

Group Management Report

Overview of 2007

Bilfinger Berger continued its successful development in 2007. The Group once again achieved profitable growth with best-ever results. On the basis of dynamic growth in business volumes,

EBITA and net profit increased for the third consecutive year at higher rates than output volume and exceeded our expectations.

Civil

In the Civil business segment, we took on several demanding infrastructure projects. In view of the high level of demand worldwide, we focus on selected projects in target regions where we have a strong market position.

- We received a number of new large orders in Australia, the Group's biggest construction market. A regional focus of our Australian civil engineering activities in 2007 was in Brisbane, where we have a major involvement in two large projects with a total order value of €1 billion.
- In the German market, the price level has improved as a result of rising demand. At the end of 2007, we obtained an order to construct a large part of a new urban railway line in Düsseldorf. This order has a volume of €300 million.
- In our European markets outside Germany, substantial investments continue to be made in the expansion of transport infrastructures.
 - In Sweden, we received an order for tunnel construction work for the northern ring road around Stockholm. Off the western coast of Denmark, we will install the foundations for the world's biggest offshore windpark. And in France, we are carrying out extensive excavation and civil engineering work in connection with the extension of the TGV high-speed train network.
- In Qatar in the Persian Gulf, we have taken on an extremely large order worth approximately €1 billion. In Doha, the capital city, we will build a new suburb for 20,000 inhabitants in a construction period of just 36 months. The project comprises the entire infrastructure and the turnkey construction of nearly 6,000 homes.

Building and Industrial

In the Building and Industrial business segment, our business approach considers the entire lifecycle of a building. The segment's core markets are Australia, Germany and Nigeria.

- Our activities in the field of building construction have developed very positively in Australia. Strong demand in that market allows the targeted selection of new projects with due consideration of return and risk aspects.

In Adelaide, Brisbane and Sydney, we have taken on orders for the new construction and renovation of hospitals and medical research facilities with a volume of more than €300 million.

- Our German Building division is benefiting from our core customers' greater willingness to invest in commercial construction. A good example of this is a new training center we are building for Deutsche Lufthansa near Frankfurt am Main. Our comprehensive advisory, design and construction competence was crucial for the award of this contract.

We have a significant share of the German market for public-private partnership projects in the field of public-sector construction. In Chemnitz, we are building a justice center on this basis; in Halle an der Saale we are modernizing and operating eight schools; and we are constructing a new prison in Burg near Magdeburg.

Stronger demand led to bottlenecks for subcontractor services in 2007, resulting in cost increases that had not been foreseeable on this scale. Nonetheless, our German Building divisions succeeded in breaking even for the year.

- In Nigeria, the orders received by our subsidiary Julius Berger Nigeria included the construction of the new central bank in Lagos and the expansion of the National Assembly in Abuja, the country's capital.

Services

2007 was another very successful year for our Services business segment, with its three divisions of Industrial Services, Power Services and Facility Services. The growth in business volumes and earnings exceeded our high expectations.

- Bilfinger Berger Industrial Services is extremely well positioned to fulfill the processing industry's increasing demand for complex repair and maintenance work on production plants. The company impressively continued its profitable growth in 2007.

In Germany, we further strengthened the division's engineering expertise with the acquisition of Peters Engineering.

Business activities in the United Kingdom were expanded with the takeover of O'Hare Engineering.

- Bilfinger Berger Power Services also recorded high order entries in its most important markets: Germany, Europe, the Gulf region and South Africa. The internationally active company profited from the worldwide growing energy needs. Our customers invest in both the rehabilitation of existing power plants and the construction of new ones.

Increasingly strict environmental requirements are also boosting demand for specialist services at power stations.

In Germany, the company is a service provider for all of the major electricity supply companies. In 2007, it received orders for major inspections of the lignite-burning power station in Neurath and the coal-burning power station in Hamm-Uentrop.

- Bilfinger Berger Facility Services obtained a series of orders in the German health care sector. A large number of hospitals commissioned us to provide patient services in their wards.

Our facility services in Germany had a boost from public private partnership projects, signing a number of contracts with terms of between 20 and 30 years.

In the field of commercial facility management, we took over the provision of services for additional buildings owned by Vivico Real Estate. Meanwhile, we manage the company's entire portfolio of over 180 objects and a total surface area of over 8 million square meters.

With the acquisition of facility manager PSP, we expanded our facility services and further strengthened our customer base in Switzerland last year.

Concessions

Our Concessions business segment focuses on regions with stable political and economic conditions. Last year, in line with our long-term strategy, we succeeded in further expanding our project portfolio in the areas of public-sector building construction and transport infrastructure.

- Over the course of 2007, we achieved financial close on three new projects, in which we will make equity investments of €24 million.

In Canada, we took over the design, financing, construction and operation of a section of the Calgary ring road. In Scotland, we are realizing two more projects in the field of education. Six new school complexes are being built in the Scottish Borders region and in the county of Clackmannanshire.

- The value of our project portfolio continued growing and is now substantially higher than the amount of equity capital paid into the project companies.