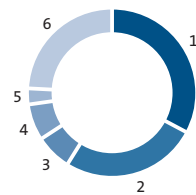


Output volume, orders received, order backlog

€ million	2007	2006	Δ in %
Output volume	9,222	7,936	+16
Orders received	11,275	10,000	+13
Order backlog	10,759	8,747	+23

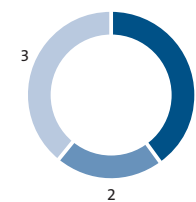
Output volume by region

€ million	2007	2006	%
1 Germany	3,040	2,720	33
2 Rest of Europe	2,356	1,828	26
3 America	679	633	7
4 Africa	653	587	7
5 Asia	253	183	3
6 Australia	2,232	1,985	24
	9,222	7,936	100



Output volume by business segment

€ million	2007	2006	%
1 Civil	3,647	2,973	40
2 Building and Industrial	1,965	2,069	21
3 Services	3,606	2,881	39
Consolidation, other	4	13	
	9,222	7,936	100



Business development

- Output volume and orders received at record levels
- Earnings surpass expectations
- Further increase in value added

Bilfinger Berger continued its successful development in 2007 and with business volumes growing dynamically, and increased its earnings at even higher rates.

Output volume was increased by 16% to €9,222 million in 2007. The proportion of output volume generated in international markets amounted to 67% (2006: 66%). The domestic construction business contributed 16% of the Group's output volume (2006: 18%), while the services business in Germany accounted for 17% of the total (2006: 16%).

Due to new major projects in the construction business and the strong growth of our services activities, orders received increased by 13% to €11,275 million. The order backlog rose by 23% to €10,759 million. All three key performance indicators thus reached new record levels.

Earnings surpass expectations

Group EBITA increased by 34% to €242 million (2006: €180 million), while net profit increased by 46% to €134 million (2006: €92 million). This was primarily a result of the significant increase in the operating profit posted by the Services business segment.

Revenue increased by 15% or €1,110 million to €8,637 million (2006: €7,527 million). Here too, the majority of growth was recorded in services, as a result of strong organic growth in particular and also to acquisitions. The revenue figure does not include our share of the output volumes generated by joint ventures. This is the main reason for the difference between the revenue figure disclosed in the consolidated income statement and the output volume of €9,222 million presented in the Group Management Report.

Consolidated income statement (abridged)

€ million	2007	2006
Revenue	8,637	7,527
Cost of sales	-7,610	-6,668
Gross profit	1,027	859
Selling and administrative expenses	-812	-723
Other operating income and expenses	27	44
EBITA	242	180
Impairment of intangible assets from acquisitions	-13	-10
EBIT	229	170
Net interest result	-1	3
Earnings before tax	228	173
Income tax expense	-88	-77
Earnings after tax	140	96
thereof, minority interest	6	4
Net profit	134	92
Average number of shares	in thousands	37,196
Earnings per share	in €	3.60

Operating profit / EBITA

€ million	2007	2006
Civil	+58	+43
Building and Industrial	+24	+22
Services	+180	+123
Concessions	-2	-4
Consolidation, other	-18	-4
Consolidated Group	+242	+180

With an improved gross margin of 11.9% (2006: 11.4%), gross profit increased to €1,027 million (2006: €859 million). Selling and administrative expenses rose to €812 million (2006: €723 million). As a proportion of revenue, they amounted to 9.4% (2006: 9.6%).

Depreciation, which is included under cost of sales as well as under selling and administrative expenses, increased to €112 million (2006: €99 million).

The balance of other operating income and expenses decreased to €27 million (2006: €44 million). This item was impacted by special items in the previous year; impairments of €63 million recognized on two toll projects were more than offset by gains realized on the sale of concession projects and of the Ship Technologies unit.

The Civil business segment increased its EBITA to €58 million (2006: €43 million). The EBITA posted by the Building and Industrial business segment amounted to €24 million (2006: €22 million). The German Building division broke even, despite significant cost increases for subcontractor services. The building construction business in Australia developed positively.

All three divisions of the Services business segment – Industrial Services, Power Services und Facility Services - surpassed the high expectations placed upon them. The segment's EBITA increased by 46% to €180 million (2006: €123 million). In addition to first-time consolidation effects of €17 million, organic growth contributed €40 million to earnings.

The EBITA of the Concessions business segment was slightly negative at minus €2 million (2006: minus €4 million), due to the projects' early stage of maturity and high bidding costs. To assess our success in the concessions business, we primarily consider annual changes in the

present value of future cash flows. The development of the value of our project portfolio is explained in detail in the section of the Annual Report dealing with the Concessions business segment.

EBITA not allocated to the business segment returned to a normal level of minus €18 million; there had been a positive impact in 2006 from the gain on the sale of the Ship Technologies unit.

Intangible assets from acquisitions were systematically amortized by €13 million (2006: €10 million). This relates to capitalized items from acquired order backlogs and long-term customer relations from acquisitions in the Services business segment. The impairment tests carried out on goodwill did not result in any write-downs.

Net interest income, including gains on the sale of securities, increased to €18 million (2006: €16 million). The interest expense from the allocation to pension provisions netted off with revenue from plan assets amounted to €7 million, as in 2006. The interest expense for minority interests, which, in accordance with IAS 32, are recognized as liabilities due to contractual arrangements, in particular put options, increased significantly to €12 million (2006: €6 million). In total, the net interest result fell compared with the prior year to minus €1 million (2006: plus €3 million).

Earnings before taxes increased to €228 million (2006: €173 million). Income taxes increased at a disproportionately low rate to €88 million (2006: €77 million). In this context, it is necessary to consider the fact that the Group's effective tax rate was increased in 2006 by special effects related to impairments recognized in the concessions business. In 2007, the effective tax rate was unchanged compared with the adjusted 2006 rate at 37%. In the third quarter of 2007, deferred taxes had to be remeasured on the basis of the

reform of corporate income tax that took effect in Germany on January 1, 2008. The effects on income taxes were insignificant.

After deducting minority interests of €6 million (2006: €4 million), net profit amounts to €134 million (2006: €92 million). This represents earnings per share of €3.60 (2006: €2.48).

Proposal of increased dividend of €1.80 per share

The net profit for 2007 of Bilfinger Berger AG, whose Company financial statements are prepared in accordance with the provisions of the German Commercial Code (HGB), amounts to €67.0 million (2006: €51.5 million). The Company's distributable profits are also €67.0 million (2006: €46.5 million).

A proposal will be made to the shareholders that a dividend of €1.80 per share be paid out. This will amount to a total dividend payout of €67.0 million, representing approximately 50% of the Group's net profit, as in the prior year.

Renewed increase in value added

One of the key financial controlling methods at the Bilfinger Berger Group is our system of return-on-capital-employed controlling. With this method, we measure the value added by our business segments and by the Group. Capital is employed where it can create the greatest benefit for the Company.

The basic idea behind this concept is that positive value added is only achieved for the Company when the return on capital employed (ROCE) exceeds the cost of capital. The weighted average cost of capital (WACC) for the Group amounted to 10.5% before taxes in 2007, as in the prior year. In order to reflect the various risk profiles of the business segments, we calculated specific cost-of-capital rates for each segment, as in 2006.

Details and explanation of the calculation are provided in the chapter of this Annual Report dealing with return-on-capital-employed controlling (see page 168).

Value added	Capital employed € million		Return € million		ROCE %		Cost of capital %		Value added € million	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Civil	405	375	75	54	18.6	14.5	13.0	13.0	23	5
Building and Industrial	146	133	38	40	26.1	29.6	13.0	13.0	19	22
Services	901	783	180	123	20.0	15.8	9.0	9.0	99	53
Concessions	105	85	12	10	11.3	11.6	9.8	9.8	2	2
Total of segments	1,557	1,376	305	227	19.6	16.5	10.5	10.5	143	82
Consolidation, other	-9	8	-16	-2	-	-	-	-	-17	-2
Consolidated Group	1,548	1,384	289	225	18.7	16.3	10.5	10.5	126	80

The Group's ROCE increased to 18.7% (2006: 16.3%), leading to a further increase in value added to €126 million (2006: €80 million).

With a slight increase in capital employed, the Civil business segment's ROCE increased to 18.6% (2006: 14.5%), primarily due to the higher EBITA. Value added of €23 million was well above the prior-year figure of €5 million.

The ROCE of the Building and Industrial business segment was 26.1% (2006: 29.6%). Value added fell slightly to €19 million (2006: €22 million) due to the increase in working capital.

The Services business segment continued to account for the biggest share of capital employed at the Group. As a result of acquisitions, it increased to €901 million (2006: €783 million), including €653 million of goodwill (2006: €551 million). ROCE increased once again to 20.0% (2006: 15.8%), while value added nearly doubled to €99 million (2006: €53 million).

In the Concessions business segment, capital employed increased to €105 million (2006: €85 million) as a result of new investment. In order to calculate the return, we consider not only EBITA but also the portfolio's growth in value compared with a year earlier. The calculation of value added of €14 million (2006: €24 million) is explained in detail in the chapter of this Annual Report deal-

ing with concession projects. The business segment achieved a ROCE of 11.3% in 2007 (2006: 11.6%) compared with a cost of capital of 9.8%

The value added by the headquarters and by consolidation is generally negative. The prior-year figure was positively affected by the sale of the Ship Technologies unit.

Unchanged good financial situation and capital structure

Compared with the prior year, the balance sheet total grew by €981 million to €6.1 billion (2006: €5.1 billion). This was due not only to organic growth, but also to the expansion of our concessions business.

On the assets side, non-current assets increased to €3,114 million (2006: €2,451 million).

The increase in intangible assets primarily relates to acquired goodwill from acquisitions, which rose to €700 million (2006: €660 million).

Despite higher capital expenditure, property, plant and equipment decreased by €26 million to €581 million (2006: €607 million). This was caused by the reclassification into current assets

Structure of consolidated balance sheet

Assets	2006	2007	2007	2006	Equity and liabilities
€ million					€ million
		6.110	6.110		
	5.129	796	2,930	5.129	
Cash and marketable securities	783	2,200		2,584	Current liabilities ¹
Current assets	1,895				
		3,114	1,362		
Non-current assets	2,451			827	Non-recourse debt
			359	352	Other non-current liabilities ²
			148	160	Provisions for pensions
			1,311	1,206	Equity

¹ Including financial liabilities of €41 million (2006: €48 million)

² Including financial liabilities of €70 million (2006: €91 million)

of office properties used by the Group but available for sale with a carrying value of €96 million. The contract of sale was signed in December 2007 and the sale will take effect in 2008.

Receivables from concession projects and other non-current assets in this business segment increased to an aggregate of €589 million.

Deferred tax assets decreased to €104 million (2006: €128 million) as a result of utilizing tax-loss carryforwards.

Current assets increased by €305 million to €2,200 million (2006: €1,895 million) due to the increased volume of business and the reclassification of available-for-sale office properties.

Despite lively investment activity, cash and marketable securities remained at the high level of €796 million (2006: €783 million). Financial liabilities – excluding project debt on a non-recourse basis – were reduced to €111 million (2006: €139 million). Non-recourse debt, for which the Group is not liable, increased in line with receivables from concession projects to €1,362 million (2006: €827 million). Of that total, €1,299 million is accounted for by the financing of concession projects.

Provisions for pensions decreased due to the sale of a company by €12 million to €148 million (2006: €160 million). This figure does not include the pension obligations of the parent company, Bilfinger Berger AG, as they are fully netted off with the plan assets of the contractual trust arrangement and the provident fund.

The deferred tax liabilities included under other non-current liabilities increased to €121 million (2006: €94 million).

Current liabilities increased by €346 million to €2,930 million (2006: €2,584 million). The increase primarily reflects advance payments received, which rose unusually sharply during 2007.

Structure of Concessions balance sheet

Assets	2006	2007	2007	2006	Equity and liabilities
€ million					€ million
		1,606	1,606		
Other assets		88	149		Other liabilities
		73			
		1,445	1,229		
Other non-current assets	1,026			1,026	Non-recourse debt
	97			102	
	36			820	Financed by Bilfinger Berger AG
Receivables from concession projects	893				
			158	104	

The structure of the balance sheet in the Concessions business segment clearly shows the increasing influence of the segment on our consolidated balance sheet.

Statement of cash flows

€ million	2007	2006
Cash earnings	289	280
Changes in working capital	53	22
Gains on disposals of non-current assets	-17	-95
Net cash inflow from operating activities	325	207
Investments in tangible and intangible assets	-204	-136
Proceeds from the disposal of property, plant and equipment	21	23
Net cash outflow for tangible and intangible assets	-183	-113
Proceeds from the disposal of financial assets	10	177
Free cash flow	152	271
Investments in financial assets	-64	-234
Net cash outflow from financing activities		
Dividends paid out	-47	-37
Borrowing (+) / repayment of loans (-)	-23	-8
Special allocation to pension plan assets	0	-35
	-70	-80
Other adjustments	-5	-6
Changes in cash and marketable securities	13	-49
Cash and marketable securities at January 1	783	832
Cash and marketable securities at December 31	796	783

The negative net working capital amounted to minus €691 million (2006: minus €641 million). As in 2006, this is equivalent to approximately minus 8% of the Group's total output volume.

Shareholders' equity increased to €1,311 million (2006: €1,206 million). The equity ratio amounted to 21% (2006: 24%). Non-recourse debt has the effect of increasing the balance sheet total; adjusted for the elimination of non-recourse debt, the equity ratio is 28%, like at the end of 2006.

Cash flow from operating activities significantly higher than in 2006

Cash earnings amounted to €289 million in 2007 (2006: €280 million). After deducting gains on the disposal of non-current assets and considering changes in working capital, the cash flow

from operating activities increased to €325 million (2006: €207 million). The substantial increase compared with the prior year was caused by the increase in operating profit and the unusually high advance payments received during 2007.

Capital expenditure on property, plant and equipment increased to €204 million (2006: €136 million) as a result of the bigger volume of business in the Civil and Services business segments. Disposals of property, plant and equipment yielded proceeds of €21 million (2006: €23 million), resulting in a net cash outflow of €183 million (2006: €113 million).

Proceeds from the disposal of financial assets fell to €10 million in 2007 (2006: €177 million). In 2006, there had been unusually high cash inflows from the sale of concession projects, the Ship Technologies unit, and an investment property.

The free cash flow therefore normalized to €152 million (2006: €271 million), despite a significant increase in the cash flow from operating activities.

Investment in financial assets decreased substantially to €64 million (2006: €234 million). €50 million of the total was for acquisitions in the Services business segment, including the takeover of O'Hare, a British provider of industrial services, and other services units in Germany, Switzerland, Austria and Spain. Equity capital of €14 million was paid into private-sector concession companies.

The cash outflow for financing activities amounted to €70 million (2006: €80 million), of which the dividend accounts for €47 million (2006: €37 million). Debt was reduced by a net amount of €23 million (2006: €8 million).

The effects of currency translation led to a mathematical decrease in cash and marketable securities of €5 million (2006: €6 million).

Financial resources, comprising cash and marketable securities, amounted to €796 million at the end of the year (2006: €783 million).