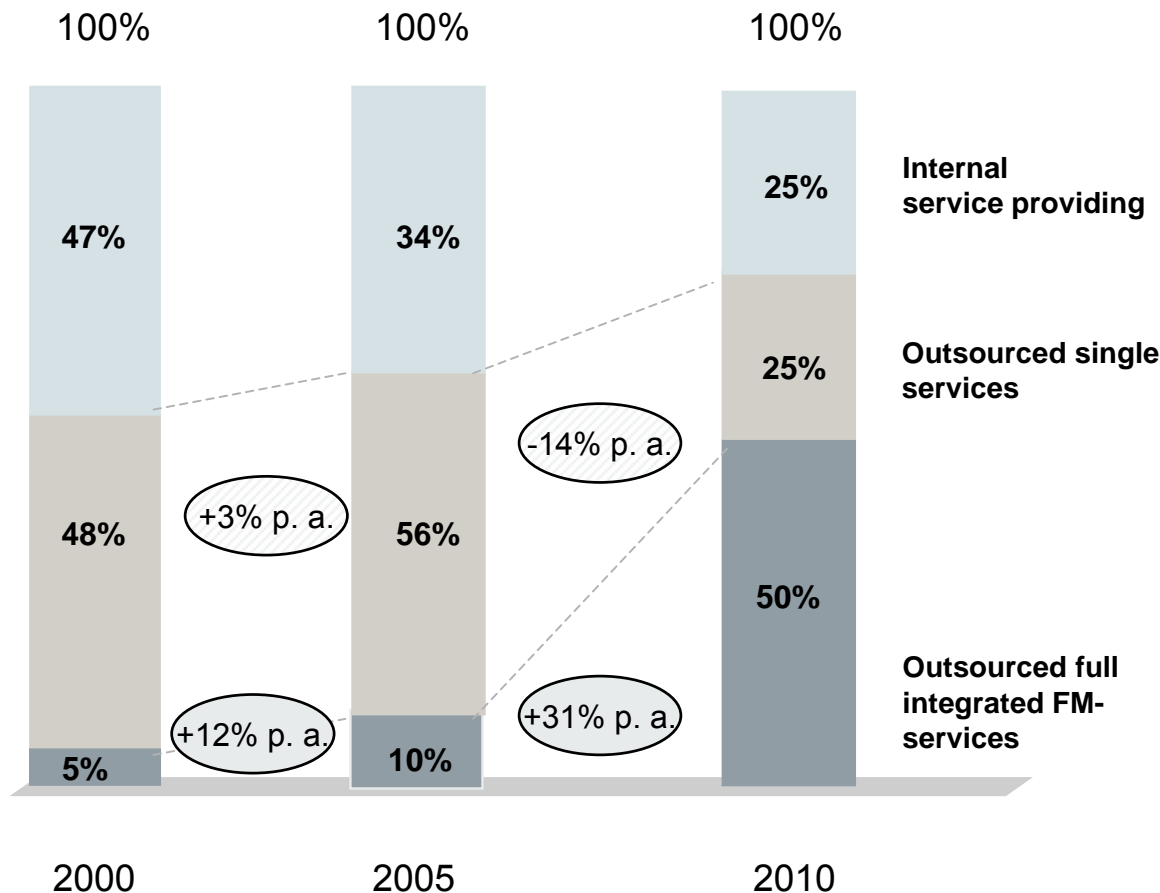
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Fully integrated FM-Services will dominate future market development

Market development 2000 – 2010; 100 % = stable at approx. €50 billion



Remarks

- Increase of floor area managed, trend to higher technical demands
- Shift from internal to external services
- Significant trend to outsource fully integrated FM-Service-packages

Source: Studie InterConnection Group, Wien 2004; Helbling Management Consulting

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The German FM-market is currently in a phase of consolidation

Competitors and market consolidation 2006 (Base: turnover [Germany]/total turnover)

		Germany	total			Germany	total
1.	Dussmann	826	1.308	6.	Voith	347	667
2.	WISAG	659	682	7.	Klüh	345	461
3.	BB FS/HSG	548*	658	8.	M+W Zander	342	436
4.	Hochtief	452	515	9.	Zehnacker	306	376
5.	Piepenbrock	360	360	10.	Gegenbauer	302	308

Mergers/Acquisitions

- ABB 2007 -> WISAG
- Allianz 2007 -> Hochtief
- SKE 2005 -> Vinci
- LGM 2004 -> Hochtief
- ThyssenHiServ 2004 -> WISAG
- SGM 2003 -> Hochtief
- Stangl 2003 -> MCE
- DIB 2002 -> Zander

* Including output volume of minority holdings

Source: Lünendonk

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BB Facility Services on its way to becoming a Europe-wide facility management service group

Market drivers

- Cost pressure in all customer segments
- Demand for full service FM services is growing beyond expectation
- Market consolidation
- Lifecycle orientation
- Internationalization (Europeanization)



Establishment of service groups active throughout Europe

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3.1 Key Objectives

3.2 The Strategic Market Approach for FM-Services: HSG-Group

3.3 The Strategic Market Approach for Asset and Property Management: EPM Assetis

3.4 The Strategic Market Approach for Health Care Services: Ahr-Group

3.5 Acquisition Criteria

BB Facility Services is a growing entity

Key objectives

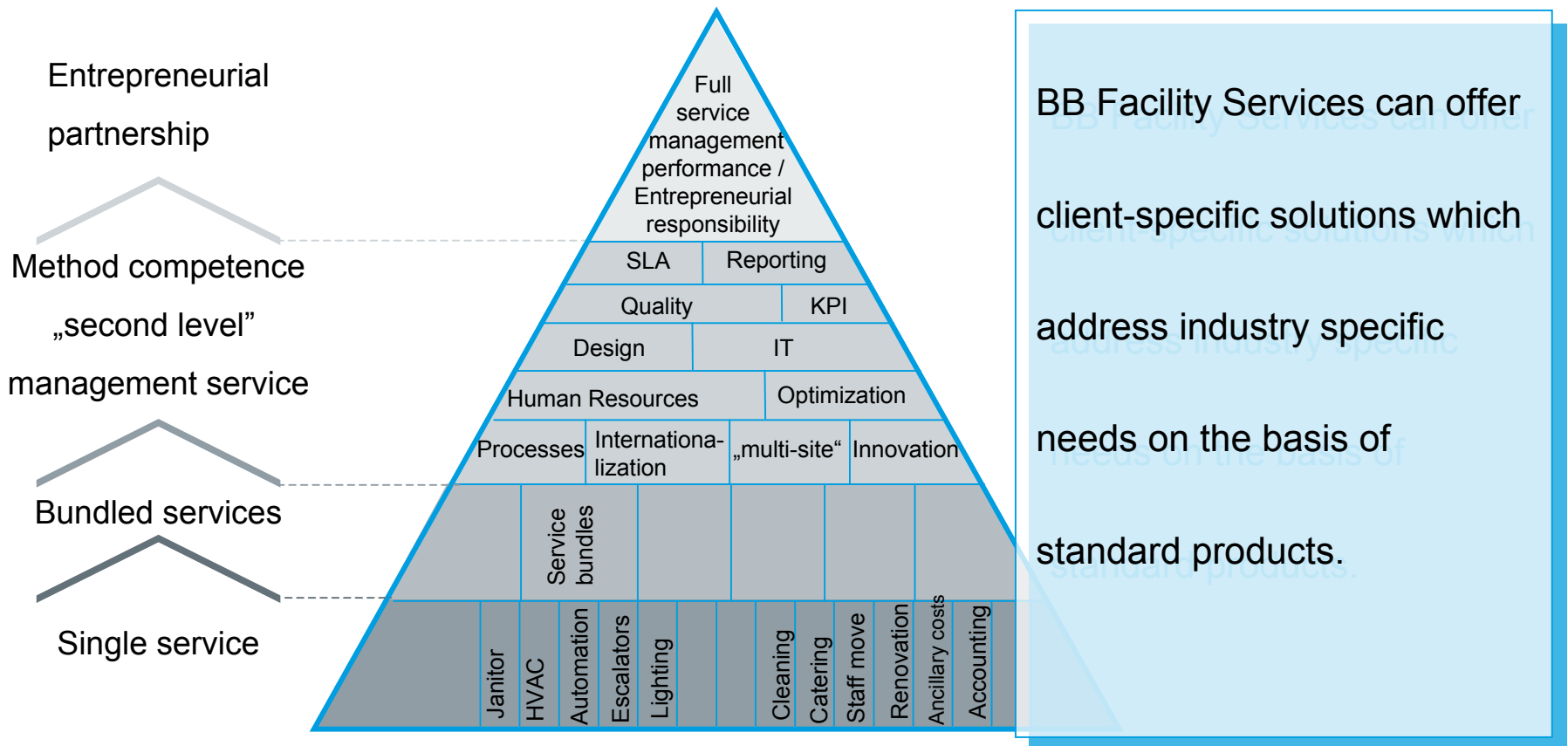
- Further development towards an integrated full-service provider in all business segments
- Strengthening of consulting services
- Further development of PPP projects
- Development of the industrial client base
- Internationalization (Europeanization)



Let's take that challenge

Content and range of a full service project depend on the requirements of the respective client and industry

Full service projects demand a high level of management competence



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The FM-Market in Germany is characterized by strong competition

Special requirements by different industries

Saturated

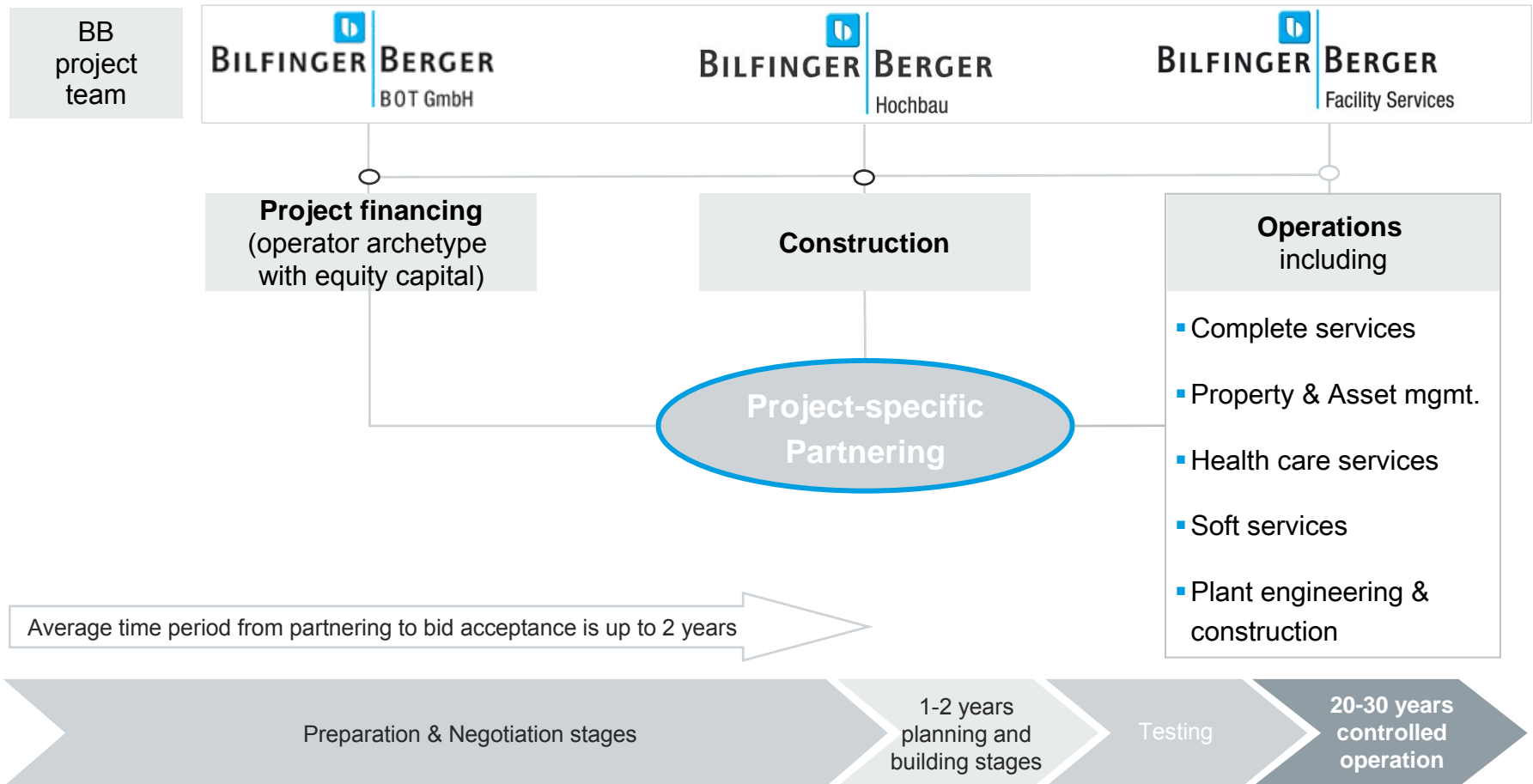
- **Classical segment – Financial Institutions**
 - FM in the area of banks, insurance companies and funds
 - Strong competition → diminished margins
 - Strategic partnership with long-term approach

Growth

- **PPP Projects**
 - High cost of preparing submission documents is a barrier to market entry for smaller players
- **Industrial Clients**
 - Manufacturers are looking for strategic partnerships
 - Clear focus and expectations on optimization
 - Expectation that service providers will follow to company's international production sites

Basically the composition of the BB project team depends on the financing form and the scope of work

Project-specific Partnering



Examples for the realization of strategic targets

Strategy in Hard FM-Services of the HSG Group

Development PPP competences

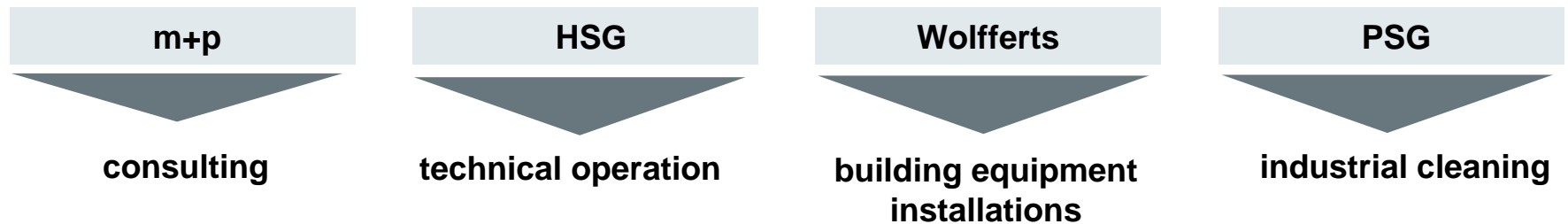
2006/2007 obtained contracts

Project	Service volume p.a.	Contract period	Total Service volume
▪ Burg Correctional Facility	€ 2.10 million	25 years	€ 52.5 million
▪ Judiciary Centre Chemnitz	€ 1.20 million	20 years	€ 24.0 million
▪ Schools in Halle	€ 2.20 million	25 years	€ 55.0 million
▪ Judiciary and Administrative Centre Wiesbaden	€ 1.45 million	30 years	€ 43.5 million
▪ Nassauische Heimstätte	€ 0.25 million	30 years	€ 7.5 million
			€182.5 million

Industrial clients from the production area

Full service bundles = system partnership = vision for the future – development partner for technical FM

- Scalable organization
 → Adaptation to the production cycles and shift models
- Annual cost reduction through process optimization
- Linking of services for energy central, media supply with maintenance of building automation in production facilities and industrial cleaning
- Safeguard plant availability
- Ongoing restoration and development of building system installations in production buildings
- Energy optimization through technical solutions



Blue chips are driving multi-country tenders

Strategic activities of HSG within the scope of Internationalization

- Expansion of business activities in **Switzerland** by means of organic growth but also acquisition of a commercial and hard service FM provider
- Establishment of own operating capacities in **Austria** by acquisition of FM provider
- Expansion of current operations in the **Czech Republic** towards full FM service provider by means of acquisition and/or organic growth
- Organic growth and further expansion of full FM services in **Poland**
- Expansion of activities in **Turkey** with international industry clients as targets
- Conclusion of cooperation agreements with high skilled FM-Service Provider in the countries **UK, France, Spain and Italy**

Our clients – major players who put their trust in us

Automotive

- BMW
- Daimler
- Ford
- Opel
- Renault Nissan
- Behr
- ZF

Chemistry & Pharmaceutical

- Aventis
- Degussa
- GlaxoSmithKline
- Henkel
- Solvay
- Wacker Chemie

Industrial

- ABB
- Axel Springer
- EADS
- Freudenberg
- Georg Fischer
- Haniel
- Heidelberger Druck

Retail

- Breuninger
- IKEA
- Karstadt
- Kaufland
- Lidl
- OBI
- Thalia

Banking

- Citigroup
- DiBa
- Dresdner Bank
- DZ Bank
- LBBW
- Postbank
- SEB

Insurance

- Alte Leipziger
- AMB Generali
- DBV Winterthur
- DEVK
- DVK
- Gerling
- R+V

Funds

- Allianz Immo
- CGI
- Credit Suisse
- DB Real Estate
- Deka
- DEGI
- MEAG

IT & Telecom

- Accenture
- Arcor
- Global Switch
- Nortel
- O₂
- SAP
- Xerox

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EPM Assetis and Serimo are offering the whole range of asset- and property-management services

Key figures EPM Assetis, EPM Swiss Property Management and Serimo

Employees	830
Area under management	approx. 16.0 million m ²
Assets under management	approx. €22 billion
Properties under management	approx. 2,500
Managed leasing contracts	approx. 140,000
Net-rental income volume	approx. €1.4 billion
Transaction volume	€450 million

The German real estate market is changing rapidly

– Fully integrated services are our vision for the future

Market trends and market vision

German market trends

- Divestment of real estate properties by German banks and mutual funds
- Investment increase by Anglo-American Funds and Private Equity companies
- Margin decline within property management activities
- Additional competition through foreign service providers to international investors



Today's Service Scope

- Facility Management
- Property Management
- Asset Management



Additional Service

- Asset Finance
 - Investment consulting
 - Structured finance

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Ahr is the group's specialist for soft FM services in the health care sector

Profile and strategy

Profile

Specialist for infrastructure FM in the attractive health-care segment and for patient oriented services in the hospital sector

Scope of services



Strategic growth path

Organic growth in private hospital groups, patient hotels, cross-selling

A Vision for the future: Increased scope of work in service joint ventures with HSG and Wolfferts

Market trends and market vision

Market trends

- Increased cost pressure for hospitals
- Outdated building infrastructure
- Privatization of hospitals and/or growing need to specialize/re-position
- Cost reduction within secondary processes (building installations, medical equipment, energy etc.)
- Need for additional funding



Soft Services (Ahr)

- Hospital Logistics
- Catering & Cleaning
- Patient Ward Services



Hard Services (HSG, Wolfferts):

- Technical Management
- Building and Medical Installations
- Energy Optimization/Contracting

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BB Facility Services acquisition criteria remain unchanged

Key characteristics of potential targets

- Local FM-companies in Germany with interesting client base and strong positioning within regional markets
 - Focus on property management and hard service providers
 - Profitable „niche-players “ with above average margin and growth potential in Germany
 - Integrated FM- or Property Management-Companies in Poland, Czech Republic, Switzerland, Benelux and Austria
 - High level of „Managerial- and Cultural-Fit“
- 
- Structured research in selected regions
 - **Sales between €5 and €50 million p.a.** and significant Growth-Potential
 - EBITA > 4%
ROCE > 12 %
 - Additional: opportunity-based set-up of JV's with selected partners

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BB FS with all its subsidiaries must have a clear orientation both for the client and its employees

Former company guidelines are still valid

- The **client's interest** is **our own interest**
- Our **success** is the **success** of our Client
- No client, **no BB Facility Services**

- The client is our **partner**
- Criticism from the client is our **challenge**

- We are BB Facility Services, **all of us!**

The philosophy of providing services

In the area of services, the individual is production factor No. 1

Employee in the FM-Business = characterizes the company

low performing employees = low performing company

Business Management = lead by example

TEAMSPIRIT = WE instead of myself

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What makes us different

Success factors of BB Facility Services

- High quality FM Service Provider with high technical competences
- Extraordinary asset and property management competences
- High level of value added with own workforce
- Cross-linked products
- Life-cycle approach
- Excellent advisory skills comprising innovative concepts
- Sound ownership structure

BBFS is well positioned in an interesting business environment

What makes our business attractive

- Stable margins
- Relatively low risk profile of BB Facility Services business
- Above average ROCE
- Manageable investments
- Diversified product range
- Comparatively independent from economic cycles

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The new BMW plant in Leipzig has been a pilot scheme for BMW in implementing a comprehensive FM approach in production with their FM „System partner“ HSG

Key Features BMW Plant Leipzig

- **Production Capacity:** 650 units/day
- **Series:** BMW 3 series sedan
- **Employees:** 5,500
- **Investment:** ~ €1.3 billion
- **Total acreage:** ~ 2.08 million m²
- **Space built upon:** 287,000 m²
- **Gross floor space:** 491,000 m²
- **Paved roads:** 265,000 m²
- **Parking spaces :** 3,900



Source: BMW Group

HSG has already supported BMW during the construction, approval of technical building installations and pre-production phase of the new plant at Leipzig

HSG Scope of Work

Plant Leipzig



Scope of Work Service Provides

Commercial Support Services

Help-Desk

Administration of Tenant agreements / Site Management

Work Place and Space Management

Hard Services

Facilities Maintenance / Repair / Operation

Technical Management of Facilities

Default-/ Warranty-/Energy Consumption-Management

Janitorial Services

24-7 Operation of Central Display and Control Centre

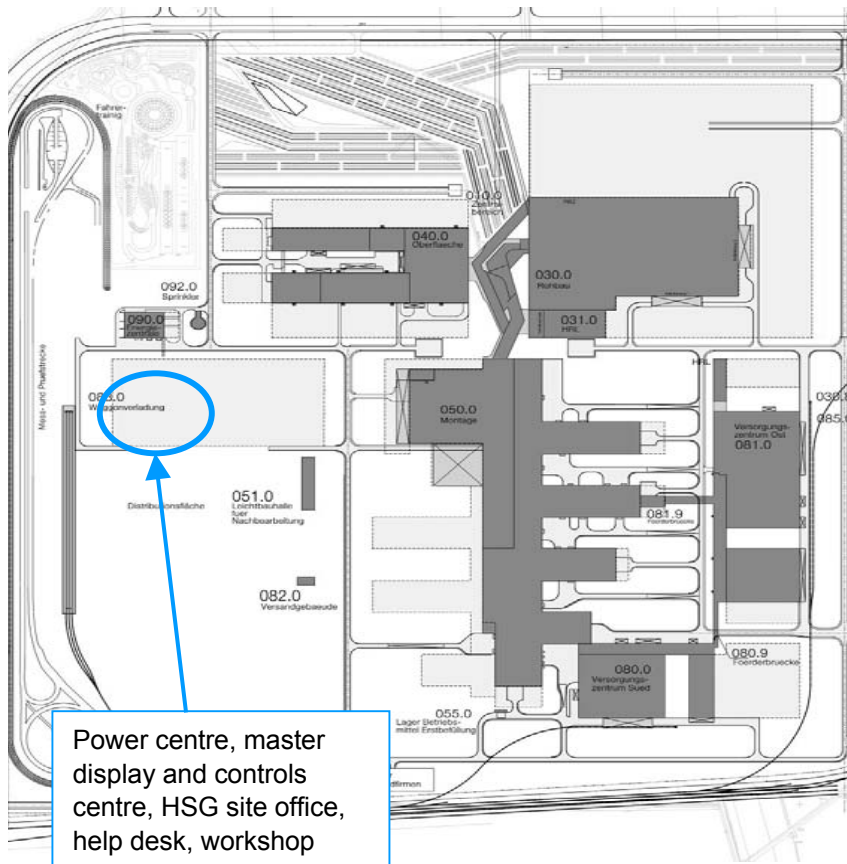
Soft Services Management

Interior and Exterior Building Cleaning

Street Cleaning and Winter services / Landscaping

HSG contract includes the maintenance and operation of all supply installations in order to safeguard production availability

Supply Installations at a glance



Scope of Services

- Building automation
- Heating
- Potable Water Supply
- High Pressure Supply
- Natural Gas Supply
- Fire Water Supply
- Sewage System
- Rain Water Disposal
- Power- and Data-Network
- Power Supply

Source: BMW Group

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ABB Switzerland has outsourced their complete FM activities for all of their 175 properties to HSG in Switzerland

Supply Installations at a glance



- 175 Sites
in Baden, Zürich, Turgi-Untersiggental,
Dättwil, Deitingen, Lenzburg, Birr,
Zuzwil, Basel

- Scope of Work:

- Hard Services
- Soft Services
- Occupancy Management
- Property Management
- Portfolio Management/Crem



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