Annual Report 2005

The Multi Service Group.

BILFINGER BERGER

Business segments

Civil

€ million	2004	2005	Δ in %
Output volume	2,447	2,747	+12
Orders received	2,447	2,984	+22
Order backlog	3,127	3,344	+7
Capital expenditure	40	65	+63
EBITA	+22	+50	+127
Employees	22,090	23,480	+6

Output volume in %	
Abroad	80
Germany	20

Building and Industrial

€ million	2004	2005	Δ in %
Output volume	1,989	2,081	+5
Orders received	2,061	2,122	+3
Order backlog	2,055	2,095	+2
Capital expenditure	5	8	+60
EBITA	+9	-14	
Employees	9,972	9,629	-3

Output volume in %	
Abroad	60
Germany	40

Services

€ million	2004	2005	Δ in %
Output volume	1,600	2,250	+41
Orders received	1,588	2,441	+54
Order backlog	1,088	1,568	+44
Capital expenditure	22	27	+23
EBITA	+62	+90	+45
Employees	17,125	21,709	+27

Output volume in %	
Abroad	54
Germany	46

Concessions

Number / € million	2004	2005	Δ in %
Projects in portfolio	16	17	+6
thereof, under construction	11	8	-27
Committed equity	171	177	+9
thereof, paid-in	112	130	+16
EBITA	+3	+4	+33
Employees	64	80	+25

Equity investments in %	
Abroad	90
Germany	10

Bilfinger Berger is a leading internationally active construction and services Group. As a Multi Service Group, Bilfinger Berger delivers comprehensive solutions in Germany and international markets in the areas of real estate, infrastructure and industrial services. Its business activities range from consulting, development, design and financing, to turnkey construction as well as maintenance and operation.

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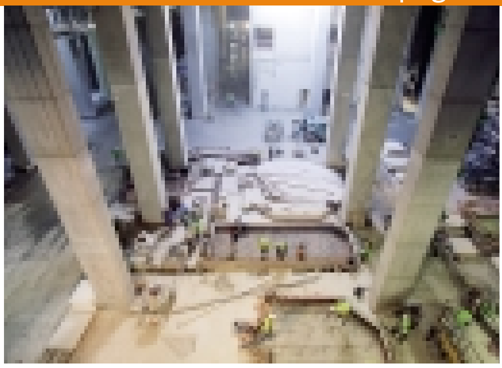

The Civil business segment comprises the Group's activities in this area of construction. Bilfinger Berger is one of the recognized players worldwide for major infrastructure projects. The geographical focus of the business is on international markets such as Australia, selected European and African countries and North America, as well as the domestic market in Germany.

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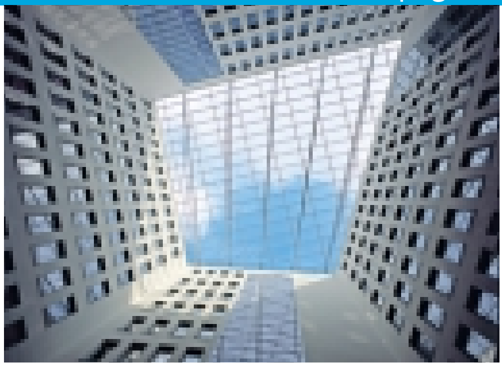

The Building and Industrial business segment consists of the activities of the Building division in Germany and the building and industrial construction operations of our international subsidiaries and affiliates, especially in Australia and Nigeria. In addition to design and turnkey construction, Bilfinger Berger provides its clients in this segment with a particularly comprehensive range of services including consulting, development, financing, maintenance and operation.

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The Services business segment comprises the Group's facility services and industrial services. Bilfinger Berger is one of Germany's market leaders for facility management, while in the industrial services business, the Group has attained a top international position as a service provider for the processing industry and power-generating companies. The regional focus of this segment is on Germany, Europe, Australia and the United States.

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The Concessions business segment encompasses Bilfinger Berger's private-sector concessions business. The segment focuses on projects in the fields of transport infrastructure and public-sector building. Its key markets are Australia, the United Kingdom, other selected states of the European Union, Germany and Canada.

Bilfinger Berger

€ million		2003	2004	2005
Output volume		5,586	6,111	7,061
Orders received		5,605	6,139	7,545
Order backlog		6,277	6,339	7,001
Capital expenditure		271	165	330
Property, plant and equipment		88	70	102
Financial assets		183	95	228
Employees (at year-end)		50,460	49,852	55,346
Balance sheet				
Balance-sheet total		3,483	3,720	4,357
Equity capital		1,136	1,131	1,189
Equity ratio	in %	33	30	27
Working capital		-223	-534	-645
Cash and cash equivalents		900	914	832
Liabilities to banks		343	339	623
thereof, non-recourse		162	205	495
Capital employed		1,497	1,368	1,391
Earnings				
EBITA		101	81	115
Net profit		50 [1]	51	66
Earnings per share	in €	1.37	1.39	1.80
Dividend per share	in €	0.65	1.00	1.00
Bonus per share	in €	0.65		
Profitability				
Return on output (EBITA/output volume)	in %	1.8	1.3	1.6
Return on equity (ROE)	in %	4.7	4.6	5.9
Return on capital employed (ROCE)	in %	9.4	8.8	10.9
Value added		-24	-30	-2

[1] Adjusted for exceptional items totaling +€76 million

Contents

Foreword

Dear Shareholders and Business Associates,
Ladies and Gentlemen,

2005 was a generally successful year for Bilfinger Berger. Output volume and orders received reached new record levels, and our net profit increased by 30% compared with the prior year.

We also made significant progress with the further implementation of our corporate strategy. In the services business, we strengthened our position in attractive markets of the future through the acquisition of Babcock Borsig Service and Simon Engineering and the establishment of EPM Assetis. The Services business segment is a firm pillar of our business alongside our construction activities and makes an important contribution to our earnings with stable margins. We have thus successfully continued the strategic refocus of the Bilfinger Berger Group in the previous financial year.

Our portfolio of concession projects also expanded considerably in 2005 with the addition of projects in Canada, Australia and England. This still-young business segment already delivers positive value added and will make an important contribution to our earnings over the long term.

In the construction business segments, the output volume generated outside Germany increased once again. The expansion of our services and concessions business has opened up new perspectives for our construction activities. Cooperation between the units of the Group provides our clients with comprehensive solutions for their specific needs. This enables us to set ourselves apart from the competition.

Our services business is the focus of the further development of the Multi Service Group. It should grow organically and be expanded through acquisitions. To achieve this, we have significant financial scope which we would also like to use for investments in high-yield concessions projects. Improved earnings in our construction business also has high priority.

Dear shareholders,
Bilfinger Berger is on the right track and will continue to implement its successful corporate strategy in the future. Our prime goal remains the achievement of a long-term increase in the quality of our earnings and in our corporate value. I request that you continue to place your trust in us.

Sincerely yours,

Herbert Bodner

Bilfinger Berger AG
Executive Board

Prof. Hans Helmut Schetter

Born on February 25, 1949 in Albstadt. After studying civil engineering at the University of Karlsruhe and starting his career in the construction industry, he joined the Bilfinger Berger Group in 1990. Hans Helmut Schetter has been a member of the Executive Board since 1995 and is responsible for personnel, technology and building construction, as well as for European and international affiliated companies.

Herbert Bodner
Chairman

Born on February 20, 1948 in Graz. He studied civil engineering at the University of Stuttgart and possesses many years of experience of working in the construction industry. Herbert Bodner joined the Bilfinger Berger Group in 1991. He has been a member of the Executive Board since 1997, and Chairman since 1999. His areas of responsibility include corporate development, communications, legal, civil engineering activities and international affiliated companies.

Dr. Joachim Ott

Born on February 5, 1963 in Wiesbaden. After graduating in economics at the University of Mainz, he went to St. Gallen, where he studied business administration and took his doctorate in economics. Dr. Joachim Ott joined the Bilfinger Berger Group in 1991. His areas of responsibility on the Executive Board, which he joined in 2003, include, among other things, industrial services, facility services, concessions and environmental technology.

Dr. Jürgen M. Schneider

Born on December 19, 1946 in Walldürn. After his business administration studies at the University of Mannheim, he worked as a research assistant, taking his doctorate in business administration. He began his career in the plant engineering sector. Dr. Jürgen M. Schneider joined the Bilfinger Berger Group in 1983. His responsibilities on the Executive Board, of which he has been a member since 1990, include accounting, finance, controlling, investor relations and industrial services.

Areas of responsibility as of January 1, 2006

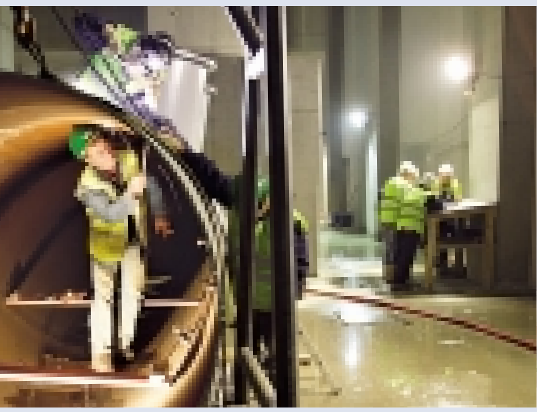
“Come what may, it must not look like a waste incinerator,” was the brief set by André Santini, Mayor of Issy-les-Moulineaux. And quite a tall order it was. Waste processing more or less downtown, and without any visible emissions. Yet where buildings belonging to the Peugeot car company once stood, one of Europe’s most modern waste incinerating and sorting plants is now fast becoming a reality.

The client is ‘Syndicat mixte Central de Traitement des Ordures Ménagères de l’Agglomération Parisienne’, or Syctom for short, a waste processing association. As of 2007, the household garbage of more than one million inhabitants of Southwest Paris and the surrounding area will be processed here on the banks of the Seine. Plans are for the incineration of 450,000 tons of waste each year, with another 50,000 tons being sorted and recycled. The energy released during the incineration process will supply almost 80,000 homes with heat and hot water.

Offices and apartments in prosperous Issy-les-Moulineaux are not cheap. “Anyone relocating here does not want their

Text
Kirsten Wörnle

Photos
Frank Schultze



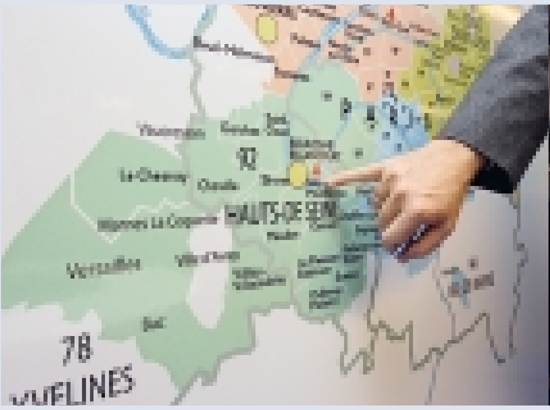
Firm foundations for prestigious underground project

In Paris, just four kilometers
from the Eiffel Tower,
an ultra-modern waste processing plant
is being built – most of it underground.

view of the Seine blocked by new construction," Mayor Santini pronounced, and the planners' response was "we're going underground". Indeed, most of the plant has disappeared below ground level. "From the outside all you see is the tip of the iceberg," explains Roland Wend, Head of the Foundation Engineering branch at Bilfinger Berger. "And above the ground the building will look like a friendly office block, with a wooden façade and a grassy roof."

"Come what may, it must not look like a waste incinerator"

The waste gets processed underground, and out of sight is out of mind. Garbage trucks tip their loads into the deep entrance chute. From there it moves by conveyor belt into the two incinerators, each of which can handle over 60 tons of waste an hour. The incinerator gases are purified in filters and then dried – meaning there is no smoke at all. In fact, the new plant will in part operate well below the new EU toxic emissions limits. Water from the Seine cools the plant and barges carry away the more than 100,000 tons of incinerator slag a year, thereby removing the burden of 6,000 truck loads from the streets.



Constructing such a subterranean high-tech facility only a stone's throw from the Seine calls for the best in ultra-modern specialist civil engineering. "After only four meters, we hit groundwater," reports Roland Wend. So it was a real challenge to build a structure that goes down 30 meters. Bilfinger Berger and its French subsidiary Razel were up to the task and ensured the prestigious project stood on firm foundations.

"On a project like this, you have a film in your mind of the way things should happen, and then reality constantly rewrites

"Reality constantly rewrites the script"

the script." Nico von der Hude strides across the huge building site in rubber boots and a bright yellow jacket. He was the project manager for foundation engineering here for many months, in charge of coordinating the work of man and machine. "To prevent the plant from popping up to the surface like a bubble in a bathtub we had to constantly pump out the underground water," he explains. The foundation engineers went down as deep as 70 meters beneath the surface to give the plant a firm anchorage: 1.5 meters thick, the outside walls extend 50 meters into the earth. And beneath them is another 20 meters of so-called sealing blanket, a network of injected cement designed to seal off any hollow spaces. The new chapters in the film script included the unexpected crevices. "More than once, the subsoil simply fell away," explains Nico von der Hude.

Given the huge amount of machinery involved, careful direction was definitely called for: external engineering experts who regularly dropped by to visit the four-hecatre site joked that "it looks like a construction machine fair here". In the confined space, the dozers, grabbing cranes, milling machines, drills, cranes, silos and mixers had to work without getting in each other's way – and at the same time on some days as much as 1,000 cubic meters of concrete had to be poured. "It was close to a logistics nightmare," recollects Nico von der Hude, "but the results are a dream."

Well off site, in the West of Paris, Paul Aublanc sits in the head office of Razel and looks to

"Together with Bilfinger Berger, we want to do even more in the future"

the future. The successful intragroup cooperation during construction of the waste incinerator beside the Seine is a key milestone advancing the Group's activities in France. "Together with Bilfinger Berger we want to do even more in the future," emphasizes the Director for Major Projects, "and our market has potential."

Property does not stand still

Be it developing, designing, constructing, operating or revitalizing buildings – how Bilfinger Berger optimizes cost efficiency.

Interview
Uschi Entenmann

Photos
Daniel Lukac

With i.volution, Bilfinger Berger has developed a new brand. The concept covers the Group's comprehensive range of consulting and support services for every phase in the lifecycle of a building. "We are re-creating the role of the all-round talents of the master builder of the past," says Prof. Hans Helmut Schetter, member of the Executive Board responsible for building construction.

What does the notion of i.volution refer to?
We understand it to mean a comprehensive view of a building across its entire lifecycle. That includes development, design and construction, as well as operation and later revitalization or demolition of a building.

Building and modernizing are both traditional business fields for Bilfinger Berger. So what's new?
What is new is that with i.volution we incorporate all sides to the later operation of the building – i.e., services that will be needed once the property is standing. We calculate the maintenance costs with great precision, something our Facility Services units are exceptionally good at.

Could you give an example?
Let me start with the really simple things. A stone floor may initially be more expensive than carpeting, but it is easier to clean and has a substantially longer service life. We calculate the exact point from which it pays to choose the stone floor. And exactly the same applies to energy costs. If you invest in good insulation, you save heating costs. If you install motion sensors, then lights get turned off in rooms that are not used. Or we suggest avoiding glass surfaces that are hard to reach and thus difficult to clean.

The insight that stone floors are expensive, but durable is hardly new …
The decisive factor here is to network savings potential. And to make this know-how available along with reliable calculations and price estimates as early as the design stages. If we are brought on board from the very beginning, then we study the links between investment and operational costs, analyze them in different combinations and across the entire lifecycle.

So this applies only to new buildings?
Not only. This approach is even more important for existing facilities. Property does not stand still. It gets used, and ages. The context changes, new neighbors arrive or transport connections change. We make suggestions on how to best improve the cost-benefit ratio in each scenario.

Was it difficult to implement the new brand in your company?
We used a cascade principle to present the idea – starting with the Executive Board and management, and then trickling down to the branch managers and the site managers. The skeptics were soon convinced by their enthusiastic colleagues: i.volution gives strategies we have pursued for years a hard-hitting name. It also bundles them and gives them greater depth.

Have you founded an independent unit for i.volution?
That was not necessary. We essentially function like an orchestra, assembled according to the particular symphony. Conducted by a project manag-

er, who brings the right people together and is the face to the client.

You yourself took part in client acquisition. Why?
In eight months we talked to 250 targeted clients. I have always been fascinated by the combination of technical expertise and marketing. For me it was only natural to want to experience first hand how clients responded to i.volution. And suffice it to say, the talks were highly positive.

Have there been real successes?
One example: we are talking with DB Real Estate about revitalizing a building in Hanover which was built in the 1970s. The question is: what can be modernized and what will have to be built from scratch? The long-term economic considerations are at the forefront of the discussions. It is not easy to completely analyze an old building, but it is precisely here that our strengths lie.

How does Bilfinger Berger go about making such a comprehensive analysis?
Well, there's our Creative Center for Building Construction, a unit made up of highly-qualified architects and engineers. The entire team takes part in examining such a building: the structural engineers, the building outfitters, the construction physicists, the façade engineers,

the interior fitters, those who do the cost calculations as well as those who are responsible for site logistics. Our facility services expertise is equally broad-based. And if need be we also rely on external specialists.

ation on the details of the contract award. The result is thought to be the most favorable price. But it ignores all the long-term advantages that can be gained from a careful consideration of the entire lifecycle.

i.volution seems to pay off?

i.volution is the key factor behind the success of the client acquisition drive we launched last year. It distinguishes us clearly from the competition. We handle fewer projects, but more

That costs big money. Is it really worthwhile for the client?

Yes, because he can then rely on truly accurate costing. If we take part in the analysis, everyone involved has calculations that form a firm basis, rendering pricing and scheduling transparent for our client – and fostering confidence in future collaboration.

What alternative do your clients have to i.volution?

Many building projects are based on tenders. And the cheap bidder gets the nod. Often, these are inividual trade tenders, with a series of specialist engineers creating specification lists for each trade. Companies make offers and then there's a negoti-

Are there other examples of i.volution?

Yes, some of them spectacular. We are modernizing and extending Hotel Schloss Fuschl, a five-star hotel outside Salzburg; it must be ready in time for the Theater Festival in the summer. And the comprehensive principle behind i.volution is not restricted to property. We put the entire infrastructure, namely the pathways, power and water, in place for the closing ceremony for World Youth Day at the Marienfeld location outside Cologne, and a million people attended. We were also in charge of the complex technology for the event. We have since received enquiries for similar major events. Here, Bilfinger Berger shows itself to be a true Multi Service Group.

thoroughly. Instead of responding to countless tenders, we selectively seek out projects in line with our specific range of services. Not least for this reason, our Building division in Germany is turning a profit, and the trend is upward. With i.volution, we are again assuming the role of the classical master builder that existed for centuries. An all-rounder, a talented expert in the field, a problem solver in designing and using buildings.

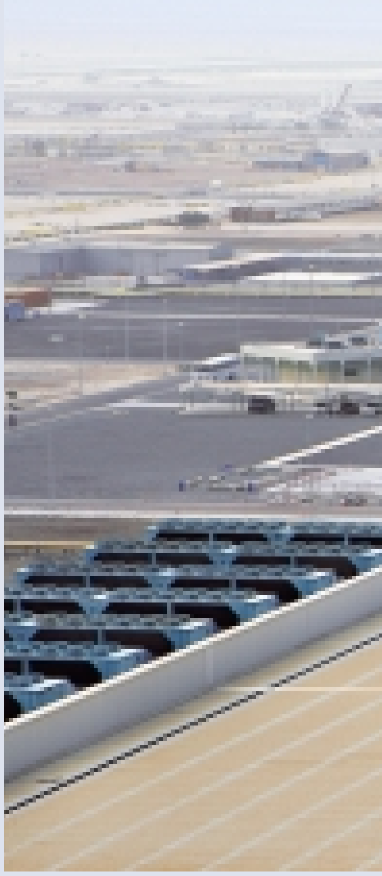
Will i.volution soon be copied by the competition?

It's not something anyone can simply launch on the spur of the moment. You first need an integrated service business, such as the one we have established, and bundled technological expertise – for both the construction and the operation phases.

Palaces cooled by air-conditioning, fountains bubbling at many intersections, golf courses with a sea of opulent grass – Abu Dhabi likes to flaunt its wealth. The Emirate has geology to thank for its glory – because beneath the desert state, there's oil, oil and more oil.

Text
Philipp Mausshardt

Photos
Frank Schultze



Abu Dhabi's oil fields are among the largest and most productive in the Middle East. And if output remains at today's level, its known oil reserves will churn out black gold for about another century. Meaning that energy is not an issue in Abu Dhabi. Ultramodern power stations fuel the immense needs of the largest of the United Arab Emirates.

Al Taweelah lies 40 kilometers northeast of the capital. As one of the country's largest power station complexes it can at present generate 3,000 Megawatts. Over the last decade, energy consumption in the up-and-coming region has

Beneath the desert state there's oil, oil, and more oil

nearly tripled and the plant, originally built in the mid-1980s, has since grown continuously. Today Al Taweelah consists of three independently operating power stations that go by the simple names of A1, A2 and B. Taweelah B is currently being expanded and modernized by a consortium in which Babcock Borsig Service plays a key role.

Power from the desert

Babcock Borsig Service is helping modernize one of the largest power station complexes in the Emirate of Abu Dhabi.

The company has been present in the Arab market since the early 1970s and from its base in Abu Dhabi directs operations in the entire region. Initially active in building new power plants, since the 1980s the Babcock Borsig Service focus has increasingly shifted to servicing them. Martin Schalkowski attributes the company's success, among other things, to its sterling reputation in the Gulf. "Of course, when competing for a job, the price counts, too. But precisely in a market of limited size, reliability and a long-standing presence are great assets," the branch manager explains.

Babcock Borsig Service's 250 engineering, assembly and logistics specialists work round the clock on the plant. And Martin Schalkowski and his staff only have 35 days at their disposal to

A long-standing presence is a great asset in a market of limited size

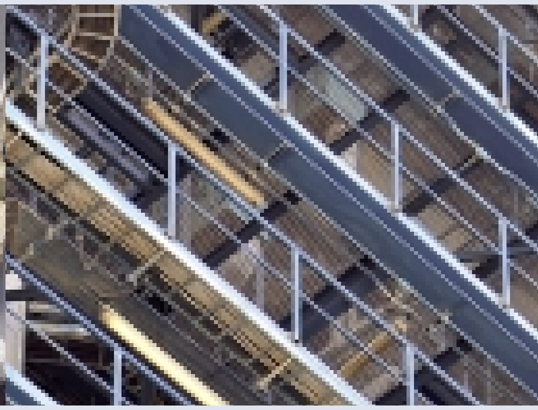
convert and service each of the power-station blocks. Which is why every single adjustment made during shut-down has been planned long in advance and coordinated with the project team. Such just-in-time maintenance is only ever possible in winter, as that is when most of the country's air-conditioning units get turned off and energy requirements drop to a minimum.

The state of work can be best gauged from a viewpoint on the roof of the plant. A different color predominates on either side of the power station: In the West the blue of the sea, in the East the yellow of the desert sand. And Martin

250 engineering, assembly and logistics specialists work round the clock

Schalkowski sees good prospects for the future. The maintenance contract for Al Taweelah alone runs through to 2010. In the meantime, Babcock Borsig Service is set on considerably strengthening its industrial services in the power-station sector.

Back in Abu Dhabi, the desert gives way to a blossoming vista. Palms flank the wide streets for miles, sprinklers keep the flowerbeds and English lawns freshly doused in precious water.

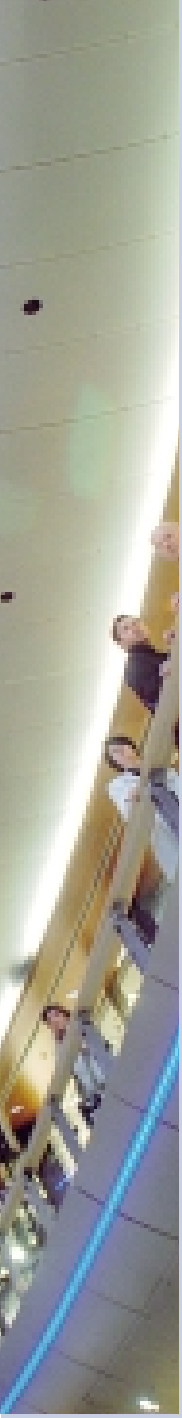

And at the seven-star 'Emirates Palace' hotel that recently opened, nearly 200 fountains squirt water skywards. Over the next few years, or so the President of the United Arab Emirates Sheikh Khalifa bin Zayed Al Nahyan has announced,

Every adjustment is planned long before shut-down

the nation will be investing €70 billion in Abu Dhabi alone. The partnership between the Emirates and the Federal Republic of Germany signed and sealed in 2004 puts Babcock Borsig Service in a prime position to take part in that future.

Attracting both customers and capital

A special fund invests in up-market shopping centers – EPM Assetis takes care of the management.



Well-dressed men and women wander between chestnut and sycamore trees, carrying shopping bags emblazoned with the names of Italian designers. A luxury boulevard, a street to stroll along, a place to see and be seen: Düsseldorf's Königsallee. Many here are attracted to Sevens – a shopping center that has won prizes for its architecture.

Text
Friederike Nagel

Photos
Jörg Lange

"Shopping centers that function like magnets, that is what our new fund focuses on," explains Oliver Priggemeyer, Managing Director of EPM Assetis. The Bilfinger Berger subsidiary specializes in property and asset management and is partner to Commerzbank subsidiary CGS in the new Shopping Center D real-estate fund. The fund was floated in October 2005, is geared to institutional investors, and commits solely to retail properties in Germany. In this way, it is fully in line with the market mood, which is crying out for homogeneous fund concepts. "Over the very first few weeks investors had already entrusted more then €160 million to us," Roger Welz, Managing Director of CGS, is proud to report. And the first property the fund acquired was Sevens in Düsseldorf.

In December 2005, the next purchase was made: the City Galerie in Aschaffenburg – a particular success given the scarcity of highly profitable properties in Germany. The founders of the special fund have thus got off to a good start, and the objective is realistic.

The market is crying out for homogeneous fund concepts

"We want to have invested a total in excess of one billion euros by 2008," comments Roger Welz, "by which time the

plan is for the fund to own up to 15 shopping centers.” The two companies are ideally suited for each other. CGS has strong links to the institutional capital market, while EPM Assetis offers its

The founders of the special fund are off to a good start

customers proven expertise in shopping center management. At present, the company services and manages 37 shopping centers in Germany.

EPM Assetis has more than €10 billion in assets under management and is thus the leader in the German independent property management market. Its staff of 450 support over 1,000 properties. The company offers a broad range of services, extending from evaluations,

analysis, rental and management not only of individual buildings but of entire property portfolios.

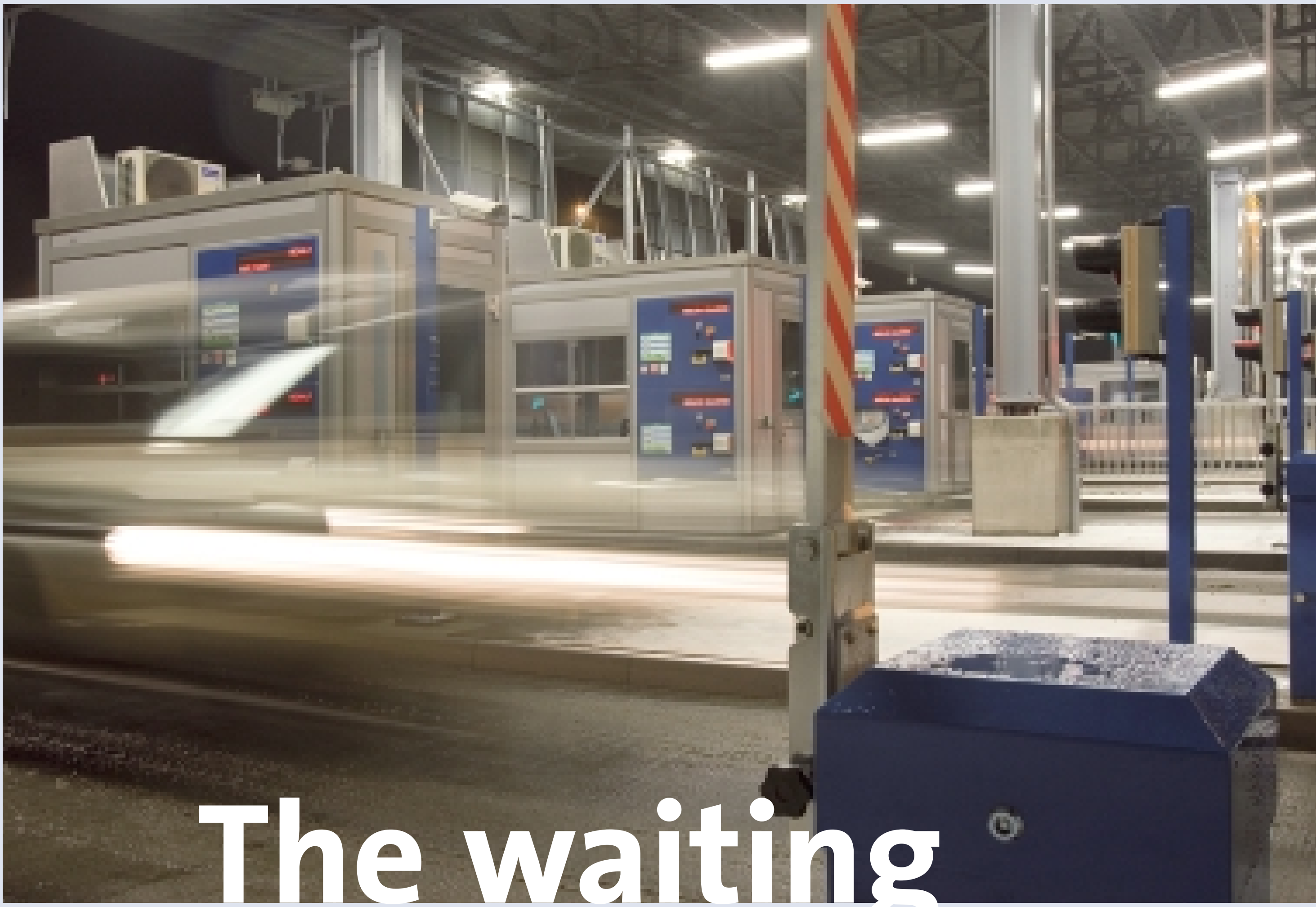
“The cooperation with EPM Assetis is a real bonus for our fund. Their experience in developing and managing retail properties is adding value to our portfolio,” states Roger Welz with conviction. Take the example of Sevens, which the company successfully restructured recently. “By means of a new marketing concept, we have succeeded in getting renowned outlets to commit long-term as tenants, making Sevens a very interesting investment prospect.”

The real-estate market faces structural changes

The German real-estate market faces profound structural changes. Compared with retail funds, institutional investors have to date only exposed a mere fraction of their capital to real estate, so dynamic development can be expected. “And the present low prices are increasingly attracting foreign capital,” emphasizes Roger Welz. The German real estate market is still considered difficult. “But if you don’t act now, you’ll miss out on the opportunities. The crisis is a good moment to enter

“If you fail to act now, you’ll miss out on the opportunities”

the market.” One especially good prospective investment is an exposure to special shopping center funds, which will profit in great measure from the end to the current consumer doldrums.



The waiting is over

With the opening of the Herren Tunnel in Lübeck in 2005, one of the first toll routes in the German road network went into operation.

Text
Helge Bendl

Photos
Sebastian Lasse

The waiting has finally come to an end. Commuters now get to work on time rather than spending it in traffic jams because just in front of them an ancient bascule bridge has raised its two decks to let a container ship steam up the Trave heading for the Baltic. That bottleneck has been eliminated: Since August 2005, traffic has rolled smoothly through both tubes of the 800-meter-long Herren Tunnel.

"Following the tunnel under the Warnow in Rostock, the Herren Tunnel in Lübeck is the second project in Germany which we have realized using the so-called F-model," explains Frank Mathias, commercial manager at the operating company Herren Tunnel Lübeck. Bilfinger Berger and Hochtief have an equal stake in the company. The F-Model stands for the German Act on Private Financing for Transport Infrastructure. In the 1990s, the act made it possible to build bridges, tunnels and mountain passes in the form of PPPs, or public private partnerships. Here, the private partner is the service provider who not only does the building, but designs and finances the project and operates it in the long term. The investment

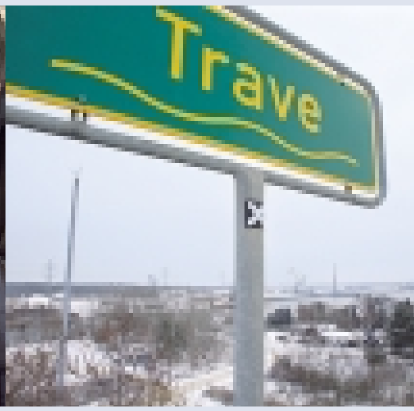
Numerous experts work on such a complex offer

is financed by levying a toll. "The revenue from ongoing operations covers not only the construction and financing costs, but also all maintenance outlays. After all, the tunnel must be in perfect condition in 30 years time, too," reports Peter Bartsch, the company's executive manager.

"We rely on specialists in each field when calculating the costs of such a project," explains Jürgen Schönwasser, member of the executive management at Bilfinger Berger BOT GmbH. "The focus is on an appropriate spread of risks in the contracts, reliable traffic forecasts, viable financing models,

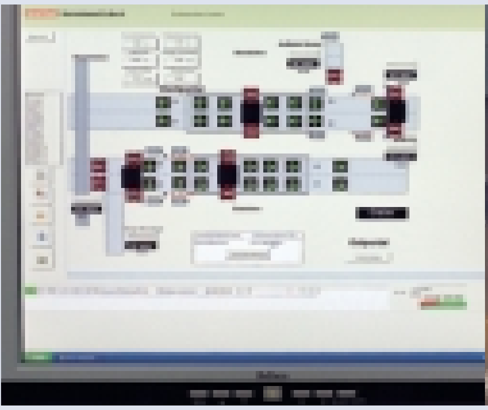
The Herren Tunnel provided the city with an optimal solution

and detailed computations of payment flows across the entire service life. In other words, dozens of experts are involved in compiling such a complex offer." The concessionaire, in this case the Hanseatic City of Lübeck, can carry out such a project far faster and does not have to concern itself beforehand with financing or with maintenance once the project is in operation. And the Herren Tunnel also provided the city with the optimal solution in terms of traffic flow. The federal government was only prepared to finance a new bascule bridge – but not the tunnel Lübeck



so desperately wanted. And the operating company likewise profits from a PPP project, as it can generate a long-term steady return on the capital it has employed.

The Herren Tunnel is a trailblazer of private-sector solutions for traffic infrastructure in Germany. Additional projects are currently in the planning stage. “This could be just the beginning,” says Jürgen Schönwasser. He points to the pending road construction projects based on the so-called A-Model. Finally, Germany is also to have highway sections that are built and operated privately – primarily user-financed from the toll paid by trucks that use these routes. The competition for the first projects is now in full swing. Jürgen Schönwasser is optimistic about the concession model: “This system, which has proven itself in other places, will also be successful here in Germany.”



The Bilfinger Berger shares

- **Increased liquidity with 100 % free float**
- **Year-end price 37 % above prior-year level**
- **Performance in line with MDAX, significantly better than DAX**

Key figures on our shares

€ per share	2001	2002	2003	2004	2005
Earnings	1.44	1.66	1.37	1.39	1.80
Earnings including exceptional items		(3.16)	(3.44)		
Dividend	0.55	1.00	1.30	1.00	1.00
Dividend bonus		(0.45)	(0.65)		
Dividend yield [1]	2.2 %	6.8 %	4.8 %	3.3 %	2.5%
Distribution ratio [2]	38 %	33 %	47 %	72 %	56 %
Highest price	26.50	27.20	27.40	32.41	46.44
Lowest price	12.70	14.20	16.30	25.50	30.18
Year-end price	25.00	14.60	27.00	30.25	40.30
Book value [3]	30.50	27.80	30.30	30.20	31.20
Market value / book value [3]	0.8	0.5	0.9	1.0	1.3
Market capitalization in € million	908	662	991	1,112	1,499
Price-to-earnings ratio [1]	17.4	8.8	19.7	21.7	22.4
including special effects		(4.6)	(7.8)		
Number of shares (in thousands) [4]	36,306	36,362	36,720	36,745	37,196

All price details refer to Xetra trading
[1] Based on the year-end closing price
[2] Based on earnings per share
[3] Balance-sheet shareholders' equity excluding minority interests
[4] Based on the year-end

Additional data

Internat. Sec. Id. No.	DE0005909006
German Sec. Id. No.	590 900
Stock-exchange abbreviation	GBF
Stock exchange	XETRA / Frankfurt, Stuttgart
Deutsche Boerse segment	Prime Standard
Included in indices	MDAX, Prime Construction, DJ STOXX 600, DJ EURO STOXX

Positive stock-market environment

2005 was an excellent year for the stock market in Germany. A stable economic environment, companies' improved earnings and the relatively low valuation of stocks allowed for high price gains. The German DAX share index climbed to 5,469 at the end of December, its highest level since August 2001, while the MDAX was at an all-time high of 7,342 just before the end of the year.

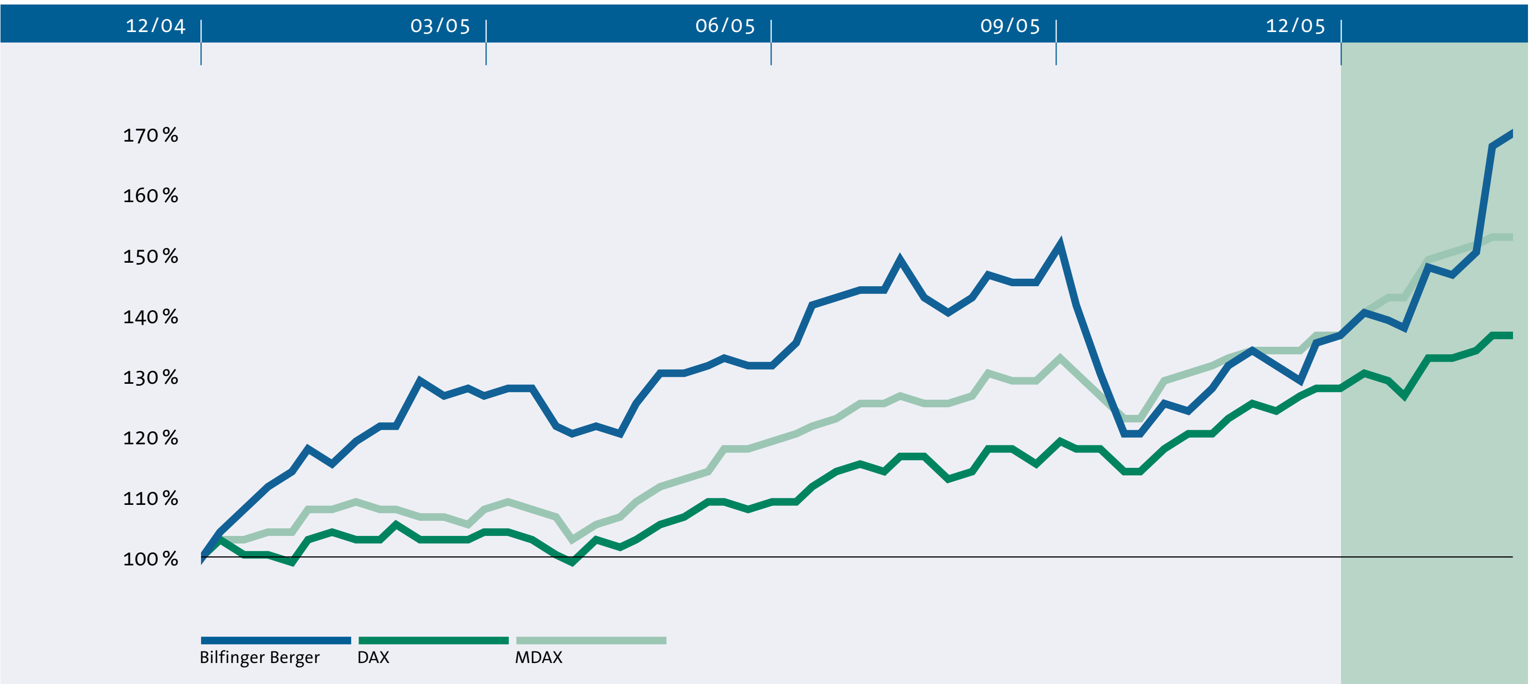
The year-end rally was preceded by a period of consolidation in October, which was more than compensated for in the following months, however. Compared with the end of the prior year, the DAX rose by 27% and the MDAX by 36%. The European stock market also returned an above-average performance: the EURO STOXX 50 achieved growth of 24%.

Bilfinger Berger – an attractive investment

Bilfinger Berger's stock made a good start to the year 2005. Following a continuous rise, which was further accelerated at the beginning of June after the major placement of shares previously held by Dresdner Bank, our share price peaked at over €46 at the beginning of October.

The share price came under pressure after the adjustment of our profit guidance due to charges from the Australian building-construction

Relative performance of our shares

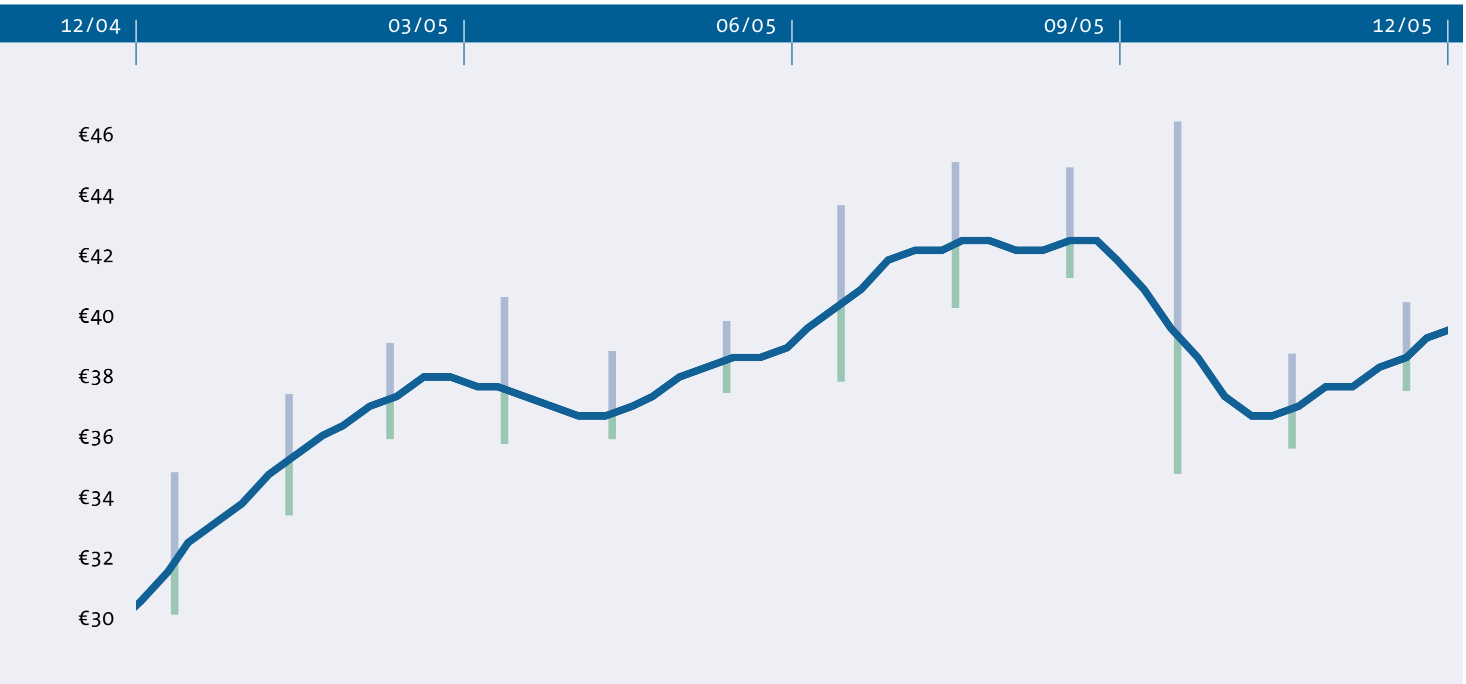


business, then stabilized for a while at a somewhat lower level. Subsequently, there was a period of profit taking in the market, especially with shares in small and medium-sized companies. Bilfinger Berger was also affected by this trend. As a result, our share price temporarily fell below €36 in November, but climbed back above €40 towards the end of the year, so that the year-end price was 37% higher than a year earlier. Bilfinger Berger's share price rose further in he first weeks of 2006.

The traded volume of Bilfinger Berger shares increased significantly in 2005 – not least due to the increase in the free float to 100%. After trading had fallen to an average of 100,000 shares per day in 2004, it increased to 166,000 per day last year. This enhances the attractiveness of our shares for institutional investors, who regard liquidity as an important criterion when buying securities.

Bilfinger Berger's shares have a weighting of more than 1.8% in the MDAX. Measured in terms of free-float market capitalization, our shares ranked 21st in the MDAX at the end of last year. In terms of traded volume they were in 22nd place. Following the increase in the free float, Bilfinger Berger's stock was included in the DJ STOXX 600, which comprises the 600 companies with the highest free-float market capitalization in Europe.

Moving 30-day average in combination with highest and lowest prices



Enhanced presence in capital markets

Our presence in the capital markets was enhanced by intensified investor-relations activities. Executive Board members presented the Bilfinger Berger Group and its strategy at various events and six capital-market conferences in Germany, France, the United Kingdom and the United States. On 21 days, representatives of Bilfinger Berger participated in roadshows in European and North American financial centers to answer investors' questions. In addition, numerous analyst and investor discussions were held at our headquarters in Mannheim.

At present, more than ten financial analysts regularly report on Bilfinger Berger, and we are working to increase this number. Financial analysts are important multipliers with regard to institutional investors. Nearly all analysts currently recommend buying or holding Bilfinger Berger shares.

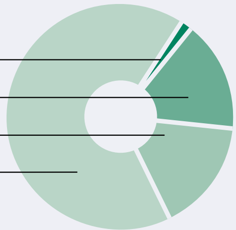
The main focus of our communication with the capital markets was on the transformation of the Company into a Multi Service Group. The strategic orientation and the associated changes in our structure have been positively assessed by investors. This fact was confirmed by a recognition survey of Bilfinger Berger carried out in the capital markets in the fall of 2005.

Distribution ratio of 56 %

The Executive Board and the Supervisory Board will propose to the Annual General Meeting on May 18, 2006 that a dividend of €1.00 per share be distributed (prior year: €1.00). Related to the share price at the end of the year, this is equivalent to a dividend yield of 2.5% and a distribution ratio of 56% of the Group's net profit after the deduction of minority interest. Our shareholders are participating in Bilfinger Berger's growing profitability.

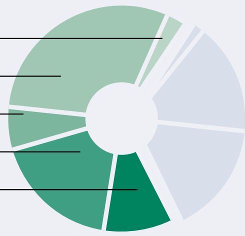
Shareholder structure

%	
Private shareholders international	1
Private shareholders Germany	16
Institutional shareholders Germany	16
Institutional shareholders international	67



Institutional shareholders international

%	
Switzerland	3
United Kingdom	30
France	6
United States	18
Other countries	10



International shareholder structure

In the summer of 2005, Bilfinger Berger conducted a survey of its shareholder structure. Our international shareholder base was further broadened by the successful placement with institutional investors of the shares held by our former major shareholder, Dresdner Bank, on June 8, 2005. Within a few hours, Dresdner Bank disposed of its entire 25% equity holding by way of an accelerated bidding process close to the market price – an expression of the confidence that the equity market places in us.

Corporate governance report

Corporate governance is concerned with the structures and processes of good business management, monitoring and transparency.

Bilfinger Berger AG is a stock corporation under German law. The management bodies of the Company are the Executive Board, the Supervisory Board and the Annual General Meeting. Bilfinger Berger is managed in accordance with both German and international standards.

Corporate Governance Code

Bilfinger Berger supports the goal of enhancing confidence in the management and supervision of stock corporations among national and international investors, customers, employees and the public, by means of a Corporate Governance Code for all companies listed on German stock exchanges. The management of Bilfinger Berger AG complies with the criteria of the German Corporate Governance Code as set out in the version of June 2, 2005 with one necessary exception. The details are contained in the Declaration of Compliance issued pursuant to Section 161 of the German Stock Corporation Act by the Executive Board and the Supervisory Board on December 7, 2005. It states:

"Bilfinger Berger AG complies with all of the recommendations of the German Corporate Governance Code in the version of June 2, 2005. The sole exception is the recommendation of Clause 5.4.3, Sentence 3 (announcement to the shareholders of the proposed candidates for Chair of the Supervisory Board), because this recommendation is not compatible with the distribution of competencies laid down in the German Stock Corporation Act. The election of the Supervisory Board Chairman is the responsibility of the Supervisory Board alone.

Since issuing the Declaration of Compliance of December 2004, Bilfinger Berger has complied with all of the recommendations of the German Corporate Governance Code in the version of May 21, 2003."

Executive Board

The Executive Board manages the Company in its own responsibility. The members of the Executive Board are appointed by the Supervisory Board. The Executive Board is composed of four members and its Chairman is Herbert Bodner.

The compensation of the members of the Executive Board comprises three components: a fixed annual basic salary, a performance-related bonus and a payment linked to the Company's long-term performance (value added) and its share price. Further information on the compensation of the members of the Executive Board is given in Note 28 of the Notes to the Consolidated Financial Statements. The existing stock-option plans are also described in the Note on shareholders' equity.

Supervisory Board

The Company's Supervisory Board has 16 members. The members representing the shareholders are elected by the Annual General Meeting. In accordance with the German Industrial Codetermination Act, the members representing the employees are elected by the workforce. The Chairman of the Supervisory Board is Udo Stark. The Supervisory Board advises and monitors the management of the Company. Within the context of the preparation of the year-end financial statements, the Supervisory Board reports to the shareholders on its activities.

As specified by Article 14 of our Articles of Incorporation, which are published on our website, the compensation of the members of the Supervisory Board comprises a fixed annual payment of €10,000 and a variable annual payment of €500 for each cent by which the dividend paid to the shareholders exceeds €0.10 per share. The Chairman is paid double these amounts, the Deputy Chairman and the members of the Presiding Committee and the Audit Committee are paid one and a half times these amounts. If a member of the Supervisory Board exercises several of the aforementioned functions, he or she is entitled only to the highest of the applicable compensations.

In addition, expenses were reimbursed in a total amount of €17,000. No compensation was paid for services rendered individually.

€	Fixed	Variable[1]	Total
Udo Stark (Chairman, Chairman of the Presiding Committee and Member of the Audit Committee)	20,000	90,000	110,000
Maria Schmitt (Deputy Chairwoman and Member of the Presiding Committee)	15,000	67,500	82,500
Hans Bauer	10,000	45,000	55,000
Dr. Horst Dietz	10,000	45,000	55,000
Wolfgang Erdner	10,000	45,000	55,000
Dr. Jürgen Hambrecht	10,000	45,000	55,000
Reiner Jager	10,000	45,000	55,000
Rainer Knerler	10,000	45,000	55,000
Dr. Hermut Kormann	10,000	45,000	55,000
Harald Möller	10,000	45,000	55,000
Klaus Obermierbach	10,000	45,000	55,000
Thomas Pleines	10,000	45,000	55,000
Friedrich Rosner (Member of the Audit Committee)	15,000	67,500	82,500
Rolf Steinmann	10,000	45,000	55,000
Dr. Klaus Trützschler	10,000	45,000	55,000
Bernhard Walter (Member of the Presiding Committee and Chairman of the Audit Committee)	15,000	67,500	82,500
	185,000	**832,500**	**1,017,500**

[1] On the basis of the proposed dividend of €1.00 per share

The total compensation paid to the members of the Supervisory Board for the 2005 financial year thus amounted to €1,034,500 (prior year: €1,030,000).

Directors' Dealings

Pursuant to Section 15a of the German Securities Trading Act, the members of the Supervisory Board and the Executive Board and persons who are in a close relationship with those members are legally obliged to disclose any significant acquisitions or disposals of shares, options or derivatives of Bilfinger Berger AG. We have published details of any such transactions in the year 2005 on our website at www.bilfingerberger.com.

Report of the Supervisory Board

The Supervisory Board was kept regularly informed throughout 2005 about business developments and the general situation of the Company, and monitored the management of the Company by the Executive Board on the basis of written and oral reports. Business transactions requiring Supervisory Board approval were examined and discussed with the Executive Board. The Supervisory Board granted its approval to the acquisition and disposal of shareholdings, the takeover of parts of companies, the submission of offers for major projects and capital measures.

Last year, there were six plenary meetings of the Supervisory Board, four meetings of the Presiding Committee of the Supervisory Board, and four meetings of the Audit Committee. As well as addressing matters relating to current business and major projects, the Supervisory Board also dealt in detail with corporate strategy and the position of Bilfinger Berger in relation to its competitors, and discussed these matters with the Executive Board. The Supervisory Board was intensively involved in the acquisition of Babcock Borsig Service, Assetis, Simon Engineering and PPRM. All major aspects were examined, such as the results of the due diligence, the earnings situation, business plan, quality of management, effects on the consolidated financial statements and integration concept. The Supervisory Board receives regular reports on the actual development of new subsidiaries and associated companies compared with the assumptions made at the time of acquisition.

Another focus of consultation was the Group's earnings trend, with positive results on the one hand, but on the other hand the charges from the losses of the Australian building-construction activities. The cause of these losses, the activities of the Project Controlling department and the measures taken were discussed in detail with the Executive Board and subjected to an intensive investigation. As a result of its investigation, the Supervisory Board approved the measures initiated by the Executive Board. Detailed examinations were also carried out of general issues of the management of subsidiaries and associated companies, the corporate planning, return-on-capital-employed controlling, and the comparison of the course of business with the expected figures. The changes in the shareholder structure resulting from Dresdner Bank's sales of its shareholding in the Company were dealt with in detail.

As well as preparing the plenary meetings, the Presiding Committee of the Supervisory Board primarily dealt with major projects, the privately financed concessions business and the compensation of the Executive Board.

The Audit Committee was occupied not only with the year-end and interim financial statements, but also received detailed information on the activities of the Project Controlling and Group Auditing departments. For the audit of risk management, the two corporate departments regularly reported to the Audit Committee. The Supervisory Board is of the opinion that the risk-management system in its current form is fully appropriate to requirements. The Audit Committee evaluated the efficiency of its activities.

The Chairmen of the Presiding Committee and the Audit Committee reported to the plenary session of the Supervisory Board in its meetings concerned with the work of their respective committees. There was no cause to exercise the Supervisory Board's right to inspect the Company's accounts, documentation etc., as allowed by Section 111, Subsection 2 of the German Stock Corporation Act.

The Chairman of the Supervisory Board also met with the Chairman of the Executive Board outside the meetings of the Supervisory Board and its committees in order to discuss the situation of the Company and its further development.

The Supervisory Board again dealt in detail with the German Corporate Governance Code; among other things, it evaluated the efficiency of its own activities. The Declaration of Compliance that was jointly issued by the Supervisory Board and the Executive Board on December 7, 2005 pursuant to Section 161 of the German Stock Corporation Act states that Bilfinger Berger AG complies with all of the recommendations of the Code as amended on June 2, 2005. The sole exception is the recommendation of Clause 5.4.3, Sentence 3 (announcement to the shareholders of proposed candidates for the Chair of the Supervisory Board), because this recommendation is not compatible with the distribution of competencies laid down in

the German Stock Corporation Act. The election of the Supervisory Board Chairman is the responsibility of the Supervisory Board alone. The Declaration of Compliance has been posted on the Company's website, where it is permanently available to the shareholders.

In addition to the Presiding Committee and the Audit Committee, in accordance with Article 11, Paragraph 2 of the Articles of Incorporation, The Supervisory Board has also formed a Mediation Committee to perform the duties described in Section 31, Subsection 3 of the German Industrial Codetermination Act. The current composition of the Supervisory Board and its committees is shown in the chapter of this Annual Report entitled "Boards of the Company". No personnel changes have occurred since the Report of the Supervisory Board of March 23, 2005.

The individual and consolidated financial statements and the management reports of Bilfinger Berger AG and the Group for the 2005 financial year have been audited and issued with an unqualified audit opinion by PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, of Karlsruhe, and Ernst & Young AG Wirtschaftsprüfungsgesellschaft, of Mannheim, those being the companies of auditors elected by the Annual General Meeting and appointed by the Supervisory Board to perform the annual audit. The auditors' reports were provided to the members of the Supervisory Board, and its Audit Committee discussed these reports, along with the financial statements, in the presence of the auditors.

Following its concluding examination of the individual and consolidated year-end financial statements, the management reports of Bilfinger Berger AG and the Group and the proposal on the appropriation of profits, no objections are to be raised. In concurrence with the recommendation of the Audit Committee, the Supervisory Board took note of and approved the results of the audit conducted by the external auditors. At its meeting held on March 15, 2006, the Supervisory Board approved the financial statements of the Company and the Group and the management reports for the 2005 financial year as submitted by the Executive Board. Two of the auditors who signed the auditors' report also attended this meeting to explain and discuss their audit of the individual and consolidated financial statements. The Company's financial statements have thus been adopted. The Supervisory Board concurs with the proposal made by the Executive Board regarding the appropriation of profits.

At the end of the year 2005, Mr. Carlos Möller departed from the Executive Board by mutual agreement. His areas of responsibility were transferred to Herbert Bodner (Bilfinger Berger Australia) and Hans Helmut Schetter (Fru-Con).

The Supervisory Board hereby expresses its sincere thanks to the Executive Board and all of the Company's employees for their individual efforts in the year 2005.

Mannheim, March 15, 2006

Udo Stark
Chairman of the Supervisory Board

Group Management Report

Overview of 2005

Bilfinger Berger once again expanded its volume of business in 2005. Growth in all business segments was accompanied by a significant increase in earnings. We made further substantial progress with the implementation of our strategy.

The focus of our corporate development was on the expansion of our services activities:

- With the acquisition of Babcock Borsig Service, we extended our industrial services to the power-plant sector, and have already secured an excellent position in this market of the future.
- Rheinhold & Mahla succeeded in substantially expanding its activities in Germany and other European markets. It took over large parts of the repair and maintenance work in the Hoechst and Griesheim industrial parks in Frankfurt am Main – an excellent starting point for further growth in Germany and abroad.
- Through the merger of Assetis GmbH with several of our own service units and our majority interest in the new company, we have also assumed a leading role in property management in Germany.
- In Australia, we placed our industrial-services activities on a broad basis with the acquisition of the services division of Simon Engineering, thus creating the right conditions for further expansion.

We are pursuing a long-term growth strategy in the concessions business and significantly developed our project portfolio in the past financial year:

- We extended our concessions activities to North America. In Canada, we are designing and financing the widening of a highway in the Rocky Mountains and securing its long-term availability. In addition, Bilfinger Berger was selected for the realization of a major bridge project in Vancouver.
- In the English county of Kent, we are carrying out another major school project. This involves six new school buildings, which we will design, finance, build and operate.
- As we had previously planned, we have divested of two older shareholdings that were no longer strategically relevant.

Developments in the field of building and industrial construction were varied last year:

- In Germany, there was a tremendous response to i.volution, our consulting, construction and services package for every phase in a building's lifecycle. The consistent orientation of this business towards the needs of our clients provides a sound basis for stable financial success.

- Our Nigerian affiliate profited from the ongoing strong demand from private-sector clients, particularly in the oil and gas industry.

- Our success in Germany and Nigeria was offset, however, by losses in the Australian building-construction business. We optimized our structures in Australia, strengthened the management and focused on selected market segments. The overheated market has meanwhile cooled down and we do not anticipate any further charges.

Our civil engineering activities are focused on major international projects. Our organization allows the flexible application of our oustanding expertise, without having to maintain it in all of our markets:

- We significantly improved our position in Scandinavia and selected new EU member countries.

- We reinforced our strong position in the Australian market.

- We realigned our activities in North America and are now well prepared for the tasks ahead. The extension of our concessions business to North America will provide renewed impetus for our construction activities.

Changes in the shareholder structure

The shareholder structure at Bilfinger Berger changed significantly in 2005. Following the sale by Dresdner Bank of its shareholding in our Company in June, the free float of our stock increased to 100%.

The Bilfinger Berger Group

Business activities and strategy

As a construction and services Group with international operations, Bilfinger Berger provides comprehensive solutions in the fields of real estate, infrastructure and industrial services. Its business activities range from consulting, development, design and financing to turnkey construction and maintenance and operation. They are divided between the business segments of Civil, Building and Industrial, Services and Concessions.

The Civil business segment comprises the Group's activities in this area of construction. The geographical focus of the business is on international markets such as Australia, selected European and African countries, the Middle East and North America, as well as the domestic market of Germany. Outstanding technical expertise and the ability to responsibly manage major infrastructure projects are key factors for our success. A flexible divisional organization facilitates collaboration within the Group and promotes the smooth transfer of know-how.

The Building and Industrial business segment consists of the activities of the Building division in Germany and the building and industrial-construction operations of our subsidiaries Bilfinger Berger Australia and Julius Berger Nigeria. In this segment, private-sector clients far outnumber the clients in the public sector. We create lasting customer relations by taking factors far beyond the task of construction into consideration and by solving our clients' individual problems with our comprehensive approach.

Our Services business segment comprises the Facility Services and Industrial Services divisions. In the field of facility management, we focus on providing complex technical and commercial services and are one of the market leaders in Germany. Industrial Services provides repair and maintenance for plants in the processing industry as well as for power plants. The regional focus is on Germany, Europe, Australia and the United States.

The Concessions business segment encompasses the Group's concessions business. With the structuring of our project portfolio we always place top priority on the return on capital employed.

Structure of the business segments

	Civil	Building and Industrial	Services	Concessions
Full allocation	Bilfinger Berger Civil Bilfinger Berger Environment Bilfinger Berger Road Hydrobudowa Razel	Bilfinger Berger Building	*Bilfinger Berger Facility Services:* HSG EPM Assetis *Bilfinger Berger Industrial Services:* Babcock Borsig Service Rheinhold & Mahla	Bilfinger Berger BOT
Proportionate allocation	Bilfinger Berger Nigeria (including JBN)			
	Fru-Con (including Centennial) Bilfinger Berger Australia (Baulderstone Hornibrook, Abigroup)			

We take on projects only in the fields of public-sector building construction and transportation infrastructure. In so doing, we concentrate on target markets with secure political and economic conditions.

Enhanced quality of earnings and corporate value

Our strategy aims to achieve a sustained improvement in the quality of our earnings and to increase corporate value. Within a short time, we have succeeded in developing our services operations as a highly profitable business alongside our construction activities. In addition, we are expanding our portfolio of concession projects, which already cover their capital costs. These projects' contribution to the Group's net profit will grow significantly in the long term. In the construction business, we are concentrating on further improving the quality of earnings. The international orientation of our construction activities makes our Company more resistant to fluctuations in the individual markets.

We will consistently follow this successful path. Our Services business segment will continue to grow, both organically and as a result of acquisitions. We intend to round off our range of services in this segment and to penetrate new markets. Return on capital employed remains our prime criterion for the expansion of the concessions portfolio.

A comprehensive range of services for our clients

As a Multi Service Group, we benefit from collaboration between the various units within our Group. The utilization of these synergies has, within a short period of time, become very important for Bilfinger Berger. For example, the Civil business segment increasingly profits from our success in the realization of privately financed projects. At the same time, our technical construction expertise gives us significant strategic competitive advantages with the ongoing development of our Concessions business segment. The Group's know-how in all stages of building and operating enables us to adopt an expert approach to the specific requirements in all phases of a project's lifecycle. The close collaboration between our building and services operations puts our relations with real-estate clients on a completely new footing.

Key financial indicators: EBITA and return on capital employed

EBITA is the key financial indicator for measuring the success of our units' operations. In the construction business, our target is a return on output volume of at least 2%; for the Services segment it is at least 4%. We also measure the financial performance of the business segments and the Group using the indicator of value added with the aid of our return-on-capital-employed controlling. For this parameter, we have set a uniform cost of capital of 11% throughout the Group.

Profit centers and central monitoring

Bilfinger Berger AG is a stock corporation under German law. The management bodies of the Company are the Executive Board, the Supervisory Board and the Annual General Meeting. The Group is managed in accordance with both German and international standards. Bilfinger Berger AG complies with all of the recommendations of the German Corporate Governance Code as set out in the version of June 2, 2005 with one necessary exception. Our operational business is consistently organized in a decentralized manner. Branches, subsidiaries and associated companies act as independent profit centers. Control and monitoring functions are based on a uniform reporting system throughout the Group and an effective risk management system.

Economic environment

World economy: robust growth

The world economy continued to grow in the year 2005. Global growth amounted to slightly more than 4%, despite the very high price of crude oil. Economic developments were varied in the markets relevant to Bilfinger Berger.

Europe: differing growth rates

Growth rates in Europe remained significantly lower than the global average. In the euro zone, gross domestic product increased by just over 1%. In Germany, economic expansion accelerated slightly in the second half of 2005. Exports were the growth engine, while domestic demand stagnated. In total, however, German economic output grew by only 0.9% in 2005. Inflation was primarily affected by the significant increases in energy costs, but remained moderate overall.

The French economy was boosted in the second half of 2005 by private consumption, growing investment and lively exports. Gross domestic product increased by around 1.5%. The British economy expanded by 1.8%, a lower rate than in the prior year due to weaker consumer demand. Stable growth rates were recorded in Sweden and Norway. As expected, there was an upswing in Poland following its accession to the European Union: gross domestic product increased by nearly 5% in 2005. As a result of improved domestic demand, Austria achieved GDP growth of approximately 2%.

North America: continued growth

Growth in the United States slowed down compared with the prior year, but was well ahead of the euro zone at a rate of 3.5%. A slight decrease in private consumption due to rising interest rates was offset by higher investment and exports. The devastating effects of the hurricanes on the country's south coast did not have a sustained impact on the economy. The Canadian economy continued its dynamic development after twelve years of growth.

Australia: ongoing upswing

The Australian economy remained on its growth path in 2005. Domestic demand was as high as ever and exports flourished. Gross domestic product increased by 2.6%. Inflation remained moderate, and the unemployment rate remained low. Services, industrial production and the construction sector are the growth engines.

Gross domestic product – growth by region

%	2004	2005
Germany	1.6	0.9
Europe	2.4	1.5
United States	4.4	3.5
Australia	3.7	2.6

Industry developments

The construction industry: a disparate picture

2005 was the eleventh consecutive recession year for the construction industry in Germany. Construction orders received in a total of €44 billion were 1% below the prior-year level. Sales revenues decreased by 5.7 % to €74 billion, marking a new low since German reunification. On average, 717,000 persons were employed in the construction industry last year, 50,000 fewer than in 2004.

However, the development of orders received during the second half of the year indicated an approaching end to the slump. Commercial construction profited from the general economic stabilization, while public-sector construction benefited from the incipient improvement in municipal finances. Only residential construction posted slight declines. Demand in construction, rising since the middle of 2005, began to be reflected by slight increases in sales revenues towards the end of the year, giving rise to cautious optimism.

For the year 2006, the main association of the German construction industry anticipates stable total sales revenues for the first time in many years – raising hopes that an upturn is on the horizon. The announcement of the new federal government's intention to increase investment in transport infrastructure and to make more use of public-private partnerships also suggests that a construction revival is on its way.

In France, investment in public-sector construction projects increased by 2% last year. The main area of expenditure was the expansion and maintenance of the railway network and of roads and highways. In Poland, the construction industry is profiting greatly from the country's economic upswing, which is being stimulated through investments from the European Union. In Austria, demand for civil engineering was stable. Road building in Hungary has benefited from an increase in privately financed projects. In Scandinavia, investment in transport infrastructure increased sharply.

Australia's building boom continued, although with a shift of emphasis. While the overheated building-construction sector slowly cooled down, investments in transport infrastructure increased greatly.

The construction industry in the United States proved once again to be very robust with growth of nearly 5%. Growth rates were recorded in all market segments. The Canadian construction industry developed positively, not least due to the high acceptance of public-private partnerships.

Services: high demand for integrated solutions

Maintenance spending by the manufacturing sector in Western Europe is increasing once again. Good opportunities are available to companies that can take over the complete maintenance management of industrial plants. We anticipate significant growth in demand for such services in the future. Industry in the new EU member states will have a sustained need for modernization. Outsourcing solutions for maintenance services will therefore become increasingly popular. In the power-plant sector, rising demand for energy, increasing plant rehabilitation and stricter environmental requirements worldwide will make for good economic conditions.

The market for facility services in Germany continued to grow last year. Nonetheless, price pressure increased for standard services, and the process of concentration continued among providers. There will also be opportunities here for companies that offer their customers integrated packages or highly specialized services. Prospects for such companies will also be good in some of the countries of Western and Eastern Europe.

Stable legal framework

The legal framework for the Group's activities did not change significantly in 2005.

In Germany, the passing of the Public Private Partnership Acceleration Act is to be assessed positively. This law creates more legal certainty, and among other things will make possible the private realization of sections of autobahns following the Highway Construction Private Financing Act. The elimination of tax allowances for homeowners as of January 1, 2006 has no impact on our Company, as residential construction is only of marginal importance to us.

Business developments

- **Substantial increase in output volume and orders received**
- **Net profit 30% higher than prior-year result**
- **Year-end cash flow higher than expected**

New record level for output volume and orders received

The Group's total output volume rose by 16% in 2005 to €7,061 million. This was due not only to organic growth, but also to acquisitions in the Services business segment. The share of the Group's output volume generated in our international markets increased to 66% (2004: 65%). The share of total output volume accounted for by the domestic construction business decreased further to 19% (2004: 21%). The services business in Germany contributed 15% of total output volume (2004: 14%).

Orders received also increased, easily surpassing the prior year's figure of seven billion euros with growth of 23% to €7,545 million. At the end of the year, the order backlog amounted to €7,001 million, representing an increase of 10%.

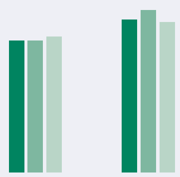
As of 2005, the Concessions business segment records only the share of output volume of fully consolidated projects. The construction output volume connected with concession projects that is generated within the Group is entered in the Civil and Building and Industrial business segments. The prior-year figures have been adjusted for comparability.

Net profit 30% above prior-year level

The Group's profitability improved once again last year, with major contributions from significant increases in earnings from the Civil and Services business segments. However, this growth was countered by charges from the building-construction business in Australia.

Total revenues as shown in the income statement increased by €743 million or 13.6% to €6,208 million (2004: €5,465 million). The increase was due to organic growth as well as acquisitions in the Services business segment. The total does not

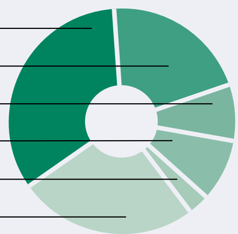
Output volume, orders received, order backlog



€ million	2004	2005	Δ in %
Output volume	6,111	7,061	+16
Orders received	6,139	7,545	+23
Order backlog	6,339	7,001	+10

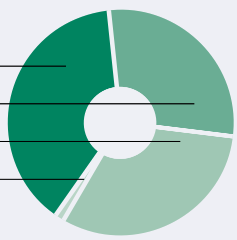
Output volume by region

€ million	2004	2005	%
Germany	2,160	2,390	34
Rest of Europe	1,272	1,500	21
America	624	540	8
Africa	467	681	9
Asia	92	139	2
Australia	1,496	1,811	26
Total	6,111	7,061	100



Output volume by business segment

€ million	2004	2005	%
Civil	2,447	2,747	39
Building and Industrial	1,989	2,081	29
Services	1,600	2,250	32
Concessions	11	14	<1
Consolidation, other	64	-31	
Total	6,111	7,061	100



Operating profit / EBITA

€ million	2004	2005
Civil	22	50
Building and Industrial	9	-14
Services	62	90
Concessions	3	4
Consolidation, other	-15	-15
Group	**81**	**115**

Consolidated income statement (abridged)

€ million		2004	2005
Total revenues		5,464.7	6,207.8
Costs of materials and personnel		-4,979.3	-5,585.3
Depreciation		-84.0	-91.8
Other operating expenses/income		-320.4	-415.9
EBITA (earnings before interest, taxes and goodwill amortization)		**81.0**	**114.8**
Amortization of goodwill and other intangible assets from acquisitions		-0.3	-5.3
EBIT (earnings before interest and taxes)		**80.7**	**109.5**
Net interest result		10.3	5.9
EBT (earnings before taxes)		**91.0**	**115.4**
Taxes on income and earnings		-34.3	-41.6
Net profit		**56.7**	**73.8**
Minority interests		-5.5	-7.3
Net profit		**51.2**	**66.5**
Average number of shares	in thousands	36,734	37,005
Earnings per share	in €	1.39	1.80

include our share of output volumes generated by joint ventures and consortiums. Sales revenues in the income statement therefore differ from the output volume of €7,061 million as shown in the Management Report; see the explanation of total revenues given in the Notes to the Consolidated Financial Statements.

The costs of materials, subcontractors and personnel as a proportion of total revenues decreased to 90.0% (2004: 91.1%). The ratio of personnel expenses to total revenues remained virtually unchanged at 27.6% (2004: 27.7%).

Depreciation of property, plant and equipment increased by €8 million to €92 million (2004: €84 million), primarily as a result of the larger consolidated Group. In relation to total revenues, it remained constant at 1.5% (2004: 1.5%).

Other operating income was unchanged at €129 million (2004: €129 million), while other operating expenses increased by €95 million to €545 million (2004: €450 million). The balance of the two items was an expense of €416 million (2004: €321 million), equivalent to 6.7% of total revenues (2004: 5.9%).

In total, EBITA increased to €115 million (2004: €81 million). This figure is affected by a methodological change in the calculation of EBITA for concession projects. Using the previous method of calculation, EBITA would have amounted to €126 million. With the new method of calculation, for the first time, all interest income and interest expenses relating to concession projects are included in the Concessions business segment's EBITA. On balance, this led to a reduction in EBITA of €11 million and a corresponding improvement in interest income. The change has no impact on earnings before taxes or net profit.

As expected, the Civil business segment once again made a major contribution to the Group's earnings. Its EBITA of €50 million (2004: €22 million) was significantly higher than the prior-year result, which was impacted by a one-time effect.

The EBITA of the Building and Industrial business segment was reduced by losses in the Australian building-construction business, and amounted to minus €14 million (2004: plus €9 million).

The EBITA of the Services business segment grew again to €90 million (2004: €62 million). This was the result not only of organic growth, but also of the first-time consolidation of newly acquired companies, in particular Babcock Borsig Service in April 2005.

The EBITA contributed by the Concessions business segment amounted to €4 million (2004: €3 million). Excluding the aforementioned methodological change, its EBITA would have amounted to €15 million (2004: €3 million), despite high advance costs for new projects. To assess our success in the concession business, we consider not only current operating profit, but also the annual change in the present value of future cash flows. The development of the value of our BOT portfolio is explained in detail in the section of the Annual Report on the Concessions business segment.

EBITA not allocated to the business segments (consolidated/other) was negative at minus €15 million, as in the prior year. In addition to consolidation effects, this primarily comprises the costs of the Group headquarters which cannot be allocated according to the principle of causation.

The write-down of intangible assets from acquisitions pursuant to IFRS 3 / IAS 36 totaling €5.3 million (2004: €0.3 million) primarily 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 for goodwill did not result in any write-downs.

The balance of interest income and interest expenses decreased by €1 million. Furthermore, gains made on the sale of securities fell by €2 million. An additional factor was an increase of €1 million in net interest expenses for pension provisions. In total, this led to the net interest result declining by €4 million compared with the prior year to €6 million (2004: €10 million).

Earnings before taxes (EBT) amounted to €115 million (2004: €91 million), which was €24 million higher than in the prior year.

The income-tax expense was €42 million (2004: €34 million), equivalent to an effective tax ratio of 36.1% (2004: 37.6%).

Deduction of minority interests of €7 million (2004: €6 million) results in a net profit of €66 million (2004: €51 million), representing earnings per share of €1.80 (2004: €1.39).

Dividend proposal of €1.00 per share

The net profit for the year of Bilfinger Berger AG, whose company financial statements are prepared in accordance with the regulations of the German Commercial Code, amounted to €42.2 million (2004: €41.7 million), of which €5.0 million (2004: €5.0 million) was allocated to retained earnings.

At the Annual General Meeting, we will propose the distribution of an unchanged dividend of €1.00 per share from the unappropriated retained earnings of €37.2 million (2004: €36.7 million). This will amount to a total dividend distribution of €37.2 million. The dividend distribution for 2005 will then be approximately 56% of the Group's net profit.

Return-on-capital-employed controlling

We measure the value added by the business segments and the Group using our method of return-on-capital-employed controlling. Value added is achieved when the return on capital employed (ROCE) exceeds the cost of capital. In 2005, we applied a weighted average cost of capital (WACC) of 11%, as in the previous years. The method of calculation is explained in detail in the chapter on return-on-capital-employed controlling.

The Civil business segment once again contributed substantial value added of €18 million (2004: minus €3 million), following a negative

Value added

	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
	Capital employed € million		Return € million		ROCE %		Relative value added %		Absolute value added € million	
Civil	333	390	33.4	61.2	10.0	15.7	-1.0	4.7	-3.1	18.3
Building and industrial	159	160	24.8	2.1	15.5	1.3	4.5	-9.7	7.2	-15.5
Services	463	619	62.2	90.4	13.4	14.6	2.4	3.6	11.3	22.4
Concessions	90	123	12.5	13.9	13.9	11.3	2.9	0.3	2.6	0.3
Total for segments	**1,045**	**1,292**	**132.9**	**167.6**	**12.7**	**13.0**	**1.7**	**2.0**	**18.0**	**25.5**
Consolidation, other	323	99	-12.4	-16.4	-3.8	-16.6	-14.8	-27.6	-47.9	-27.3
Group	**1,368**	**1,391**	**120.5**	**151.2**	**8.8**	**10.9**	**-2.2**	**-0.1**	**-29.9**	**-1.8**

value in the prior year due to a one-time effect. Its ROCE of 15.7% was well above the cost of capital. We expect Civil to continue delivering stable value added in the future.

Building and Industrial delivered a significantly negative value added of minus €16 million (2004: plus €7 million) in the year under review. This was due to the reported losses in the Australian building-construction business. We anticipate positive value added once again this year.

The Services business segment continues to account for the largest share of capital employed in the Group: in the year under review, it increased again significantly to €619 million (2004: €463 million), primarily due to acquisitions. About €395 million of this amount represents goodwill. ROCE improved again to 14.6% (2004: 13.4%). The segment delivered the highest value added in the Group of €22 million (2004: €11 million).

In the Concessions business segment, it is necessary to consider the fact that most of the projects are currently under construction or in an early phase of operation. To identify value added, we calculate the return in terms of the increase in the value of the portfolio compared with the prior year. The calculation of this increase in value, which amounted to €10.4 million in 2005 (2004: €10.5 million), is shown in detail in the chapter on concession projects. Concessions achieved a ROCE of 11.3% in 2005 (2004: 13.9%), once again higher than the cost of capital.

In total, the value added delivered by the business segments increased to €25 million (2004: €18 million).

Reconciliation items and headquarters reduced this value added by €27 million (2004: minus €48 million). The distinct improvement in the negative value added contributed by headquarters is the result of a sharp reduction in capital employed to €99 million (2004: €323 million). This was caused by the use of available liquidity for acquisitions and lower levels of cash and marketable securities during the year due to an increased requirement for working capital.

In total, the Group's value added improved to minus €2 million (2004: minus €30 million). This represents a ROCE of 10.9 (2004: 8.8%). Despite the loss in the Australian building-construction business, we still nearly achieved our stated goal of covering our cost of capital of 11% in 2005.

Good financial situation and sound capital structure

Compared with the prior year, the balance-sheet total increased by €637 million to nearly €4.4 billion (2004: €3.7 billion). €450 million of this increase is explained by the expansion of our concession business and €250 million by selective acquisitions for the development of our services business, above all the acquisition of Babcock Borsig Service.

On the assets side, the increase in intangible assets by €243 million to €592 million (2004: €349 million) primarily reflects the acquired goodwill.

Due to our business expansion, property, plant and equipment increased by €37 million to €512 million (2004: €475 million).

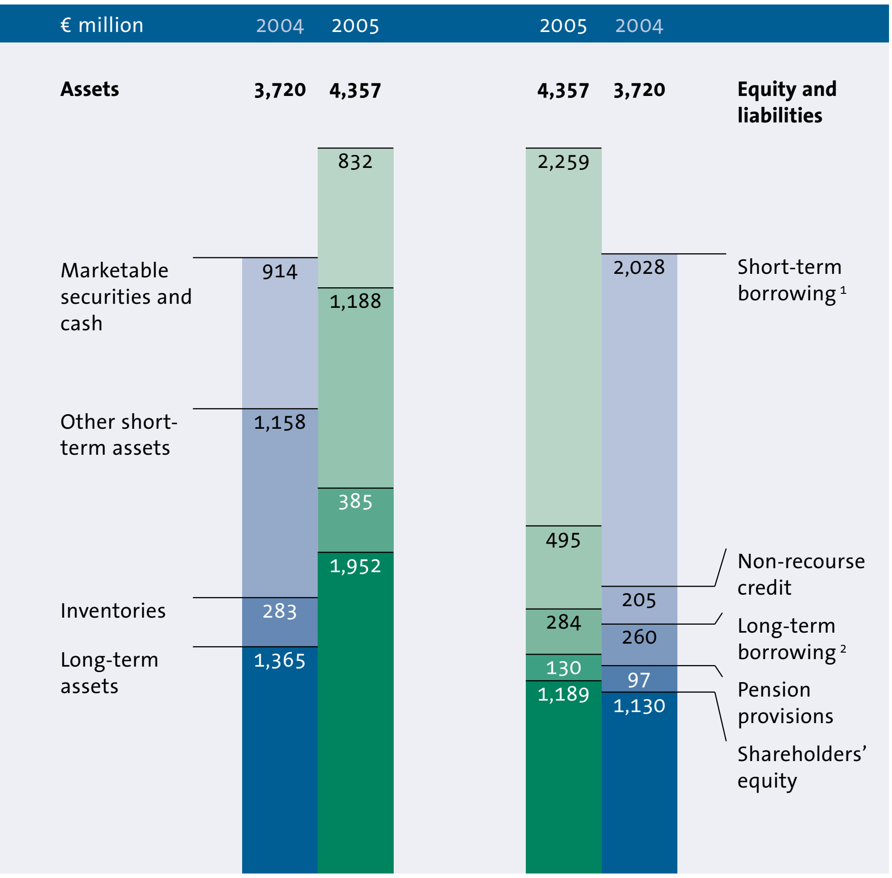
The growth of our concession business is reflected by a €284 million increase in financial assets to €712 million (2004: €428 million). Of this total, the Concessions business segment accounts for €645 million (2004: €236 million), mainly receivables from concession projects of €525 million (2004: €139 million). Concession projects accounted for using the equity method are entered under investments in associated companies or loans to associated companies in a total of €83 million (2004: €73 million). Following the sale of two minority stakes in concession projects, investments in equity interests of €37 million primarily comprise our holding in the M7 Westlink Motorway in Australia.

The decrease in investment properties by €128 million to €34 million (2004: €162 million) had an opposing effect on financial assets, and resulted from the sale of our Broker and Office Center building in Frankfurt am Main at the end of the year.

In total, long-term assets including deferred tax assets increased by €587 million to €1,952 million (2004: €1,365 million).

Under short-term assets, the item of inventories increased by €102 million to €385 million (2004: €283 million), mainly due to higher work in progress because of the expanded volume of business. Receivables and other short-term assets increased by €30 million to €1,188 million (2004: €1,158 million).

Structure of consolidated balance sheet



¹ Thereof, financial liabilities €41 million (2004: €48 million)
² Thereof, financial liabilities €87 million (2004: €86 million)

Cash and marketable securities reached the high level of €832 million (2004: €914 million), despite substantial investment. Liabilities to banks – excluding project credit on a non-recourse basis – amounted to €127 million (2004: €134 million). Non-recourse credit, which is granted to finance concession projects and for which the Group is not liable, increased in line with receivables from concession projects to €495 million (2004: €114 million). In the prior year, there was also non-recourse loan financing in an amount of €91 million for the office property sold in Frankfurt, so that non-recourse liabilities at the end of 2004 actually totaled €205 million.

Long-term provisions increased by a total of €30 million to €235 million (2004: €205 million). Provisions for pensions increased by €33 million to €130 million (2004: €97 million), mainly due to the larger consolidated Group. The pension provisions of Bilfinger Berger AG are not included in this amount, as they are netted off with the fund assets of the contractual trust arrangements and the relief fund.

Other long-term liabilities increased by €3 million to €17 million (2004: €14 million) and deferred tax liabilities rose by €21 million to €74 million (2004: €53 million).

Short-term liabilities increased to €470 million (2004: €399 million), due to the larger consolidated Group.

Other short-term liabilities rose by €167 million to €1,748 million (2004: €1,581 million). €91 million of the increase was accounted for by trade payables.

Shareholders' equity increased by €59 million to €1,189 million (2004: €1,130 million). Despite the increase in the balance-sheet total caused by the expansion of the concession business, the equity ratio amounted to 27% (2004: 30%). Without that increase, it would have equated the prior year level.

Cash flow from operating activities exceeds expectations

The net cash inflow from operating activities of €188 million (2004: €198 million) surpassed our expectations. Liquidity developments during the year were at first impacted by a distinct increase in the requirement for working capital. Towards the end of the year, however, there was a high inflow of cash from operating activities. This was partially a result of payments for services provided on major projects being received earlier than planned, before the end of the year. An additional factor was the repeated unexpected high level of advance payments received – like at the end of 2004.

Statement of cash flows

€ million	2004	2005
Cash earnings	126	183
Change in working capital	72	5
Cash flow from operating activities	198	188
Investments in tangible and intangible assets	-79	-106
Proceeds from the disposal of property, plant and equipment	43	32
Net payments for tangible and intangible assets	-36	-74
Proceeds from the disposal of financial assets	61	66
Free cash flow	223	180
Investments in financial assets	-108	-228
Cash flow from financing activities		
Dividend distribution	-47	-37
Repayment of loans	-52	4
Funding of pension obligations	0	-17
Proceeds from capital increase	0	1
	-99	-49
Other adjustments	-2	15
Adjustments to cash and marketable securities	14	-82
Cash and marketable securities at January 1	900	914
Cash and marketable securities at December 31	914	832

€106 million was invested in property, plant and equipment (2004: €79 million). The disposal of tangible assets yielded a cash inflow of €32 million (2004: €43 million), resulting in a net cash outflow of €74 million (2004: €36 million).

The sale of financial assets brought the Company a cash inflow of €66 million. €31 million was the result of the sale of the investment property, Broker and Office Center in Frankfurt after the discharge of the associated non-recourse loans. Another €16 million resulted from the sale of our minority interest in the operator company, Bangkok Expressway Company Ltd. The cash inflows from other disposals and the repayments of long-term loans totaled €19 million. Following this, €180 million (2004: €223 million), remains as free cash flow.

Investments in financial assets amounted to €228 million (2004: €108 million). €185 million of this total was for acquisitions, particularly in the services business. The largest single item of €130 million was for the acquisition of Babcock Borsig Service. Equity contributions of €33 million were paid into concession companies, particularly for the M7 Westlink in Australia. In addition, loans of €10 million were granted to concession companies.

The cash outflow for financing activities amounted to €49 million (2004: €99 million), of which €37 million was applied to the dividend distribution (2004: €47 million). A further €17 million (2004: €0 million) was applied to fund pension obligations. Borrowing and capital increases resulted in a total cash inflow of €5 million (2004: outflow of €52 million).

Exchange-rate movements led to a nominal increase in cash and marketable securities of €15 million (2004: decrease of €2 million).

Financial resources, comprising cash and marketable securities, amounted to €832 million at the end of the year (2004: €914 million).

Civil

- **Increases in output volume and orders received**
- **Major new projects in Australia and Scandinavia**

Our high standard of technological know-how and our wide-ranging experience in the responsible management of major infrastructure projects make the Civil business segment one of the supporting pillars of the Bilfinger Berger Group. The segment also increasingly profits from our success with the realization of privately financed transportation projects.

The segment's positive development is also based on our ability to react quickly and flexibly to fluctuations in demand. Declines in individual regions are offset by strong growth in other markets. Recently, we compensated for weaker demand in Asia through growth in Australia. We are currently expanding our activities in Scandinavia due to strong demand there. Business is also developing positively in North America. With our divisional organization, we are able to provide cutting edge expertise in planning and execution in all our markets without having to maintain this expertise in each market. This strategic competitive advantage makes a decisive contribution to Bilfinger Berger's success in major international projects.

We safeguard the financial success of our civil-engineering activities by means of an effective risk-management system. The system focuses on a professional approach to specific key project risks and appropriate contract management in all project phases.

The Civil business segment's volume of business increased in the year 2005. Output volume grew by 12% to €2,747 million, primarily due to major infrastructure projects in Europe and Australia. The 22% increase in orders received to €2,984 million was partially a result of transportation projects in Australia, Scandinavia and France. The order backlog at the end of the year of €3,344 million was 7% higher than a year earlier.

EBITA increased to €50 million (2004: €22 million); in the prior year it had been diminished by an exceptional effect.

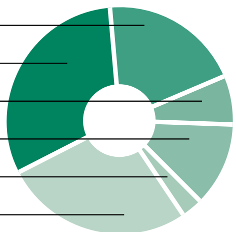
Capital expenditure on property, plant and equipment increased to €65 million (2004: €40 million), and was primarily focused on major projects running outside Germany. The same applies to the business segment's workforce increase of 7% to 23,480 employees.

Key figures for Civil

€ million	2004	2005	Δ in %
Output volume	2,447	2,747	+12
Orders received	2,447	2,984	+22
Order backlog	3,127	3,344	+7
Capital expenditure	40	65	+63
Depreciation	53	48	-9
EBITA	+22	50	+127
Employees (number at December 31)	22,090	23,480	+6

Civil: output volume by region

€ million	2004	2005	%
Germany	563	551	20
Rest of Europe	704	859	31
America	222	194	7
Africa	261	315	12
Asia	86	83	3
Australia	611	745	27
Total	**2,447**	**2,747**	**100**



Australia – a focus on ambitious infrastructure projects

In 2005, the fifth continent was again the Bilfinger Berger Group's biggest market for civil-engineering activities. Output volume increased again, particularly due to the conclusion of two large projects in Sydney. The Cross City Tunnel went into operation in August 2005 and the Westlink M7, a 40-kilometer bypass route, was completed at the end of 2005 – eight months before the contractually agreed deadline. Both of these projects were carried out using privately financed concession models.

The renewed increase in orders received in Australia was a result of major road projects, including the widening of a more than 20-kilometer section of the Hume Highway connecting Sydney and Melbourne. This project includes the construction of major bridges, as well as maintenance over a period of ten years. In addition, we are widening a nine-kilometer stretch of the Pacific Highway south of Brisbane to four lanes. This project also includes major civil-engineering work and entails long-term maintenance services as well.

The advantages of flexible cooperation between individual units of the Group are particularly important in our Australian civil-engineering business. For example, the leading expertise of Bilfinger Berger's specialists in tunnel construction strengthens the market position of our subsidiaries in Australia. And the Group's financing power and experience open up good prospects for privately financed solutions in the public sector.

North America – investment programs offer opportunities

In North America, too, Bilfinger Berger increasingly benefits from the advantages of collaboration within the Group. As a result of our expertise in tunnel construction, we have received an order in Portland, Oregon, to build a nine-kilometer tunnel to function as an overflow reservoir to prevent flooding after heavy rainfalls. We gained this contract with a volume of €250 million due not only to the price offered, but also to the technical expertise and financial standing of our bidder group.

From today's perspective, no further charges are to be expected from the Maumee River Bridge project, which was delayed in 2004 due to a technical defect.

Substantial infrastructure investment programs were approved in the United States last year, which will lead to growing demand in the coming years. We have restructured our civil-engineering business in the US and fully integrated it into the organization of the Bilfinger Berger Civil business segment.

We also see good prospects in Canada. In the Vancouver District, we are building a 7,200-meter-long tunnel to improve the supply of drinking water. Synergies with our concession activities will have a positive impact on the development of our civil-engineering activities in North America.

Nigeria – expansion of public infrastructure

There is a substantial accumulated need to expand public infrastructure in Nigeria. This applies both to transportation and to amenity networks. Public-sector projects are an important area of our business in Africa's most populous country. At present, we are involved in road and bridge-building work in the capital city Abuja, maintaining the transport infrastructure in Lagos, Nigeria's biggest city, and extending the road network in northern provinces.

Southeast Asia – a cyclical market for major projects

Bilfinger Berger enjoys a good reputation in many markets of Southeast Asia due to the infrastructure projects we have successfully completed there. However, the region is currently only of minor significance for the Group. There are no attractive major projects on the market in Taiwan, and the further expansion of subways, elevated railways and highways has been delayed in Bangkok, the capital of Thailand.

The Middle East – high financing capability due to increased oil price

The increased oil price and associated high state revenues are creating stronger demand in the Middle East.

In Doha, capital of the Emirate of Qatar, Bilfinger Berger has received an order to improve a ten-kilometer section of the urban highway. The project has a total volume of €200 million and includes not only building and widening of roads, but also the construction of several tunnels and bridges and extensive work relocating pipes, cables and related materials. The Road division, established in 2005, is also involved in this project.

In the Emirate of Fujairah, Bilfinger Berger and its subsidiary specializing in sewage treatment, Passavant-Roediger, are constructing the complete sewer network and sewage-treatment plant for 80,000 inhabitants. Following the construction phase, Passavant-Roediger will be responsible for the technical operation of the sewage treatment plant for a period of 15 years.

Work on the Naga Hammadi Dam and Hydro-Electric Power Station in Egypt is running according to schedule. This project on the Lower Nile will improve the supply of water and electricity for the people in the area.

Europe – targeted improvement of market position

The importance of European markets outside Germany for our civil-engineering business continued to grow in 2005.

In France, our subsidiary Razel and Bilfinger Berger's Foundation Engineering unit are executing a spectacular major project. Along the banks of the Seine in Paris, a 370-meter long, 120-meter wide and 30-meter deep excavation pit has been prepared and framework construction has been carried out for a waste disposal and recycling complex that will be mainly underground. When completed, it will have an annual capacity of more than 500,000 tons of household waste. Bilfinger Berger is also involved in the construction of a subway line in Toulouse. A 1,200-meter road bridge over the Marne valley was inaugurated in 2005. In advance of realizing a high-speed railway connection between Lyon and Turin, Razel and Bilfinger Berger are carrying out experimental tunneling in the Alps. Major earthworks projects include sections of the A89 highway and the TGV high-speed rail link between Paris and Metz. Overall, Razel's domestic market features stable demand and good prospects. The company is also represented in French overseas departments and in French-speaking parts of Africa. In Algeria, the project volume relating to the construction of the Koudiat-Acerdoune Dam increased to €180 million. Razel is carrying out extensive infrastructure work on the island of La Réunion in the Indian Ocean, and received several new orders in 2005.

In Poland, the anticipated revival of the construction industry has occurred following the country's accession to the European Union. Numerous highways, main roads and bypass roads subsidized by the EU are either planned or already subject to tender. Our Polish subsidiary, Hydrobudowa-6, is ideally positioned to benefit from these developments. Its capabilities in civil engineering and foundation engineering have been ideally complemented with the acquisition of road-building specialist WPRD and bridge-building company PPRM. Projects currently being executed include the construction of a cable-stayed bridge over the River Weichsel near Plock and of an underground railway station and road tunnels in Warsaw. We assume that the Group will profit substantially from Poland's growing infrastructure investment.

Bilfinger Berger has further strengthened its market position in Scandinavia with new orders received. In connection with the extension of the Swedish railway network, we are constructing two major bridges in the province of Norrland. We are also responsible for the construction of a five-kilometer railway tunnel under the center of Malmö and a road tunnel in Stockholm. In Göteborg, we have completed a tunnel under the harbor area and the new Svinesund Bridge over the Ide Fjord joining Sweden and Norway is now in use. In Norway, we are currently constructing two bridges for a road connection over the Imarsund. On the basis of our technological expertise, we aim to take on additional challenging infrastructure projects in Scandinavia.

The Gotthard Base Tunnel in Switzerland, in which Bilfinger Berger has a major involvement, is progressing as planned. When completed, it will be the world's longest railway tunnel with a length of 57 kilometers, and will be of key importance for European rail transport. Bilfinger Berger is also contributing to the expansion of the transport infrastructure in Austria. We are building the 13-kilometer Wienerwald Tunnel, an important element of the high-speed rail link between Vienna and Salzburg, as well as working on the expansion of Vienna's underground railway system.

Germany – impetus from public private partnerships?

Public-sector demand decreased in Germany in 2005. Once again, the state failed to tackle major projects for the improvement of transport infrastructure. However, the parties in the new coalition government have made positive indications in their coalition treaty. The maintenance and improvement of Germany's infrastructure are once again on the political agenda. The announcement that investment in transportation is to be increased by a total of €4.3 billion by 2009 is a step in the right direction. The governing parties' efforts to accelerate planning procedures is also encouraging – as a result, important infrastructure projects should be realized more quickly. Furthermore, the commitment to the increased use of public private partnerships should reduce the financial obstacles in the way of such projects.

With the expansion of the European Union, the demands placed on effective east-west connections in Germany will rise considerably. Against this backdrop, at the beginning of 2005 we started to build up our road division, which is meanwhile executing its first orders. Like all of the specialist units of our Civil business segment, this new unit is active both in Germany and our international markets.

Environment division – demand for complete solutions

Our companies active in the field of the environment were brought together under the umbrella of Bilfinger Berger Umwelttechnik GmbH at the beginning of 2005. In the operational business, our well-known brands of Passavant, Roediger, Noggerath and Geiger will continue to operate under their own names. Bilfinger Berger Umwelttechnik GmbH is active in the areas of water and sewage technology, reclamation of contaminated sites, landfill and vacuum technology.

Passavant-Roediger, our subsidiary that specializes in sewage treatment, generates 70% of its output volume in international markets, especially in the new EU member countries, China and the Middle East. It is experiencing rising demand for turnkey plants requiring comprehensive expertise for realization. For example, in China we are constructing a sludge-treatment plant with downstream power generation. The client is the Sewage Department of Shijiazhuang, a city of two million inhabitants. Following the completion of the plant, Passavant-Roediger will be responsible for its long-term operation.

Outlook

Our Civil business segment will continue to pursue its successful strategy. By concentrating our first-class expertise in competence centers active throughout the Group, we can flexibly apply our knowledge and experience in our target markets. This gives us advantages in the competition for ambitious major projects in all parts of the world.

We expect a continuation of lively demand in Australia due to the expansion of the country's infrastructure. Attractive projects will come onto the market in North America in the near future. Major investment will take place in the Middle East. The weighting of our European markets outside Germany will increase. In France, Razel intends to expand its business as a result of targeted cooperation with Bilfinger Berger Civil. We are well positioned and expect significant growth in the promising Polish market. We also see good prospects in the other new EU member states, particularly Hungary. We intend to continue utilizing the strong demand in Scandinavia. The statements made by the new German government raise hopes that the construction recession may be coming to an end. It remains to be seen whether concrete measures will lead to a revival of demand.

For the year 2006, Bilfinger Berger plans for its Civil business segment to achieve a stable output volume and strong earnings once again.

Building and Industrial

- **Market success with i.volution**
- **Charges in Australian building construction reduce EBITA**

Bilfinger Berger's Building and Industrial business segment has an excellent competitive position in its market segments in Germany, Australia and Nigeria. Most of its business involves cooperation with private-sector clients, a smaller number of projects are carried out via fixed contract-award practices in the public sector. Our consistent focus on the individual needs of our clients is therefore a decisive success factor.

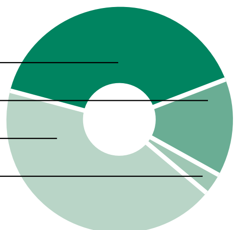
In 2005, the Building and Industrial business segment's output volume increased by 5% to €2,081 million. In Nigeria, business grew significantly with private-sector clients, especially in the oil and gas industry. With €2,122 million, orders received were stable. The order backlog at the end of 2005 of €2,095 million was 2% higher than a year earlier.

Key figures for Building and Industrial

in Mio. €	2004	2005	Δ in %
Output volume	1,989	2,081	+5
Orders received	2,061	2,122	+3
Order backlog	2,055	2,095	+2
Capital expenditure	5	8	+60
Depreciation	3	4	+33
EBITA	+9	-14	
Employees (number at December 31)	9,972	9,629	-3

Building and Industrial: output volume by region

in Mio. €	2004	2005	%
Germany	831	827	40
Africa	197	301	14
Australia	796	891	43
Other regions	165	62	3
Total	1,989	2,081	100



Losses in Australia reduced the business segment's EBITA; at a level of - €14 million, it was significantly lower than our original forecast (2004: €9 million).

Capital expenditure on property, plant and equipment of €8 million was above the level of the prior year (2004: €5 million). The size of the workforce decreased by 3% to 9,629 employees.

Germany – i.volution as a basis for long-term customer relations

After many years of recession, there are now increasing indications of an upturn in the German market for building construction. A first slight revival of demand was apparent again in the second half of 2005.

As expected, the output volume of the Bilfinger Berger Building division followed a stable development in 2005. With its positive earnings, the unit made a substantial contribution towards offsetting the charges that arose in Australia.

The consistent focus of the business on the needs of our clients is the basis of our growing success. Synergies with our Facility Services units play a key role in this context. For example, Bilfinger Berger and HSG bore joint responsibility for the perfect sequence of events at the Catholic World Youth Day in Cologne. In the farmland area of Marienfeld outside the city, 50 kilometers of temporary paths were laid and 80,000 cubic meters of earth were moved to form an altar hill. The contract included the supply of electricity and water as well as the installation of the complete light and sound equipment. More than one million participants celebrated the vigil and final mass of the World Youth Day with Pope Benedict XVI in August 2005.

The close networking of the Building division and service units also forms the basis of our consulting and service offering under the name of "i.volution", which we launched on the market during the year under review. We achieved considerable success with our customer-acquisition offensive. We can offer our clients tailored solutions in each phase of a building's lifecycle. The services offered range from development, design, construction and operation to revitalization. This enables our Building division to further expand its high proportion of repeat customers and direct contract awards. For example, in the year 2005, we received an order from our longstanding client Metro Group to design and erect a parking garage with ten floors and 1,300 parking spaces for Metro Group's headquarters in Düsseldorf. In Penzberg near Munich, we are responsible for the design, project control and turnkey construction of an office building for Roche Diagnostics. In addition, we are rebuilding and extending the five-star hotel Schloss Fuschl near Salzburg in Austria.

The building-construction business in Germany is increasingly benefiting from the growing acceptance of public private partnerships. Using this model, projects are executed both with and without equity contributions from the companies involved. We are active in this growing market and utilize the concessions expertise within the Group via the decentralized organization of our Building division's branches. For example, we are realizing the new construction of an administrative building in the Hanover region as well as underground parking garages in Frankfurt and Leipzig.

Regular client surveys inquiring about satisfaction and future expectations are an important instrument for maintaining good customer relations. During 2005, we once again improved on the good results we had already achieved in the past. Bilfinger Berger is regarded as competent, trustworthy, flexible, quality conscious and cost efficient. Through strong customer relations and a comprehensive product range, our Building division can set itself apart from the competition in the German market.

Australia – improving market situation

Our Australian building-construction business significantly reduced the earnings of the Building and Industrial business segment in 2005. As a result of the overheated market, prices for purchased services rose sharply, while subcontractors' reliability and quality declined and the trade unions made exaggerated demands. We therefore reevaluated the risks in our order backlog and booked the losses during the third quarter of 2005.

In view of the recent cooling down of the market and the quality of our new orders, no further charges are to be expected. In Australia, with a focus on attractive market segments and strengthened management, we have laid the foundation for sustained financial success, also in building construction.

United States – focus on engineering

We continued to focus the business of our US subsidiary, Fru-Con, on its core competencies. Engineering will be its main area of activity, while plant construction will be reduced. Planning and executing units have been merged in organizational terms.

Nigeria – growing demand from the oil and gas industry

Our building and industrial construction units in Nigeria work not only for private-sector clients; the focus is increasingly shifting towards private-sector clients mainly in the oil and gas industry.

At present, we are extending the building complex of the National Assembly and the international airport for the development authority of Abuja, the capital city. And we are constructing a cement works in Obajana with a production capacity of 10,000 tons per day for a private investor.

Nigeria is one of the world's biggest oil-producing countries and has committed to stop burning off the natural gas that results as a byproduct of exploiting oil reserves. Large-scale gas liquefaction plants are being built with substantial private-sector investment. Our Nigerian affiliate is profiting from the ongoing strong demand and has extended its product portfolio in this area. Its focus is on planning and constructing the required infrastructure.

Outlook

The outlook is good for our Building and Industrial business segment. In the German market for building construction, we can offer unique customer benefits due to our comprehensive range of specialist consulting and other services under the brand name of "i.volution". The growing acceptance of public private partnerships means that positive stimulus can be expected for the future. In Australia, we will consolidate our business and work profitably again. In the United States, we are placing more emphasis on our engineering expertise. And we intend to continue profiting from the sustained strong demand from the oil and gas industry in Nigeria.

We forecast a stable output volume for the Building and Industrial business segment in 2006 and anticipate a significant positive EBITA.

Services

- **High growth rates**
- **EBITA increased again**

Within a very short time, we have developed the Services business segment into a second main pillar of our business in addition to our construction and concession activities. Bilfinger Berger has repositioned itself by building up effective units providing industrial and facility services. The path we have taken is pioneering. Our portfolio of services makes us an even more capable solver of our clients' problems.

The basis for our economic success in this segment is not least the consistent application of our strict acquisition criteria when taking over new companies. All of the companies we have acquired since 2002 to expand this business have fulfilled or surpassed our expectations.

The output volume generated by the Services business segment increased by 41% to €2,250 million in 2005. In addition to organic growth of 5%, the first-time consolidation of Simon Engineering, an Australian company, in March 2005 and of Babcock Borsig Service in April 2005 also contributed. Orders received in a value of €2,441 million surpassed the prior-year figure by 54%. The order backlog at year-end was €1,568 million, an increase of 44%. EBITA rose to €90 million (2004: €62 million). With its stable and high margins, the segment makes a major contribution to Bilfinger Berger's earnings.

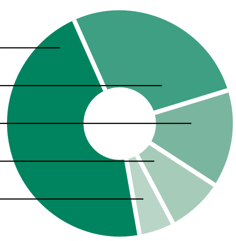
Capital expenditure on property, plant and equipment increased to €27 million in 2005 (2004: €22 million). The workforce expanded by 27% to 21,709 employees, mainly as a result of acquisitions.

Key figures for Services

€ million	2004	2005	Δ in %
Output volume	1,600	2,250	+41
Orders received	1,588	2,441	+54
Order backlog	1,088	1,568	+44
Capital expenditure	22	27	+23
Depreciation	23	28	+22
EBITA	+62	+90	+45
Employees (number at December 31)	17,125	21,709	+27

Services: output volume by region

€ million	2004	2005	%
Germany	776	1,039	46
Rest of Europe	465	603	27
America	291	317	14
Australia	62	175	8
Other regions	6	116	5
Total	1,600	2,250	100



Industrial Services – business boosted by trend towards outsourcing

The Industrial Services division increased its output volume substantially in 2005 to a level of €1,659 million (2004: €1,042 million), which was 59% higher than in the prior year.

Rheinhold & Mahla, Bilfinger Berger's subsidiary that specializes in providing services for clients in the processing industry, substantially expanded its business operations in Germany and other European markets. Major contracts acquired in 2005 include taking over large parts of the repair and maintenance work in the Höchst and Griesheim industrial parks near Frankfurt am Main. Well-known companies in the chemical and pharmaceutical industry have production plants at these locations, for which they have commissioned Rheinhold & Mahla to carry out comprehensive maintenance management. This is one of the largest outsourcing projects for industrial services in Germany and serves as an excellent reference for our target clients in Europe.

Rheinhold & Mahla is active in a dynamic market. There is great interest in outsourcing maintenance services for production plants in many sectors. Rheinhold & Mahla has achieved a strong competitive position in recent years. Based on an integrated-services approach, various specialist tasks such as scaffolding construction, sewer and pipe installation, corrosion protection and insulation are grouped together into customized packages of services. Full-service concepts comprise the entire repair and maintenance work on production plants including maintenance management. This gives Rheinhold & Mahla a competitive advantage in major target markets.

On this basis, Rheinhold & Mahla has further improved its position in the select group of internationally active providers of industrial services. It has already assumed a leading role in Germany and a number of other European countries. There is a great need to modernize industrial plant, especially in Eastern Europe, and the trend in this area is also in the direction of outsourcing. In the other markets of Western Europe, the full-service business is particularly promising.

Bilfinger Berger further expanded its service offering in 2005 through the acquisition of Babcock Borsig Service. This company is a market leader in providing lifecycle services for fossil-fuel power plants. It has the advantage of a high degree of engineering expertise, and focuses on increasing the efficiency and extending the lifetime of existing facilities. Babcock Borsig Service also demonstrates its leading technical know-how with the realization of challenging portions of complex new plants.

Babcock Borsig Service is active worldwide in selected key markets and has excellent prospects for the future in view of globally rising energy requirements, the growing need for plant rehabilitation and stricter environmental regulations.

In Germany, 40% of conventional electricity generation will reach the end of its lifetime in the coming decade. The operational lifetime of such plants can be extended by up to 15 years by means of comprehensive rehabilitation measures – while improving efficiency and significantly reducing emissions. Furthermore, the construction of major new power plants is planned, for which Babcock Borsig Service will realize selected subprojects.

With its all-round expertise, Babcock Borsig Service is also successful in France and Italy. Other regional focuses are the Middle East, South Africa and Eastern Europe. The new member countries of the European Union have to fulfill the specified emission limits by 2015; the modernization process is to be accelerated with financial support.

Last year, Bilfinger Berger also expanded its industrial-services business in Australia. With the acquisition of Simon Engineering, we doubled our output volume in this field in the fifth continent. Our activities now include the maintenance of water, gas and electricity networks as well as of machinery and recycling plants on the basis of long-term agreements.

Fru-Con, our US subsidiary, has successfully provided industrial services to renowned companies for many decades now. In the past financial year, large-volume framework agreements covering the repair and maintenance of production plants were extended at various locations.

Facility Services – integrated service packages at their best

The Facility Services division's output volume increased by 10% to €591 million (2004: €537 million). Bilfinger Berger Facility Services started operation in 2005 and encompasses the activities of HSG, Wolfferts and EPM Assetis. Bilfinger Berger has thus become one of Germany's top providers of complex real-estate services. Step by step, this business is being expanded to selected European countries such as Switzerland and Poland. The United States is also an important market for Bilfinger Berger; our subsidiary Centennial is a successful provider of specialized services for buildings there.

HSG is one of Germany's leading providers of sophisticated facility management. It offers individual technical, commercial and infrastructure services – from single solutions to integrated complete packages – for office and administrative buildings, shopping centers and arenas for sports or other events. For example, HSG bears full responsibility for all commercial and technical facility services at the new BMW plant in Leipzig. One of the highlights of the past financial year was the preparation of the final event of the World Youth Day in Cologne – in close collaboration with the Bilfinger Berger Building division. The shared know-how is to be applied in the future with the organization of other major events. HSG also successfully penetrated other European markets in 2005. In Switzerland, it gained a contract to service all 175 properties of ABB Immobilien AG. This framework agreement for a period of five years covers the complete commercial and technical facility management as well as the maintenance of technical equipment in the buildings and the provision of consulting services.

With our subsidiary EPM Assetis, formed in 2005, we now also have a top position for commercial facility management in Germany. Bilfinger Berger has a 70% interest in EPM Assetis and Westdeutsche Immobilienbank holds the remaining 30%. The company is one of the leading independent real-estate managers and offers its customers first-class property and asset management as well as consulting services. It is responsible for more than 1,000 properties with a total floor space of eight million square meters and annual rental income of over €600 million. In close cooperation with renowned banks, EPM Assetis optimizes complete real-estate portfolios. This complex business offers good prospects for the future. On the one hand, banks are increasingly concentrating on their core business and are outsourcing the management of real-estate portfolios to specialists. On the other hand, the German real-estate market is attracting more and more interest from international investment companies, which also utilize the competence of external service providers.

In the United States, Centennial, a subsidiary of Fru-Con, carries out building maintenance work on the basis of long-term framework agreements. Its most important clients are public institutions. Last year, Centennial once again strengthened its customer relations and extended numerous framework agreements, including contracts for the maintenance of properties belonging to the US Army Corps of Engineers in Washington State.

Outlook

The Services business segment will continue to grow in 2006 – both organically and through acquisitions which will round off its range of services and to penetrate new market regions.

In the Industrial Services division, rising energy requirements worldwide offer good conditions for the continued successful development of Babcock Borsig Service. The company will grow its business in existing target countries on the basis of its all-round engineering expertise. For Rheinhold & Mahla, Eastern Europe remains a key market of the future due to the need for industrial modernization there. In the countries of Western Europe, a growing demand for full-service packages is apparent. The takeover of maintenance management in the Höchst and Griesheim industrial parks is an important reference for comparable projects from the chemical and pharmaceutical industry in Germany and the rest of Europe.

The companies of our Facility Services division also have good prospects. Internationally active companies are increasingly looking for service partners who can take over demanding tasks all over Europe. HSG is well prepared to support its clients outside Germany. In the field of commercial facility management, EPM Assetis will have opportunities from the structural changes taking place in the German real-estate market. In the United States, Centennial is focused on a specific market segment. Its success will be ensured by high levels of competence and long-term customer relations.

For the year 2006, we expect the Services business segment to increase its output volume and to improve its EBITA once again.

Concessions

- **New involvement in Canada, Australia and England**
- **Further growth in net present value of future cash flows**

Within just a few years, Bilfinger Berger has successfully established itself in the markets targeted by its privately financed concession business. With the development of what has become a respectable project portfolio, our actions have always been guided by the criterion of return on capital employed. We will continue to be guided by this principle in the future in order to secure the success of the business over the long term. Our expertise in the planning, control and execution of construction processes and the Group's internal know-how in the field of services allow a sound assessment of risks and effective risk management throughout all project stages. This gives us a key strategic advantage compared with competitors in the finance sector.

Bilfinger Berger pursues a long-term growth strategy in the concession business. We focus on the sectors of public-sector building construction and transport infrastructure, and target markets with secure political and economic conditions such as Australia, North America and selected European countries.

In the year under review, we added three new projects to our concession business, and were selected as preferred bidder for two others. We optimized the structure of our portfolio by selling off two older projects that no longer suited the strategic orientation of our business segment: our stakes in the stock-exchange listed Bangkok Expressway Company and in the Beijing Lufthansa Center. The book value of the gain totaled €8 million. At the end of the year, our concession portfolio comprised 17 privately financed projects. Our equity commitment totaled €177 million, of which €130 million had been paid into project companies.

EBITA amounted to €4 million. Without the methodical changes described in the Business Review section of the Annual Report, EBITA would have amounted to €15 million (2004: €3 million), despite high advance costs for new projects. As previously explained, this reclassification at Group level has no impact on earnings before taxes or net profit.

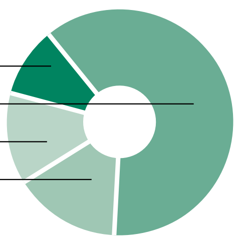
For the assessment of the success of our activities in the concession business, we consider not only operating profit but also the annual change in the net present value of future cash flows. By the end of 2005, the value of our portfolio had increased to €183 million (end of 2004: €153 million), despite retirements of €32 million due to the sale of project participations. It is thus well above the book value of the paid-in equity.

Key figures for Concessions

Number / € million	2004	2005	Δ in %
Projects in portfolio	16	17	+6
thereof, under construction	11	8	-27
Committed equity	171	177	+9
thereof, paid-in	112	130	+16
EBITA	+3	+4	+33
Employees (number at December 31)	64	80	+25

Concessions: equity investment by region

%	2004	2005
Germany	10	10
Australia	55	61
United Kingdom	9	13
Other regions	26	15
Total	**100**	**100**



Projects of Bilfinger Berger BOT GmbH

	Project-volume € million	Bilfinger Berger's share of project %	Bilfinger Berger's share of equity € million	Method of consolidation	Project status	Period of concession
Transport infrastructure						
Herrentunnel, Lübeck, Germany	176	50.0	11.7	equity method	in operation	2005-2035
Cross City Tunnel, Sydney, Australia	520	20.0	52.0	equity method	in operation	2005-2035
Westlink M7, Sydney, Australia	1,350	5.0	28.6	not consolidated	in operation	2005-2037
M6, Hungary	482	40.0	19.2	equity method	in construction	2006-2026
Kicking Horse Pass, Canada	100	100.0	7.7	fully consolidated	in construction	2007-2030
Building construction						
British Embassy, Berlin, Germany	38	100.0	2.8	fully consolidated	in operation	2000-2030
North Wiltshire Schools, United Kingdom	62	50.0	1.5	equity method	in operation	2002-2032
Maternity Hospital, Hull, United Kingdom	37	100.0	3.8	fully consolidated	in operation	2003-2032
Bedford Schools, United Kingdom	41	80.0	4.1	fully consolidated	in construction	2006-2035
Liverpool & Sefton Clinics, United Kingdom	20	24.0	0.4	equity method	in operation	2005-2030
Barnet & Harringey Clinics, United Kingdom	24	24.0	0.3	equity method	in operation	2005-2031
Victoria Prisons, Melbourne, Australia	150	100.0	16.9	fully consolidated	in construction	2005-2031
Administrative Center, Unna, Germany	24	90.0	2.8	fully consolidated	in construction	2006-2031
Hospital, Gloucester, United Kingdom	60	50.0	2.8	equity method	in operation	2005-2034
Coventry Schools, United Kingdom	36	80.0	2.9	fully consolidated	in construction	2007-2035
Royal Women's Hospital, Victoria, Australia	198	100.0	11.0	fully consolidated	in construction	2008-2033
Kent Schools, United Kingdom	155	60.0	8.0	fully consolidated	in construction	2007-2035
			176.5			

Transport infrastructure – strong demand abroad, new impetus in Germany

In our international markets, private capital resources are often utilized to maintain and expand transport infrastructure.

In 2005, we succeeded in spreading our concession activities to North America. At the beginning of November, agreements took effect for the realization of a 26-kilometer section of the Trans Canada Highway in the Rocky Mountains. Bilfinger Berger will design, construct and finance this route over the Kicking Horse Pass. Following completion, we will maintain the availability of the highway section for a 24-year operating phase for the province of British Columbia in return for a fixed monthly fee. In addition, we were selected for the realization of a bridge and related roads in the Canadian city of Vancouver. This project includes the design, financing, construction and long-term operation of a 1,000-meter-long bridge as well as a three-kilometer highway section and a nine-kilometer connecting road. The construction work is to be carried out by a consortium led by Bilfinger Berger. After completion, we will be responsible for operation over a 32-year period, also for a fixed fee paid by the regional transportation company. This provides our concession business with an additional strong base in North America.

In Australia, the Cross City Tunnel in Sydney went into operation in August 2005 and is now in the initial phase, in which inner-city traffic flows will find new patterns. The tunnel is already contributing significantly to an improved traffic situation in the center of Sydney.

We are now realizing our first privately financed infrastructure project in the British Isles. A consortium led by Bilfinger Berger is responsible for the improvement of urban highways in Belfast. In total, we have taken over the operation and maintenance of 60 kilometers of motorway for a period of 30 years.

In Hungary, the construction of the 58-kilometer M6 highway south of Budapest is making good progress. The highway is expected to go into operation this year. Our project company will be paid a fixed fee to maintain its availability over a period of 21 years.

The privately financed realization of transport projects has received a boost in Germany. The parties involved in the coalition federal government formed in the fall of 2005 declared in their coalition agreement their intention to "place transport-infrastructure financing on a broader basis". Policymakers have realized that the use of private capital is necessary to maintain and improve the road network.

The German construction industry has presented a study on ways of privatizing the German autobahn network. The study suggests that full privatization including the network's physical assets is currently unlikely. But substantial efficiency gains could already be realized with functional privatization – by awarding concessions for operation, maintenance and development. At the same time, the privately financed widening of certain autobahn sections, which has been planned for a long time now, must be rapidly realized so that practical experience is gained in Germany with the instrument of public-private partnerships also in the field of transport infrastructure.

Public-sector building construction – new projects in England and Australia

We also expanded our concession portfolio in the field of public-sector building construction in 2005. The regional focus of this business remained on the British Isles and Australia.

In the English county of Kent, we took on another major school project, where we will design, finance and construct six school buildings, and operate them over a period of 28 years. In the counties of Wiltshire and Bedfordshire, five schools are already in operation that we realized in the context of a public-private partnership. Another school complex is under construction in Coventry. In England, in addition to educational facilities, we are also realizing clinics and doctors' centers in Liverpool and London. Hospitals in Gloucester and Hull are already in the operating phase.

In Australia, the decision was made in 2005 for another project in the field of health care: Bilfinger Berger is to design, finance and construct the Royal Women's Hospital in Melbourne and will then operate it over a period of 25 years. West of Melbourne, two prisons have been constructed and will go into operation soon.

In Germany, interest in public-private partnerships for building construction has increased sharply. Last year, numerous projects came onto the market giving rise to intense competition. We apply the same strict selection and return criteria for bids in Germany as we do for our international business.

Outlook

We will systematically expand our involvement in the concession business. Return on capital employed will continue to be the decisive criterion when selecting projects.

In the field of transport infrastructure, we anticipate continuing strong rates of market growth in Australia. We also see good prospects in North America and some European countries. The accumulated need for investment in Germany can only be effectively reduced with the aid of private-sector investment. Politicians' commitment to more public-private partnerships in transport construction is an encouraging sign, but must be followed by concrete measures.

We also intend to participate in the positive development of our target markets in the field of public-sector building construction. We have a strong competitive position in Australia, the British Isles and Germany.

For the 2006 financial year, we anticipate further growth in our concession portfolio and repeated positive value added.

Evaluation of the concessions project portfolio

Like last year, our BOT portfolio has been valued with the use of the discounted cash-flow method (DCF). We determine the present value of all the expected free cash flows that will accrue to us from the projects in our capacity as equity investor. The present value is the total of future cash flows discounted to present-day values. To ensure that the valuation adequately reflects the risks involved, we adjust the interest rates in line with the characteristics of the individual projects.

Discount rates

	%
Weighted risk-free basic interest rate	6
Supplement for type of project	2-4
Supplement for construction phase	3
Supplement for going into operation	2
Supplement for full operation	0

Unchanged from the prior year, the following principles have been applied:

- The DCF method of valuation is generally used.
- Only projects for which entire financing contracts have taken effect are included (“financial close”).
- The cash flows accruing from the projects are calculated with the use of financial models that have been approved by the external lenders.
- Future potential refinancing gains are not taken into account in the valuation.

The development of the value of a concession is subject to a lifecycle. The initial realization phase harbors both the highest potential for value creation and the highest risks, which decrease as the project matures. The calculation of the discounted cash flows is therefore based on specific interest rates that are the sum of a risk-free basic interest rate and a premium for the type and phase of the project.

The weighted risk-free basic interest rate is derived from the long-term interest rates for government bonds in the respective countries of investment (the United Kingdom, European Monetary Union, Hungary, Australia, Canada).

The premium for the type of project differentiates between:

- Projects whose revenues depend exclusively on the degree of availability, for example schools (2%).
- Projects that entail limited volume risks (3%).
- Projects whose revenues depend on the extent of use by third parties, for example toll roads (4%).

Because investments in the construction phase are exposed to the risk of completion on schedule and on budget, there is a premium of 3% on the discount rate during this period. The supplement for projects that are in the ramp-up phase is 2% to reflect the risks of operating costs. This ceases

Project portfolio December 2005

€ million	2004	2005	2004	2005	2004	2005	2004	2005
		Contractually committed equity		Paid-in equity		Future cash flows		Present value of future cash flows
Transport infrastructure	125.6	119.2	79.9	102.2	654.9	736.5	92.5	125.5
Building	45.4	57.3	32.5	27.7	273.5	317.4	60.0	57.4
Total	**171.0**	**176.5**	**112.4**	**129.9**	**928.4**	**1,053.9**	**152.5**	**182.9**

Cash flows for Bilfinger Berger 2006-2037 (after taxes)

€ million

	2006	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Transport infrastructure	-7.5	6.2	9.4	4.6	14.9	17.5	18.6	19.5	20.0	20.6	22.9
Building	-2.1	3.3	-13.4	7.9	7.4	7.4	7.4	7.5	7.6	7.7	7.6
Total	**-9.6**	**9.5**	**-4.0**	**12.5**	**22.3**	**24.9**	**26.0**	**27.0**	**27.6**	**28.3**	**30.5**

	2017	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**
Transport infrastructure	23.7	24.4	25.9	25.3	24.0	23.6	27.1	34.5	41.7	42.6	27.6
Building	10.6	7.8	7.4	7.6	7.5	7.7	9.4	10.4	9.7	10.2	10.5
Total	**34.3**	**32.2**	**33.3**	**32.9**	**31.5**	**31.3**	**36.5**	**44.9**	**51.4**	**52.8**	**38.1**

	2028	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**Total**
Transport infrastructure	27.9	29.0	39.3	30.3	31.8	32.3	32.9	31.1	11.9	2.9	736.5
Building	35.4	18.1	27.2	46.5	5.7	15.3	13.5	7.8	0.8	0.0	317.4
Total	**63.3**	**47.1**	**66.5**	**76.8**	**37.5**	**47.6**	**46.4**	**38.9**	**12.7**	**2.9**	**1,053.9**

to apply when the revenues and the costs are certain, which is generally after one year of operation for straightforward availability models, and after two years in the case of projects involving demand risks.

The expected future cash flows are therefore discounted at rates of between 8% and 13%. The weighted discount rate for the concession portfolio, which comprised 17 projects at the end of 2005, was 11.9%.

On the balance-sheet date, the expected future cash flows from the existing portfolio up until the year 2037 amounted to €1,053.9 million, compared with €928.5 million at the end of 2004.

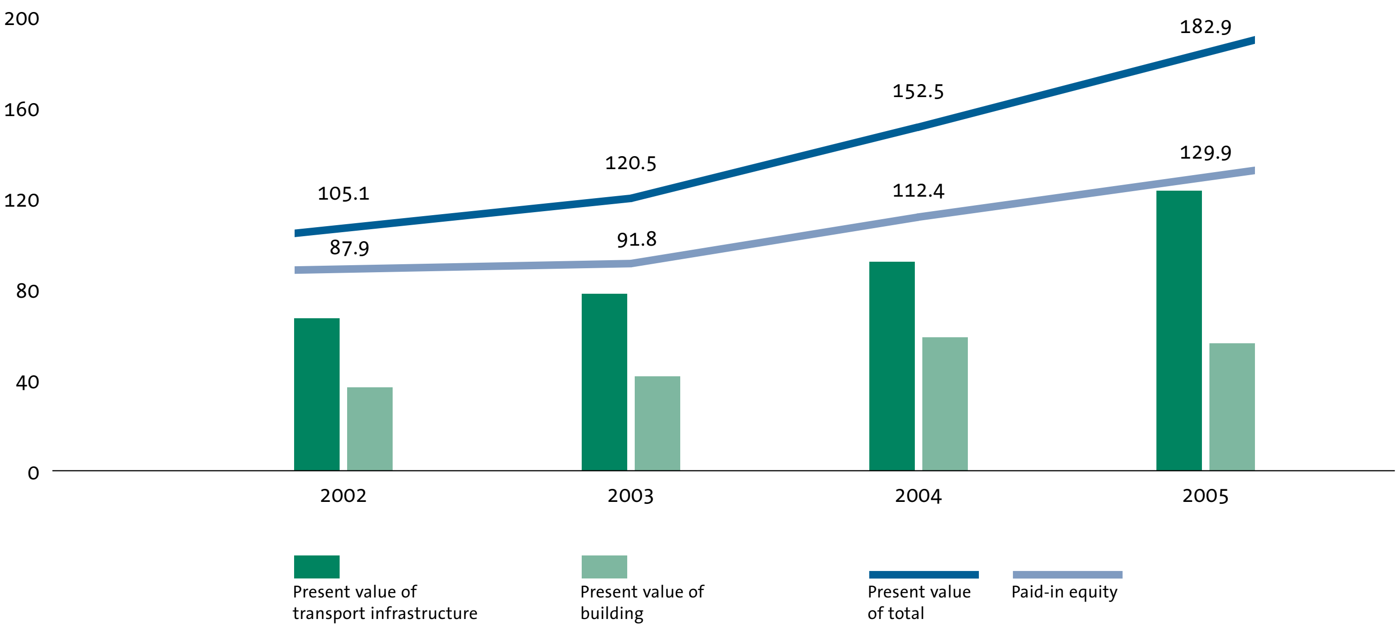
Change in present value Dec. 2004 - Dec. 2005

€ million

	Present value Dec. 2004	Project disposals	Equity contribu-tions	Refinancing	Exchange-rate changes	Pres. value Dec. 2004 updated to Dec. 2005	Increase in value	Present value Dec. 2005
Transport infrastructure	92.5	-16.8	40.3	0.00	6.9	122.9	2.6	125.5
Building	60.0	-14.9	2.7	0.00	1.8	49.6	7.8	57.4
Total	**152.5**	**-31.7**	**43.0**	**0.00**	**8.7**	**172.5**	**10.4**	**182.9**

Development of paid-in equity and present value

€ million

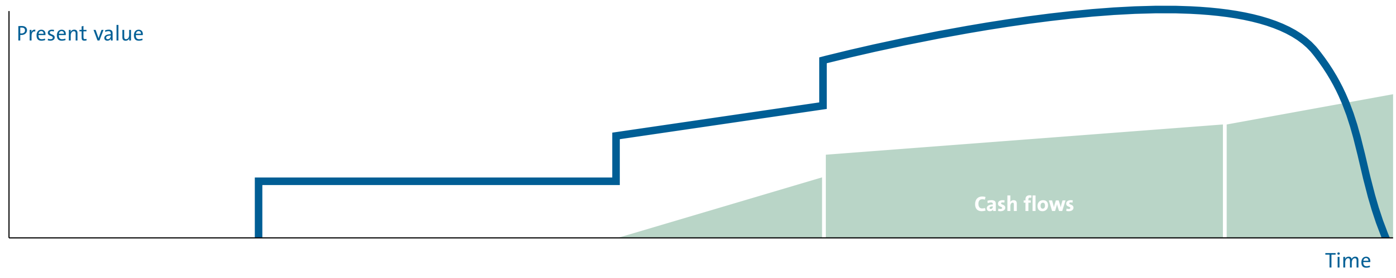


With the application of the project-specific discount rates, the cash value at December 31, 2005 amounted to €182.9 million, which is substantially higher than the paid in equity totaling €129.9 million.

The increase in the present value to €182.9 million (2004: €152.5 million) results from:

- Regular capital contributions to existing projects (€43.0 million).
  Capital contributions to projects increase the total present value of the Concessions portfolio. However, they do not represent any growth in intrinsic value deriving from operating activities.
- Exchange-rate movements (€8.7 million).
  Exchange-rate movements influence the nominal value of the future cash flows in euros and thus also the total present value of the concession portfolio in euros. Changes in value due to exchange-rate fluctuations are eliminated in the calculation of the growth in intrinsic value.
- Sale of equity interests (minus €31.7 million).
  The sale of equity interests reduces the nominal value of expected future cash flows and thus the present value of the concession portfolio at year-end. Gains on disposals of €8 million are included in EBITA in 2005, but are not part of the growth in intrinsic value.

Development of paid-in equity



Preferred bidder (2)	Construction (8)	Ramp-up (6)	Yield (3)	Maturity (0)
Golden Ears Bridge, Canada	Bedford Schools, United Kingdom	Barnet & Harringey Clinics, United Kingdom	British Embassy, Berlin, Germany	
M1 Westlink, Belfast, United Kingdom	Coventry Schools, United Kingdom	Cross City Tunnel, Sydney, Australia	Maternity Hospital, Hull, United Kingdom	
	Kent Schools, United Kingdom	Hospital, Gloucester, United Kingdom	North Wiltshire Schools, United Kingdom	
	Kicking Horse Pass, Canada	Herrentunnel, Lübeck, Germany		
	Administrative Center, Unna, Germany	Liverpool & Sefton Clinics, United Kingdom		
	M6, Hungary	Westlink M7, Sydney, Australia		
	Royal Women's Hospital, Victoria, Australia			
	Victoria Prisons, Melbourne, Australia			

- Growth in the intrinsic value from operating activities (€10.4 million), consisting of:
  - Growth in value due to the maturation of the portfolio (€7.1 million).
  - Growth in value due to the acquisition of new products (€3.3 million).

The maturation process – from financial close, through the construction, ramp-up and operating phase, to settlement – constitutes the intrinsic value added of our Concessions business segment. To determine the ROCE within the framework of our return-on-capital-employed controlling, we therefore include the growth in value of the portfolio of €10.4 million in addition to EBITA.

Since our project portfolio is at an early stage of maturity, we anticipate a positive development of its value.

Research and development

Bilfinger Berger regards effective research and development as a guarantee of success in the future. Our work in this area focuses on the further development of processes as well as on innovation.

In 2005, the number of research projects controlled from headquarters increased again, resulting in new approvals by building authorities, patents and registered industrial designs. We concentrate our research and development activities on our core fields of business, thus enhancing the quality of our construction products and services.

Collaboration with leading universities

The program is coordinated and controlled from headquarters, while the actual development work is done in the divisions and subsidiaries. This procedure improves the efficiency of planning and implementation processes and ensures that we focus on the needs of the market. In this way, we create technically sophisticated and economical solutions. In addition to this project-related development work, Bilfinger Berger cooperates with leading universities to carry out research on selected topics. This work also aims to achieve direct operational benefits.

More than 50 supported research projects

In the 2005 financial year, more than 50 research projects were supported by headquarters – in the areas of building materials, measuring technology, construction elements and structural technology, renovation methods, sustainable building, process and machine technology and technical knowledge management.

For example, in collaboration with universities and scientific institutes, we further developed a software tool allowing the depiction in model form of linked temperature and damp zones for buildings or parts of buildings made of concrete. This not only makes it possible to predict the strength curve of a newly built structure, but also enables us to calculate extreme temperature effects, resulting from a fire, for example.

We continued a project on mobile quality management and the electronic hand-over of delivery notes together with universities and industrial partners, and developed a functioning prototype of a construction-site portal. The portal was awarded a prize in the "Built on IT" competition organized by the Federal Ministry of Economics and Technology.

Our building, services and concession companies are collaborating with universities on the further development of our calculation and forecasting tool. Its programs allow the calculation of the cost of constructing, equipping and operating various types of buildings, as well as generating energy analyses and estimating maintenance costs. This supports and improves our comprehensive range of consulting, construction and services package: i.volution.

From the starting point of a research project subsidized by the Federal Environment Ministry, we are developing new calculating methods for various foundation structures for offshore applications. Our growing expertise in this area strengthens our position with new future-oriented projects such as the construction of offshore wind turbine generators.

Less tool wear in tunnel construction

In tunnel construction, we are investigating how to reduce tool wear and tear and predict the lifetime of drills and chisels. The goal of this investigation is to develop our own forecasting methods. This will give us a know-how advantage when planning driving work and budgeting the expected costs.

Cost advantages from hybrid load-bearing structures

Within a research project on hybrid load-bearing structures, we developed ductile load-bearing elements with large centric capacities that can be prefabricated to a large extent and are easy to install. Steel construction profiles are used in combination with self-compacting high-strength concrete to achieve high load-bearing capacity and ductility. In connection with this project, we also worked on increasing the fire resistance of self-compacting concrete.

Innovations in vacuum technology

Our subsidiaries Roediger and Airvac have created pioneering innovations in the field of vacuum drains. They have now developed complete systems for building drainage. With significantly lower construction costs, shorter construction periods and a closed system without any leakage or unpleasant odors, vacuum drainage is often superior to conventional drainage systems – technically, ecologically, and economically. Particularly in the field of offshore, railway and airport applications, these systems are already in successful use today.

Optimal control of sewage treatment plants

Passavant has continued developing the technology of its successful Aqualogic system to offer a pioneering control system for sewage treatment plants. Aqualogic controls sewage treatment plants in terms of oxygen requirements and nitrate levels, as well as via oxygen requirements and redox potential, the total of oxidizing and reducing processes in water. The technology developed by Passavant has the advantage of the maximum possible operating safety. It offers breakdown concepts in the case of defective measuring sensors, remote monitoring and emergency notification via mobile telephony. Aqualogic can be installed alone, or can be integrated into existing process control systems. This sophisticated technology makes it possible to increase the capacity of sewage treatment plants while significantly reducing operating costs.

Research goal: the zero-emissions power plant

Yet another research project aims to reduce the emissions of fossil-fuel power plants. Babcock Borsig Service is involved in a research project entitled "Dry brown coal power plant block with minimized CO_2 emissions with the possible retrofitting of a CO_2-separator".

Coal will continue to be an important source of energy for German and international power generation. In the context of the Kyoto Protocol, the German government decided to support low-emission thermal power-plant technology.

A key factor for zero emission power plants is to increase the steam parameters of pressure and temperature. Due in particular to the increased steam temperature, extremely high demands are placed on the materials used for secure operation of power plants over long lifetimes. With the Marcko 700 research project sponsored by the German Economics Ministry, new materials for temperatures of up to 720 degrees Celsius are being tested for their suitability and qualified accordingly. Babcock Borsig Service is active in the area of welded connections, together with other industrial partners and the Material Testing Institute of the University of Stuttgart. The project started in 2005 and the laboratory tests should be completed by 2008.

Extensive international networking

In the spring of 2005, the German Construction Technology Platform (GCTP) was founded with significant participation by Bilfinger Berger. Other parties involved are German companies, top-level organizations and associations of the construction industry, the building trades, the construction materials industry, research institutes and representatives of public authorities. The GCTP has the task of combining research and development activities in the German construction sector and promoting them at a European level. As Bilfinger Berger actively supports this initiative, the Group will achieve extensive international networking in the European research sector.

The further development of expertise and technical competence in defined key areas will also be a major task for Bilfinger Berger in the coming years, and will be a basis for our success so that we continue to be one of the world's leading companies in our areas of operation. International research and development and the associated exchange of information, also with the aid of newly developed systems including semantic networks, are important areas of our work. We will continue to actively push forward with this strategy.

Procurement

A feature of the construction industry is the high volume of purchased materials and purchased services from subcontractors. Due to this particular structure, strategic procurement under optimal conditions for Bilfinger Berger is a key factor for our success. We see this as a comprehensive approach to all of our construction and services activities. In the 2005 financial year, purchased materials and subcontractor services amounted to 62% of the Group's total expenses.

As our total output volume increased significantly in 2005, the Group's total procurement volume rose by 11% to €3.9 billion. Of this total, subcontractor services accounted for 71% and materials accounted for 29%.

Sharp increases in raw-material and energy prices

Following the stabilization at a high level of the prices of steel products after the extreme increases of the year 2004, price increases for oil and oil products were predominant in 2005. The sharp increase in demand from China had a drastic impact in this respect. Particularly in the rapidly expanding markets of Australia and North America, which are among our core markets, this led to a shortage of supply and thus to further price rises.

Favorable conditions secured through framework agreements

With the help of our internal and external reporting and intensive market monitoring, we ensure that we purchase the raw materials for our major projects flexibly and at the best possible conditions. In order to make full use of all opportunities, our corporate units have consistently internationalized their procurement. Headquarters supplies the relevant market overviews and secures favorable conditions through long-term framework agreements, especially for steel and construction equipment.

Costs reduced by technological alternatives

We have reacted to rising steel and cement prices also in technological terms, enabling us to reduce costs through the optimal use of materials and by changing products. For example, we have optimized the thickness of pipes and changed the formulation of concrete to reduce the proportion of cement. In the Industrial Services units, a pump and valve pool has been established to provide replacement equipment without delay and to ensure complete lifecycle management.

International contracts for heavy equipment

We have concluded internationally valid contracts with manufacturers covering the purchase of equipment, machinery and vehicles. Whether excavators, heavy-duty trucks, road-making machines or equipment for foundation engineering are needed in Germany, France, Nigeria, Poland, Australia, Sweden or the United States – our corporate units are able to make use of these agreements.

A competitive edge from a Group-wide contract database

In order to make optimal use of these advantages throughout the Group, we established a contract database on the Bilfinger Berger intranet in 2005. The database includes all of the Group and framework agreements entered into by Corporate Procurement, as well as cooperation and bonus agreements and contracts with our premium partners. In the medium term, all of the companies of the Group, including our international subsidiaries, will store their purchasing agreements in this database.

Premium partnership – a recipe for success

We have consistently expanded our premium partnerships with the supplier industry. In highly competitive markets, we focus on reliable and financially sound companies that regularly fulfill their supply obligations in line with contractual terms and conditions. We seek the best-performing partners, not the cheapest ones. As a result of intensive consultations and the effective exchange of information with selected companies, we achieve top quality and optimal solutions. These cooperative ventures are strategically important for Bilfinger Berger. Our construction and services business profits from it.

We assess the performance and reliability of our subcontractors, and enter into premium partnerships with the best of them, in order to further intensify our collaboration. A premium partner is automatically informed about new orders from Bilfinger Berger, receives the data of contact persons at the Group, can make use of Bilfinger Berger's conditions for car leasing, mobile telephony or photocopier leasing, and has a prominent position in the Group's central address administration.

We only offer premium partnerships to companies that have worked reliably and successfully for Bilfinger Berger over a long period of time. And premium partners are still subject to normal competitive conditions.

Communication and marketing

Our activities in the field of communication and marketing are tailored to the particular features of the construction and services business. In our Building and Industrial and Services segments, we primarily communicate with private clients. In the Civil segment and with BOT projects, we mainly have contacts with public-sector clients with their special contract-award regulations.

Marketing instruments typical of the branded-goods sector are only of limited use in both of these markets. At present, the public sector awards contracts solely on the basis of price; the suitability of the company involved is seldom checked.

Success with tailored solutions

Traditional product advertising does not often come under consideration for Bilfinger Berger. There is no demand for standard services, neither in the construction nor the services business. However, we are successful with tailored solutions. Our various clients expect specific concepts for their requirements. With our decentralized operating structure, responsibility for the acquisition of new business lies with the branches and subsidiaries.

Bilfinger Berger spent €4.8 million on central communication and marketing in 2005 (2004: €4.1 million). €2.3 million was spent on publications (2004: €1.9 million), €0.6 million on trade fairs (2004: €0.6 million), €0.8 million on new media (2004: €0.5 million) and €1.1 million on other activities (2004: €1.1 million).

Publishing award for Bilfinger Berger magazine

Our publication for customers, Bilfinger Berger magazine, is one of the Group's central communication and marketing instruments. The magazine appears twice a year in a print run of 20,000 copies in German and English. We offer our readers information on the various aspects of our operations in the form of feature articles and professional photography and other journalistic methods. The magazine is sent to selected appropriate addresses. The structured layout and regular updating of sales addresses ensures that readers are specifically targeted. The magazine's readers comprise approximately equal groups of investors, clients and business associates. Our readers' response is very positive. The Bilfinger Berger magazine has repeatedly been awarded prizes in the sector of customer magazines; in 2005, it won the Best of Corporate Publishing Award in silver.

In addition to the magazine, our subsidiaries have their own publications providing comprehensive information on their own activities.

Great response on the Internet

We present the Company in various ways on the Internet. In more than 30 websites, the Group presents itself, its subsidiaries and various brands. All of our websites are linked.

The Bilfinger Berger website is available in German and English versions. Our German website at www.bilfingerberger.de is visited by up to 1,500 interested persons every day. It offers comprehensive information on the Group in five sections entitled Vision, The Company, Investor Relations, Careers and Current Issues. The Articles of Incorporation and the Company's boards, business segments and projects are presented in addition to the Company's history, strategy and goals, facts and figures.

We also report on training at the Group, positions available and opportunities for interns and freelancers. Our press notes provide up-to-date information on important events at the Group. Furthermore, we offer a press service, an overview of important dates and current invitations to tender. The website is used intensively by clients, shareholders, potential employees, journalists and the interested public.

Central marketing database

We maintain a central database system to support the operational units with the acquisition of customers. At any time, this includes descriptions of the Group, its divisions and projects, as well as reference lists, technical records and certificates. Furthermore, the database contains photographs, PowerPoint presentations and links to various other marketing instruments. With the aid of this system, data can be prepared individually and processed into valuable information packages throughout the Group in a very short time. This service is widely used and successfully applied.

i.volution – a special subject at the Expo Real 2005

The Group is represented at the most important trade fairs. At the Expo Real 2005 in Munich in October, our Building division and our Facility Services units presented themselves on a large shared stand. The first trade-fair appearance by our new brand, i.volution, was received with great interest from visitors. This comprehensive approach to consultation and services for each phase of a building's lifecycle was given an excellent reception by customers and specialist visitors at the trade fair, and was assessed as a recipe for success in the future.

At IFAT in Munich, the well-known International Trade Fair for Environment, Waste Water and Waste Disposal, we were represented by the companies' environmental units. We also successfully participated in the Facility Management Trade Fair in connection with the European Facility Management Conference in Frankfurt am Main. And Rheinhold & Mahla had its own stand at Maintain, the premiere of the International Trade Fair for Industrial Maintenance, also in Munich. The positive feedback is evidence of the enormous potential of these activities.

Close communication with our clients

Close communication with our clients has top priority at Bilfinger Berger. We want to know what our clients think about us and where we can expand and improve our products and services. Systematic customer surveys are therefore a permanent instrument to check and improve customer satisfaction. It is standard procedure at Bilfinger Berger to actively inquire of our clients about how they view the quality of our services – both during the work and after completion.

125 years of Bilfinger Berger

"Giving shape to visions and realizing innovative ideas" – this was the motto of the celebration of the 125th anniversary of Bilfinger Berger, which took place in Mannheim from June 24 to 26, 2005. At the official celebration in Bilfinger Berger City on the May Markt, Mannheim's exhibition grounds, speeches were made by Günther H. Oettinger, State Premier of Baden-Württemberg, Prof. Dr. Wolfgang Franz, President of the Center for European Economic Research, and Herbert Bodner, our Executive Board Chairman.

Timed to coincide with the anniversary, we published the brochure "From Construction Company to Multi Service Group – 125 Years of Bilfinger Berger" and a 622-page chronicle "Three Roots – one Company". The latter is an extensive volume illustrated with many historical photographs and documents, and is worth reading not only as a history of the Company, but also as a depiction of the technical developments in all areas of construction in the last 125 years, and as a critical historical analylis.

Human resources

In the past financial year, the size of our workforce increased by 5,494 persons due to the expansion of business and the acquisition of new companies. As of December 31, 2005, the Bilfinger Berger Group employed 55,346 persons worldwide (2004: 49,852). The proportion of the workforce accounted for by white-collar staff was 25.8% (2004: 24.0%).

In Germany, the number of employees increased to 15,005 (2004: 13,291). 40,341 persons were employed outside Germany (2004: 36,561), equivalent to 72.9% of the total (2004: 73.3%). The number of apprentices and trainees at the Group rose to 940 (2004: 881).

Changed employee numbers in the business segments

During the course of the year, the number of persons employed in the Civil business segment increased by 1,390 to 23,480. While the number of employees in Germany decreased by 221 due to persistent weak demand, the number employed abroad increased by 1,822 thanks to positive business developments in Nigeria and Poland.

In the Building and Industrial business segment, employment decreased by 343 to 9,629 persons. Reductions of 211 employees in Germany and 601 in the Unites States were partially offset by an increase of 416 employees in Nigeria.

The most significant change in 2005 took place in the Services business segment, where the workforce increased to a total of 21,709 persons. This was primarily due to the purchase of Babcock Borsig Service with 2,791 employees and Simon Engineering with 1,002 employees. But Rheinhold & Mahla's workforce also grew by 1,687 persons due to the expansion of business. In the Concessions business segment, the number of persons employed increased by 16 to 80 at the end of the year.

Return to 40-hour work week in the construction industry

The dispute over wages and conditions in the German construction industry came to an end after one year in June 2005 with the conclusion of a new collective bargaining agreement. For the period of September 2005 through March 2006, persons employed in the old states of Western Germany receive one-time payments of €30 per month. As of April 2006, wages and salaries will rise by 1%. Longer working times were also agreed: as of January 2006, a working week comprises 40 hours, without an extra payment for any increase involved. This will reduce unit labor costs by an average of 2.5%. Wages and salaries in Eastern Germany remain unchanged. Furthermore, the wage-bargaining parties agreed on a new system of payment by performance, allowing special rewards for good work and deductions for deficient work.

In its various business segments, Bilfinger Berger has greatly differing wage and salary tariffs, some of them applying for the construction industry throughout Germany, others only valid for Bilfinger Berger. The Group aims to apply the most competitive tariffs in its companies.

Focus on human-resources development

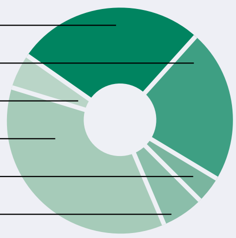
Systematic human-resources development is one of the key tasks at our Company, and is established as a major goal in our corporate vision. Each employee should be helped to develop for the position in which his or her abilities and ideas can be optimally applied – in the best interests of both the employee and the Company.

Employees by business segment

	2004	2005	Δ in %
Civil	22,090	23,480	+6
Building and Industrial	9,972	9,629	-3
Services	17,125	21,709	+27
Concessions	64	80	+25
Headquarters, other units	601	448	-25
Total	**49,852**	**55,346**	+11

Employees by region

	2004	2005	%
Germany	13,291	15,005	27
Rest of Europe	12,538	12,039	22
America	3,761	2,864	5
Africa	16,356	19,874	36
Asia	1,183	2,042	4
Australia	2,723	3,522	6
Total	**49,852**	**55,346**	**100**



The measures associated with this range from the identification and training of ambitious young employees to preparing managers for new leadership tasks.

Through our university marketing we maintain close contacts with selected German and international universities and scientific institutes in the fields of technology and business administration, so that we can identify persons with outstanding potential and awaken their interest in our Company. We are also represented at the Graduates' Congress in Cologne, the biggest applicant event in Germany. We further extended these activities in 2005. Among other things, we award prizes for excellent dissertations and study papers and offer internships to qualified students. In order to counteract the future shortage of civil engineers that already seems likely in the light of decreasing student numbers, Bilfinger Berger is making efforts to promote this course of study in cooperation with relevant universities.

Once they are hired, young graduates undergo a special initiation program which prepares them for demanding tasks and over the course of which their performance and potential can be sytematically assessed. Our further training program focuses on four areas: leadership and management, customer orientation, specialist knowledge and methods, and social competence.

Our junior managers are gradually prepared for future tasks in high-potential groups. Together with the St. Gallen Management Center, we developed a special executive development program for senior managers that has been successfully implemented for the last two years.

A new basis for company pension plans

At the beginning of 2005, the company pension system at Bilfinger Berger AG was put onto a new basis. For each employee, a pension account is set up into which a certain amount is paid each year. As well as this employer-financed provision for retirement and risks, employees are able to pay a part of their income into their accounts as an additional pension contribution; these extra payments are tax deductible. Fixed interest is paid on the accumulated capital and, in addition, a performance-related profit participation can be added. When employees reach retirement age, they can choose whether they would like to have a monthly pension, a one-time payment, or several payments. This new and efficient pension system is an important factor for retaining employees at the Company over the long term. The new arrangement is very popular with the workforce. Many people took the opportunity to make their own additional contributions in the first year. Starting in 2006, a new pension system will also be introduced for senior executives.

Optimized human-resources controlling

We further developed our human-resources controlling in three main areas in 2005: We installed a personnel statistics system and a new database system. We also optimized the reporting of staffing levels and personnel planning. With these instruments, the Company's management has key data at its disposal for planning and controlling functions.

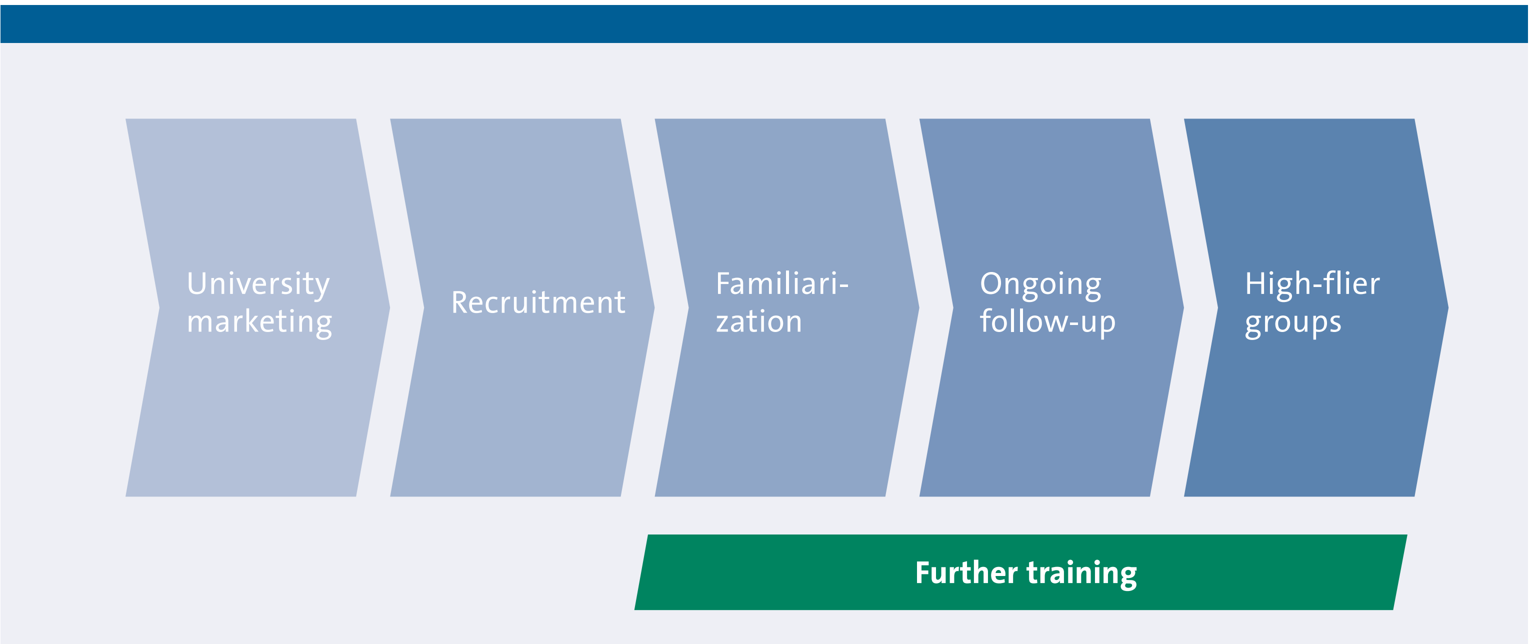
Code of conduct binding worldwide

As a Company with international operations, we are obliged to adhere to various statutory and social conditions in Germany and abroad.

Bilfinger Berger is constantly aware that the interests of the Company and its partners can only be effectively promoted through adherence to ethical principles and responsible actions. In order to define these principles clearly, we set them out in a code of conduct in 2005. This code consists of principles of behavior with worldwide validity and country-specific behavioral guidelines. It enables us to avoid damage to our Company while protecting our employees.

Our principles of conduct are: We counteract corruption. We counteract bribery, self-serving practices and waste in the Company. We counteract bid rigging. We counteract illegal employment. We demand socially acceptable behavior in our Company. These principles apply internationally to all of our employees, from apprentices to the Executive Board. The behavioral guidelines put these principles into concrete form for the various countries in which we operate, as laws and regulations differ around the world.

Human-resources development



Sustainability

For Bilfinger Berger, sustainability includes protection of the environment as well as our involvement in educational policy, culture and the arts and society in general.

Water pollution control

On our construction sites, we use double-walled tank containers with leakage indicators, or, as an alternative, equipment is refueled directly from fueling trucks. Waste oil is not stored on construction sites, but is transported away in service vehicles immediately after the oil change. Sludge traps and separators for light liquids are installed at our storage sites and are emptied regularly.

Waste

We consistently separate all waste materials. This enables us to achieve high recycling rates and to reduce costs. Bilfinger Berger Environment has appointed waste executives in its soil reclamation plants. The delivery of waste material, its processing and storage are thoroughly documented by these persons.

Emissions

In order to reduce emissions of noise, vibrations, dust and exhaust fumes to an absolute minimum, we give due consideration to the selection of environmentally compatible construction processes and equipment already in the phase of work preparation.

Corporate citizenship

Bilfinger Berger regards good corporate citizenship as an important investment in the community from which both sides benefit. On the one hand, it facilitates many projects that make good sense in educational and social terms, which would be impossible without the Group's financial or manpower assistance. On the other hand, good corporate citizenship improves the Group's image and offers the opportunity to make and maintain business contacts in a different environment.

Bilfinger Berger is involved in many areas, in particular education and science, culture and the arts, regional support and humanitarian aid. Furthermore, individual employees have initiated various aid projects, in Russia for example, and for children in the Himalayas.

Education and training

Bilfinger Berger encourages its next-generation engineers to deliver above-average performance by awarding prizes. The Bilfinger Berger prizes, which are awarded to students of the technical universities in Aachen, Darmstadt, Karlsruhe and Dresden for outstanding achievements, are highly desired and respected. Bilfinger Berger donates half of the Hans-Jürgen-Ewers-Prize, which has been awarded since 2003 by the Technical University of Berlin for exceptional work in the field of applied economic infrastructure research. At the University of Mannheim, we provide support for students' education as a sponsoring partner of the Faculty of Business Administration.

Risk report

With its risk management system, Bilfinger Berger promotes awareness of risks at all management levels and with all employees. The system is an integral component of the management processes and helps to avoid risks wherever this is possible, or at least to recognize risks at an early stage and to avert any resulting dangers for the Company. All provisions have thereby been made to ensure that the Group achieves its goals.

The elements of the system are strategic business planning combined with a detailed reporting system that is always up to date, an early warning system and an internal monitoring system. Risk management at Bilfinger Berger is a continuous and decentralized process.

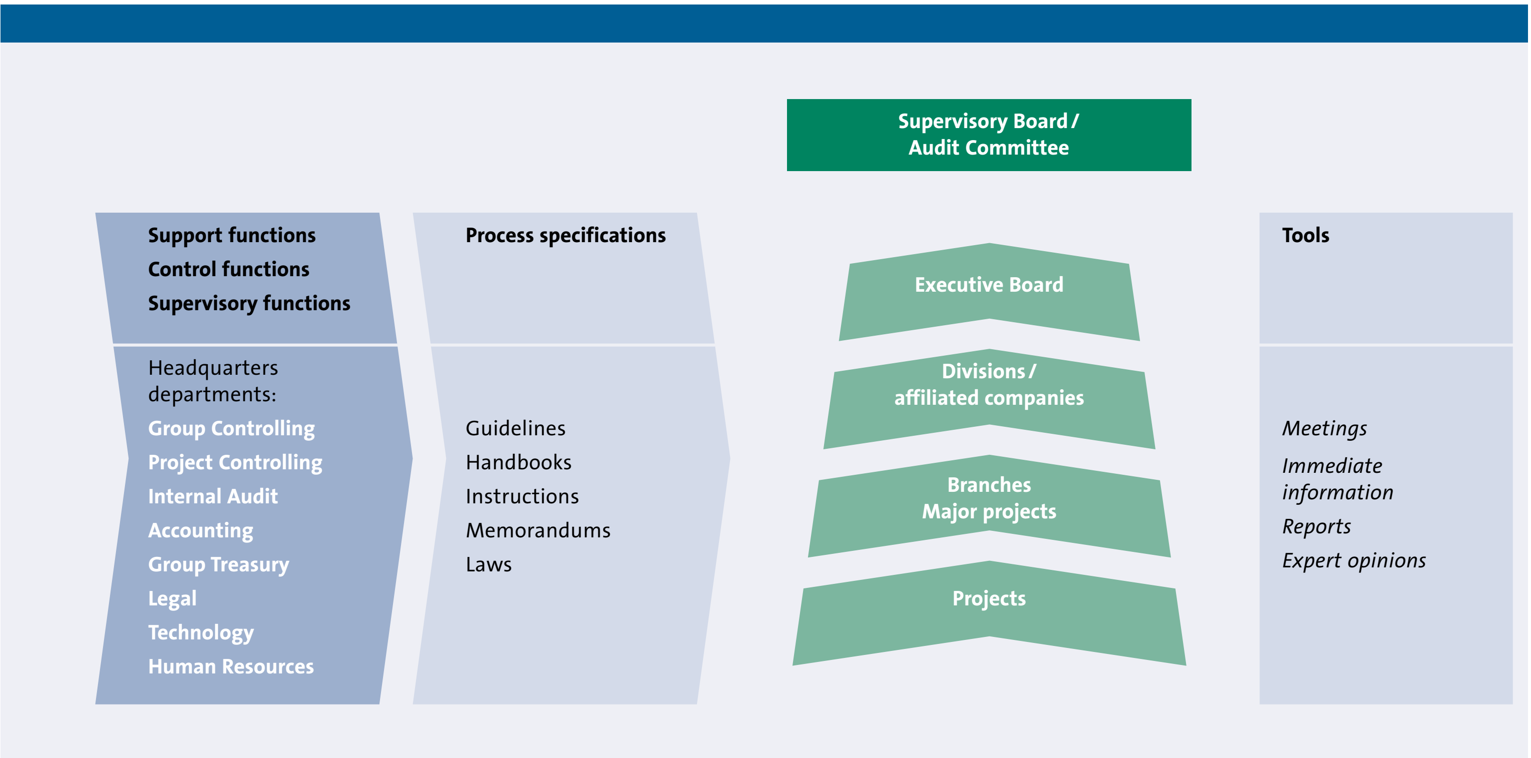
Each year, the Group sets new targets for monthly reporting for all the units and subsidiaries of the Group. The monthly reporting system informs the Executive Board and all management levels about the current economic situation. The actual situation is analyzed at all levels. Using marginal values and deviation parameters defined at headquarters, relevant risks are recognized, monitored and limited in their effects by taking suitable measures.

Headquarters are also responsible for additional controlling functions. For example, orders with a volume of more than €50 million or with special risks can only be accepted if they are expressly approved by the Executive Board. Such projects are critically monitored from the offer stage through to completion and the Executive Board is directly informed of the results. The Executive Board decides on financing, internal credit lines and guarantees, whereby it receives significant support from Group Treasury. In addition, Internal Auditing examines the effectiveness of all working routines and process sequences.

The corporate functions of Legal, Project Controlling and Internal Auditing also report comprehensively every quarter on projects with risks, potential dangers, extent of possible damage and the possibility of minimizing damage.

All of the processes and approval procedures stipulated by law, the Executive Board or the corporate functions are documented in manuals and working instructions, and are available in up-to-date form on the intranet to the workforce throughout the Group. Our controlling and monitoring instruments are combined into a holistic system that is subject to continuous further development. The risk management system at

Interaction of elements in the risk-management process



Bilfinger Berger is appraised by our external auditors. We make use of any suggestions they make to optimize the system.

Market risks

Macroeconomic developments in our national and international markets and any special changes in our sectors are taken into consideration under the heading of market risks. We regularly analyze how countries' economies are developing and whether we are economically competitive in our business segments. We are actively involved in advisory committees and panels to ensure that the economic effects of new legislation, ordinances and regulations are considered in good time.

As we are growing faster in the lower-risk services and concession sectors than in the higher-risk project business, overall risk for the Group is diminishing. In the construction business segments of Civil and Building and Industrial, we have organized the project business in divisions and taken steps to ensure appropriate specialization in our network of branches. This minimizes those risks that could arise from insufficient expertise.

The central monitoring of our business makes it possible to recognize risks at an early stage. We regard the specific risks of the construction business as controllable. We do not see any serious market risks in the services business at present. The same applies to our concession business, which we manage for the entire Group through a central competence center.

Country risks

Country risks include uncertainties arising from political developments in our various markets. In order to avoid or minimize such risks, we only operate in certain countries. Precautions against latent risks have been taken. We do not see any specific country risks at present.

Project risks

Risks from our project business are counteracted with comprehensive and clearly structured project management. This includes customer acquisition and order processing as well as construction and the processing of any guarantee claims.

Projects with a magnitude of over €50 million – or involving a high degree of difficulty – are additionally monitored by a headquarters unit with clearly defined technical and commercial regulations for each phase of the business. We compete solely in our defined core business segments. With complex projects in the BOT business, we make use of the expertise available in the entire Bilfinger Berger Multi Service Group to assess costs and risks reliably. In 2005, 78 major projects were under special observation.

Procurement risks

Procurement markets are currently subject to sharp fluctuations in raw-material prices and strong demand in Australia and on the east coast of the United States due to the strong economies there. We counteract the resulting risks by cooperating only with competitive suppliers and subcontractors. We secure capacities, qualities and prices by means of letters of intent and preliminary agreements. We monitor the growing volatility of raw-material markets for steel, cement and energy with a special reporting system, so that we can recognize sudden changes and take them into consideration in our pricing. We protect ourselves from extreme price increases with sliding-price clauses in our offers.

Contract and legal risks

With the help of our own legal counsel and specialized external lawyers, we counteract potential risks that might arise from various civil, tax, competition, patent and environmental laws and regulations. New projects are examined and selected from a contractual-risk point of view before an offer is prepared. Contracts and agreements are carefully examined in technical, commercial and legal terms before they are signed. At present, there are no contractual or legal risks that could have a significant impact on our financial situation, nor are any such risks recognizable for the future.

Financial risks

We monitor financial risks with proven instruments of supervision and control. The Group's reporting system guarantees the continuous identification, analysis, evaluation and control of financial risks at weekly intervals. All of our relevant subsidiaries are included in this monitoring.

Liquidity risks are monitored and controlled centrally at Group headquarters. In this context, we regularly check the effects of possible changes in our financial situation on our risk profile vis-a-vis banks and other lenders. Liquidity bottlenecks can be ruled out due to the Group's high level of cash and available credit lines and sureties. In November 2005, we made use of the favorable market environment and successfully placed a syndicated multi-currency cash credit line with our main banks with a term of five years and an extension option of another two years.

Market-price risks in the finance sector primarily involve exchange rates, interest rates and the market values of financial instruments. As a result of our central risk management, to a large extent our cash flows and financial positions are netted out. We make use of derivative financial instruments to limit any residual risks of fluctuations in earnings, valuations or cash flows. We do not undertake any financial transactions involving risks exceeding the underlying transaction. We use forward contracts and options to hedge against risks arising from foreign-currency cash flows and balance-sheet items. We generally hedge our project business in this way for the entire project period on the basis of cash-flow planning for each currency involved.

We counteract the risk of interest-rate movements by continuously monitoring the composition of our assets and liabilities subject to fixed and variable interest rates. In order to react flexibly and reduce transaction costs, we mainly make use of derivative financial instruments. We analyze and evaluate the risks arising from our net interest exposure in good time and at regular intervals.

Issuer risks can occasionally arise related to the investment of liquid funds and the application of derivative financial instruments. We limit these risks by selecting only issuers with investment-grade ratings; we also limit the terms and amounts of such transactions.

In order to limit contracting-party risks, we undertake financial transactions solely with banks with first-class ratings and on the basis of an internal limit system.

Due to the consistent application of this risk policy, there were no negative effects on the Group's earnings or financial situation in 2005.

Human-resources risks

We carefully monitor and offensively counteract the human-resources risks that may arise out of a shortage of junior managers, high staff turnover, a lack of qualifications, low motivation or an excessively old workforce. Our human-resources development enables us to recruit highly qualified employees and retain them at the Company over the long term. For this purpose, we maintain close contacts with selected universities, organize internships for their graduates and organize specially designed familiarization programs at the beginning of new recruits' careers at Bilfinger Berger.

An extensive range of courses and further training is available to our entire workforce. Individual career perspectives are discussed with our employees individually. Management positions are mainly filled from within the Group.

No specific risks are apparent in the human-resources sector.

Subsidiaries' risks

We have a clear strategy to counteract risks from subsidiaries and acquisitions. We acquire either a majority interest or 100% ownership in suitable companies. Candidate companies are evaluated by our experts with the help of comprehensive due diligence audits. The decisive features for assessment are strategic relevance, profitability, management quality and good prospects for the future. We only acquire companies that are active and successful in the market and which can make positive contributions to the Group's earnings from the start. Our recent acquisitions have also fulfilled our high expectations for return on capital and profits. New companies are systematically integrated into the Group and its risk management.

IT risks

In order to prevent unauthorized access and data loss and to guarantee the permanent availability of our systems, we protect our information technology with state-of-the-art software. Our IT structures are highly standardized. We use software products from leading producers such as SAP, IBM, RIB and Microsoft. Applicable guidelines are continuously adapted to the latest technical developments.

Overall risk

In 2005, we did not identify any individual risks whose occurrence, either alone or in combination, could have jeopardized the continued existence of our Company. If one or several unforeseen or unusual risks should occur, the possibility of an effect on the development of our output volume or earnings cannot be ruled out. However, no risks are recognizable that could threaten the Group's existence.

Events after the balance-sheet date

Bilfinger Berger's business has developed according to plan in 2006. No incidents of particular significance have occured. In our next interim report, which will be published on May 11, 2006, we will provide a detailed overview of the first quarter.

Forecast

The expansion of the world economy is likely to continue. Even the high price of oil does not seem to be able to significantly dampen the economic momentum. Continuing dynamic growth is to be assumed for the United States, many countries of the Middle East and Asia, and Australia. The European economy, however, will expand at a relatively moderate rate, although new member states of the European Union will enjoy above-average growth.

For the continuing development of the Multi Service Group our primary aim is to further strengthen our services business. We anticipate organic growth, but we also intend to make targeted acquisitions. For this purpose, we have substantial financial scope from both own resources and gearing potential. Potential candidates for acquisition must fulfill our strict selection criteria. In addition, we intend to continue to invest in high-yield concession projects. In the construction business, we aim to achieve a sustained improvement in profitability.

For the 2006 financial year, we anticipate an increase in output volume, excluding the effect of any possible acquisitions. We plan to achieve renewed increases in operating profit (EBITA) and net profit. Our shareholders will participate in the Company's growing success through an attractive dividend distribution. We aim for a distribution ratio in the region of 50%. Starting in the current financial year, the Group wants to achieve a sustainable return on capital employed of more than 11%, thus creating positive value added after covering its cost of capital.

The volume of additions to financial assets depends on the scope of new acquisitions and concession projects. Capital expenditure on property, plant and equipment will likely increase slightly.

A good financial situation and a sound capital structure continue to provide the basis for the Group's successful further development.

In addition to the traditional research and development areas of building and structural technology, the development of new processes for the repair and modernization of buildings and other structures is gaining importance, because the average age of structures is increasing and the requirements of use and function are changing. The higher prices and shortages of many raw materials and the continuing growth of environmental awareness are leading to investigations of new processes and the further development of mechanical engineering in our Industrial Services and Environmental Technology units. In the field of knowledge management, we will focus on increased international and cross-divisional networking.

In the field of procurement, we will intensify cooperation with selected premium partners. Through internationally valid cooperation contracts and framework agreements, we intend to secure additional cost advantages, improving the quality of supply and reducing our total number of suppliers.

With the ongoing networking of our marketing and sales capacities, we intend to demonstrate to our customers the broad range of products offered by the Multi Service Group. We are in control of the interface between complex tasks and the differentiated demands placed during the lifecycle of real-estate and infrastructure projects.

We continue to react flexibly to the development of construction demand in Germany and our international markets by adjusting our staffing levels. Future organic growth or further acquisitions in the services business are likely to cause growth in the number of employees in this segment. The instruments of our human-resources development are constantly being adapted to the rising demands placed on our executives.

With the aid of our systematic risk-management system, internal and external risks are constantly subjected to intensive analysis. No risks can be identified that could jeopardize the continuing existence of Bilfinger Berger in this year or the foreseeable future.

All of the statements in this report that relate to the future have been made in good faith and with the best knowledge available. However, as these statements depend on factors beyond our control, actual developments may differ from our forecasts.

Annual Financial Statements 2005

Consolidated income statement

€ million		Notes	2005	2004
Sales revenues		(6)	6,205.9	5,437.9
Changes in inventories			-2.3	22.0
Own work capitalized			4.2	4.8
Total revenues			**6,207.8**	**5,464.7**
Other operating income		(7)	129.1	129.5
Cost of materials		(8)	-3,875.0	-3,465.8
Personnel expenses		(9)	-1,710.3	-1,513.5
Depreciation and amortization		(10)	-91.8	-84.0
Other operating expenses		(11)	-545.0	-449.9
EBITA (earnings before interest, taxes and goodwill amortization)			**114.8**	**81.0**
Amortization of goodwill and other intangible assets from acquisitions		(12)	-5.3	-0.3
EBIT (earnings before interest and taxes)			**109.5**	**80.7**
Net interest result		(13)	5.9	10.3
EBT (earnings before taxes)			**115.4**	**91.0**
Income tax expense		(14)	-41.6	-34.3
Earnings after taxes			73.8	56.7
Minority interest			-7.3	-5.5
Net profit			**66.5**	**51.2**
Earnings per share, basic	(in €)	(15)	**1.80**	**1.39**
Earnings per share, diluted	(in €)	(15)	**1.79**	**1.39**

Consolidated balance sheet

€ million	Notes	Dec. 31, 2005	Dec. 31, 2004
Assets			
Non-current assets			
Intangible assets	(16)	592.4	349.3
Property, plant and equipment	(16)	512.0	475.3
Financial assets	(16)	712.3	427.8
thereof, shares in associated companies		(88.0)	(80.8)
thereof, investment properties		(34.0)	(162.4)
Total non-current assets	(16)	1,816.7	1,252.4
Deferred tax assets	(17)	135.2	112.4
		1,951.9	**1,364.8**
Current assets	(18)		
Inventories		384.5	283.5
Receivables and other assets		1,188.3	1,158.4
thereof, tax receivables		(27.2)	(30.1)
Cash and marketable securities		831.9	913.7
		2,404.7	**2,355.6**
		4,356.6	**3,720.4**
Shareholders' equity and liabilities			
Shareholders' equity	(19)		
Subscribed capital		111.6	110.2
Reserves		1,012.3	963.1
Unappropriated retained earnings		37.2	36.7
Shareholders' equity before minority interest		1,161.1	1,110.0
Minority interest		27.7	20.5
		1,188.8	**1,130.5**
Non-current liabilities			
Pension provisions	(20)	130.2	97.2
Other provisions	(21)	105.3	107.7
Financial liabilities [1]	(22)	571.7	199.7
Other liabilities	(22)	17.2	13.9
Deferred tax liabilities	(17)	74.4	52.6
		898.8	**471.1**
Current liabilities			
Tax provisions	(21)	50.2	55.4
Other provisions	(21)	419.9	343.3
Financial liabilities [2]	(22)	51.0	139.4
Other liabilities	(22)	1,747.9	1,580.7
		2,269.0	**2,118.8**
		4,356.6	**3,720.4**

[1] Thereof, non-recourse credit €485.1 million (December 31, 2004: €114 million)
[2] Thereof, non-recourse credit €10.1 million (December 31, 2004: €91 million)

Statement of changes in shareholders' equity

€ million	Subscribed capital	Additional paid-in capital	Retained earnings	Other comprehensive income: Fair valuation of securities reserve	Other comprehensive income: Hedging transactions reserve	Other comprehensive income: Currency translation reserve	Unappropriated retained earnings	Minority interest	Total
Balance at January 1, 2004	110.2	522.6	445.0	0.9	-2.5	-12.7	47.7	24.9	1,136.1
Contributions to capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividend distributions	0.0	0.0	0.0	0.0	0.0	0.0	-47.7	0.0	-47.7
Net profit	0.0	0.0	0.0	0.0	0.0	0.0	51.2	5.5	56.7
Transfer to retained earnings	0.0	0.0	14.5	0.0	0.0	0.0	-14.5	0.0	0.0
Currency adjustments	0.0	0.0	0.0	0.0	0.0	-5.5	0.0	0.0	-5.5
Other changes	0.0	0.0	2.0	-0.2	-1.0	0.0	0.0	-9.9	-9.1
Balance at December 31, 2004	**110.2**	**522.6**	**461.5**	**0.7**	**-3.5**	**-18.2**	**36.7**	**20.5**	**1,130.5**
Balance at January 1, 2005	110.2	522.6	461.5	0.7	-3.5	-18.2	36.7	20.5	1,130.5
Contributions to capital	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.4
Dividend distributions	0.0	0.0	0.0	0.0	0.0	0.0	-36.7	0.0	-36.7
Net profit	0.0	0.0	0.0	0.0	0.0	0.0	66.5	7.3	73.8
Transfer to retained earnings	0.0	0.0	29.3	0.0	0.0	0.0	-29.3	0.0	0.0
Currency adjustments	0.0	0.0	0.0	0.0	0.0	19.8	0.0	0.0	19.8
Other changes	0.0	0.0	0.9	5.1	-5.8	0.0	0.0	-0.2	0.0
Balance at December 31, 2005	**111.6**	**522.6**	**491.7**	**5.8**	**-9.3**	**1.6**	**37.2**	**27.6**	**1,188.8**

Consolidated statement of cash flows

€ million	2005	2004
Net profit	66.5	51.2
Minority interest	7.3	5.5
Write-down/write-up of non-current assets	95.9	85.3
Increase (2004: decrease) in long-term provisions	1.9	-6.7
Deferred tax expense/income	10.6	-5.8
Other income and expenses not affecting cash	1.2	-3.2
Cash earnings according to DVFA / SG	**183.4**	**126.3**
Increase in short-term provisions	19.2	46.9
Gains/losses on the disposal of non-current assets	-25.9	-13.5
Increase in inventories	-70.7	-64.9
Decrease (2004: increase) in receivables	51.3	-25.9
Increase in liabilities (excluding liabilities to banks)	30.9	129.2
Cash flow from operating activities	**188.2**	**198.1**
Proceeds from the disposal of property, plant and equipment	32.0	42.8
Proceeds from the disposal of financial assets	65.6	61.3
Investments in intangible assets	-4.3	-2.8
Investments in property, plant and equipment	-101.9	-75.9
Investments in financial assets	-228.3	-108.0
Cash flow from investing activities	**-236.9**	**-82.6**
Proceeds from a capital increase	1.4	0.1
Dividend distributed by Bilfinger Berger AG	-36.8	-47.7
Borrowing (2004: repayment of loans)	3.8	-51.9
Funding of pension obligations	-17.3	0.0
Cash flow from financing activities	**-48.9**	**-99.5**
Change in cash and marketable securities	**-97.6**	**16.0**
Other adjustments to cash and marketable securities	15.8	-2.8
Cash and marketable securities at January 1	913.7	900.5
Cash and marketable securities at December 31	**831.9**	**913.7**

Segment reporting

€ million	2005	2004	2005	2004
		Civil		Building and Industrial
Output volume (Group)	**2,746.6**	**2,447.1**	**2,081.1**	**1,989.5**
Segment earnings	**2,113.4**	**2,008.8**	**1,756.3**	**1,798.9**
(thereof, inter-segment supply of goods and services)	(0.7)	(11.8)	(134.3)	(134.7)
Cost of materials	-1,235.9	-1,190.7	-1,421.0	-1,405.9
Personnel expenses	-552.9	-524.3	-262.1	-314.6
Depreciation and amortization	-47.9	-52.6	-3.5	-2.7
Other operating expenses	-226.6	-219.1	-84.1	-66.8
EBITA (earnings before interest, taxes and goodwill amortization) [1]	**50.1**	**22.1**	**-14.4**	**8.9**
Amortization of intangible assets from acquisitions	–	–	–	–
EBIT (earnings before taxes)	–	–	–	–
Net interest result	–	–	–	–
EBT (earnings before taxes)	–	–	–	–
Income tax expense	–	–	–	–
Earnings after taxes	–	–	–	–
Minority interest	–	–	–	–
Net profit	–	–	–	–
Segment assets at December 31	**934.8**	**882.8**	**309.1**	**379.5**
Segment liabilities at December 31	**931.3**	**887.3**	**559.9**	**601.5**
Investments in property, plant and equipment	**65**	**40**	**8**	**5**
Employees at December 31	**23,480**	**22,090**	**9,629**	**9,972**

[1] EBITA includes income from investments in associated companies of €1.2 million (2004: €3.6 million).
Thereof, Civil €2.5 million (2004: minus €0.4 million), Services €1.5 million (2004: €1.8 million), Concessions minus €2.8 million (2004: €2.2 million)

Segment reporting by region

€ million	2005	2004	2005	2004
		Germany		Europe excluding Germany
Output volume (Group)	2,389.9	2,160.2	1,500.2	1,272.2
Segment earnings	2,317.4	2,166.5	1,390.5	1,149.6
Segment assets at December 31	2,092.4	2,010.2	755.2	684.2
Investments in property, plant and equipment	35	35	25	17

Notes

Segment reporting takes place for the individual business segments in line with our organisational structure. The inter-segment supply of goods and services shows the volumes of goods and services supplied between the business segments, which were billed at normal market prices. The Group's internal expenses and income and intercompany profits were eliminated in the reconciliation to the data of the consolidated financial statements. The expenses and income of the headquarters are also shown here.

	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
		Services		Concessions		Total of segments		Consolidation/ other		Consolidated Group
	2,249.9	**1,599.6**	**13.9**	**10.5**	**7,091.5**	**6,046.7**	**-30.1**	**64.4**	**7,061.4**	**6,111.1**
	2,296.7	**1,649.2**	**231.1**	**105.2**	**6,397.5**	**5,562.1**	**-60.6**	**32.1**	**6,336.9**	**5,594.2**
	(21.6)	(37.3)	(0.0)	(0.0)	(156.6)	(183.8)	(-156.6)	(-183.8)	(0.0)	(0.0)
	-1,141.5	-800.9	-187.0	-88.5	-3,985.4	-3,486.0	110.4	20.2	-3,875.0	-3,465.8
	-835.4	-607.7	-7.5	-4.6	-1,657.9	-1,451.2	-52.4	-62.3	-1,710.3	-1,513.5
	-28.1	-22.5	-0.1	-0.1	-79.6	-77.9	-12.2	-6.1	-91.8	-84.0
	-201.3	-155.9	-33.0	-9.2	-545.0	-451.0	0.0	1.1	-545.0	-449.9
	90.4	**62.2**	**3.5**	**2.8**	**129.6**	**96.0**	**-14.8**	**-15.0**	**114.8**	**81.0**
	–	–	–	–	–	–	–	–	-5.3	-0.3
	–	–	–	–	–	–	–	–	109.5	80.7
	–	–	–	–	–	–	–	–	5.9	10.3
	–	–	–	–	–	–	–	–	115.4	91.0
	–	–	–	–	–	–	–	–	-41.6	-34.3
	–	–	–	–	–	–	–	–	73.8	56.7
	–	–	–	–	–	–	–	–	-7.3	-5.5
	–	–	–	–	–	–	–	–	66.5	51.2
			–	–	–	–	–	–		
	1,178.7	**755.1**	**672.0**	**240.2**	**3,094.6**	**2,257.6**	**1,262.0**	**1,462.8**	**4,356.6**	**3,720.4**
	521.1	**263.8**	**525.5**	**135.2**	**2,537.8**	**1,887.8**	**630.0**	**702.1**	**3,167.8**	**2,589.9**
	27	**22**	**0**	**0**	**100**	**67**	**0**	**3**	**100**	**70**
	21,709	**17,125**	**80**	**64**	**54,898**	**49,251**	**448**	**601**	**55,346**	**49,852**

	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
		America		Africa		Asia		Australia		Consolidated Group
	539.7	623.7	681.3	466.7	139.4	91.9	1,810.9	1,496.4	7,061.4	6,111.1
	511.4	624.4	357.8	202.5	125.0	90.4	1,634.8	1,360.8	6,336.9	5,594.2
	254.0	217.0	174.5	154.6	60.0	39.7	1,020.5	614.7	4,356.6	3,720.4
	7	3	6	2	3	0	24	13	100	70

The reconciliation of the segments' assets primarily applies to securities, cash and cash equivalents, and financial assets not allocated to the business segments, as well as real estate and other assets of the Group's headquarters. The segments' liabilities shown in the reconciliation include the liabilities of the Group headquarters and interest-bearing liabilities such as liabilities to banks and pension provisions. For this reason, corresponding expense and income items are not recorded in the segments' earnings (EBITA).

Statement by the Executive Board

The Executive Board of Bilfinger Berger AG is responsible for preparing the consolidated financial statements and the Group's Management Report. The consolidated financial statements as of December 31, 2005 have been prepared in accordance with International Financial Reporting Standards (IFRS) as they are to be applied in the EU and the complementary guidelines applicable in accordance with § 315a Abs. 1 of the German Commercial Code (HGB).

The internal controlling systems and the use of uniform guidelines throughout the Group, combined with the measures we take for the training and further development of our employees, ensure the accuracy of the consolidated financial statements and of the Group's Management Report. Adherence to the provisions of the law and the Group's internal guidelines are continuously checked throughout the Group, as are the reliability and functionality of the monitoring systems.

In conformance with the requirements of the German Corporate Monitoring and Transparency Act, our risk-management system is designed so that the Executive Board can recognize potential risks at an early stage and take any necessary counter measures.

Two companies of auditors, PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft and Ernst & Young AG Wirtschaftsprüfungsgesellschaft, have audited the consolidated financial statements and the Group's management report in accordance with the relevant resolution of the Annual General Meeting, and have issued their auditors' report as shown below without any reservations.

Together with the external auditors, the Supervisory Board's Audit Committee (on March 10, 2006) and the Supervisory Board (on March 15, 2006) will discuss in detail the consolidated financial statements, including the Group's Management Report and the auditors' report and thereby approve the consolidated financial statements for publication. The results of the audit are stated in the report of the Supervisory Board.

Mannheim, February 27, 2006
The Executive Board

General explanations

The consolidated financial statements of Bilfinger Berger AG have been prepared in accordance with International Financial Reporting Standards (IFRS) as they are to be applied in the EU and the complementary guidelines applicable in accordance with § 315a Abs. 1 of the German Commercial Code (HGB). All of the standards that became mandatory on or before the balance-sheet date have been taken into consideration.

In accordance with the revised IAS 1, the presentation of the financial statements has been changed. The items of the balance sheet are now separated into current and non-current assets and liabilities. Minority interest is to be shown as a component of shareholders' equity.

1. Consolidated Group

In addition to Bilfinger Berger AG, six subgroups and 31 companies in Germany along with seven subgroups and 23 further companies based outside Germany have been included in the consolidated financial statements. Of these, 1 subgroup and 2 companies in Germany along with 10 companies based outside Germany have been consolidated for the first time in the year under review. A further 13 (2004: 14) associated companies were accounted for using the equity method.

The most important subgroups and companies included in the consolidated financial statements are shown in the list of principal holdings. The full list of equity holdings has been filed with the Commercial Registry of the Mannheim District Court.

Effective March 31, 2005, we acquired 100% of the shares in Babcock Borsig Service GmbH, of Oberhausen, for the price of €210 million. Other significant equity acquisitions in the Services business segment are the acquisition of 70% of the shares in EPM Assetis GmbH, Frankfurt, effective August 1, 2005, and the 100% acquisitions of R&M Industieservice Höchst GmbH, Frankfurt (effective July 1, 2005), the Australian company Simon Engineering Services Pty. Ltd. (effective March 1, 2005) and Euromont Group a.s., Most, Czech Republic (effective September 1, 2005) for a total of €45 million.

Furthermore, in the Civil business segment, we acquired 100% of the equity of Airvac Inc., Indiana, USA (in January 2005) and 100% of the equity of PPRM S.A. Plock, Poland (effective March 31, 2005) for a total of €18 million.

At the respective times of purchase, the acquisitions had the following effects on assets and liabilities:

€ million	
Effects at the time of acquisition	
Non-current assets	60.4
Current assets (excluding cash and cash equivalents)	147.0
Cash and cash equivalents	128.4
Total assets	**335.8**
Pension provisions	29.2
Other provisions	54.5
Financial liabilities	4.5
Other liabilities	169.7
Total liabilities	**257.9**

Since the respective dates of first-time consolidation, the companies acquired during 2005 generated sales revenues of €459.4 million and EBITA of €24.3 million.

2. Principles of consolidation

Capital consolidation takes place by offsetting the price of acquisition against the Group's stake in the newly valued equity of the consolidated subsidiaries at the date of acquisition or the first consolidation. The assets, liabilities and contingent liabilities of the subsidiaries are entered at their full current market values irrespective of the size of the minority interest. Intangible assets are shown separately of goodwill if they can be separated from the company or if they are the result of a contract or other law. Any goodwill ensuing from the first consolidation is capitalized and subjected to an annual impairment test in accordance with IFRS 3 / IAS 36. Any negative differences are released immediately after acquisition with an effect on net profit. With deconsolidation, the residual book value of the asset differences are taken into consideration in the calculation of income from the disposal. The same principles apply to valuations according to the equity method, whereby any goodwill is reflected in the value of the equity holding.

Receivables, liabilities, income and expenses between consolidated companies have been netted off. Non-current assets and inventories resulting from Group output have been adjusted to exclude any intercompany profits. Deferred taxes from consolidation processes affecting net profit have been charged to subsequent years.

3. Form of presentation

To improve the clarity of presentation, we have combined several individual items of the balance sheet and of the income statement under single headings; they are shown separately and explained in these notes. The income statement has been prepared according to the total-cost method.

The consolidated financial statements have been prepared in euros. All amounts are shown in millions of euros (€ million), unless otherwise stated.

Profit contributions from operating investments are shown under other operating income or other operating expenses, so that income from investments is comprised solely of income and expenses from financial investments.

In 2005, for the first time, all interest income and expenses relating to the concession business are shown under other operating income.

4. Currency translation

In the consolidated financial statements, the assets and liabilities of the accounts prepared in foreign currencies are translated using the exchange rate on the balance-sheet date; expenses and income are translated using the average exchange rate for the year. The aggregate differences compared with translation on the balance-sheet date are entered separately under shareholders' equity.

Currency translation took place using the following key exchange rates:

€1 equals		2005	2004	2005	2004
		Annual average		At December 31	
Australia	AUD	1.6322	1.6911	1.6145	1.7489
United Kingdom	GBP	0.6839	0.6790	0.6870	0.7071
Hong Kong	HKD	9.6821	9.6902	9.1778	10.6041
Canada	CAD	1.4975	1.6167	1.6430	1.3769
Nigeria	NGN	163.6894	164.8128	153.7000	178.0280
Norway	NOK	8.0152	8.3586	8.0000	8.2400
Poland	PLN	4.0226	4.5314	3.8686	4.0877
Sweden	SEK	9.2838	9.1269	9.3930	9.0200
Taiwan	TWD	40.0051	41.5708	38.9500	43.1700
Czech Republic	CZK	29.7899	31.8913	28.9900	30.3900
Hungary	HUF	248.0523	251.2749	252.6650	245.7750
United States	USD	1.2448	1.2442	1.1834	1.3640
China	CNY	10.2026	10.2966	9.5515	11.2891

5. Accounting and valuation methods

Intangible assets with a specific lifetime are capitalized at the cost of acquisition and amortized over their expected useful lifetimes on a straight-line basis. The expected useful lifetime is generally regarded as being between three and eight years. In accordance with IFRS 3 / IAS 36, goodwill and other intangible assets with a non-specific or unlimited useful lifetime are no longer amortized. Instead, these items are subjected to regular annual impairment tests, which are also carried out during the year if there are indications of a lasting reduction in value.

Property, plant and equipment are valued at the cost of acquisition or production. Their loss in value is accounted for by regular, straight-line depreciation, except in some exceptional cases where a different method of depreciation reflects the use of the asset more adequately. Production costs include all costs that can be attributed to the manufacturing process, either directly or indirectly. Repair costs are always treated as an incurred expense.

In the case of privately financed concession projects with projected long-term positive earnings, interest incurred during the period of production has been capitalized. In 2005, this amount was €11.2 million (2004: €2.2 million). In all other cases, no interest expenses are included in the cost of production.

Buildings are depreciated over a useful lifetime of 20 to 50 years using the straight-line method. The useful lifetime of technical equipment and machinery is generally between three and ten years; other equipment including office and factory equipment is usually depreciated over three to twelve years.

Furthermore, an impairment charge is recognized wherever the recoverable amount of an asset has fallen below its carrying value. The recoverable amount represents the higher of the net selling price and the present value of estimated future cash flows. If the reason for an impairment loss recognized in prior years no longer applies, the book value is increased again accordingly.

With leasing contracts where the risks and rewards of ownership of the leased object are to be allocated to a company of the Bilfinger Berger Group (finance leasing), the item is capitalized at the lower of its fair value or the present value of the leasing payments.

With *financial assets*, shares in non-consolidated affiliated companies, associated companies and subsidiaries, as well as loans, real estate held as financial investments and receivables due from concession projects are valued at the cost of acquisition, provided that no impairment charge is to be recognized due to any probable lasting reduction in value. If the reason for an impairment charge no longer applies, an appropriate write-up is undertaken.

Associated companies included using the equity method are valued with consideration of the prorated earnings of the company, any dividend distributions that have taken place, as well as any write-downs on goodwill which may have been carried out.

Inventories of *merchandise and real estate held for sale, finished goods, raw materials and supplies* are valued at their cost of purchase or production, or at the net realizable value on the balance-sheet date if this is lower. If the net realizable value of inventories that were written down in the past has risen again, their book values are increased accordingly. Production costs include all costs that are attributable to the production process, either directly or indirectly. Financing costs are not taken into consideration.

With construction contracts, profit recognition is booked according to the percentage-of-completion method. Revenues are entered proportionately to the percentage of completion of each order.

The percentage of completion is generally determined on the basis of the output that has been produced at the balance-sheet date. If, for construction contracts, output has been produced which exceeds the amount that has been invoiced for progress payments, this excess is shown under *work in progress*. If the amount that has been invoiced is higher than the output produced, this excess is shown under *progress billings in excess of cost and estimated earnings*. Receivables from percentage of completion correspond with the balance of progress payments invoiced less progress payments received; they are shown together with *trade receivables*.

Anticipated contract losses are accounted for in full from the time that they become known.

IAS 39 (Financial Instruments) divides financial assets into the categories of held-for-trading financial assets, held-to-maturity investments, loans and receivables, and available-for-sale financial assets.

Financial instruments are accounted for either at amortized cost or at fair value.

The amortized cost of a financial asset or a financial liability is a result of the historical cost minus principal repayments, plus or minus the accumulated amortization of any differences between the original amount and the amount repayable at maturity, and minus any impairment losses.

With current receivables and liabilities, amortized cost is equal to the nominal value or the redemption amount. Fair value is equal to the market or stock-exchange value.

With *trade and other receivables*, which are generally entered at nominal values, provision has been made for potential risks by means of individual value adjustments.

Securities are entered at their fair values. Unrealized profits and losses from the fair valuation of securities which are held for trading purposes (trading papers) are recorded with an effect on net profit. Unrealized profits and losses from other securities that are valued at fair value (available-for-sale papers) are recorded under retained earnings (reserve from the market valuation of securities) without any effect on net profit while taking any deferred taxes into consideration. Other securities are valued at their amortized cost (held-to-maturity papers). All securities are written down if their value falls other than temporarily.

Deferred taxes are taken into consideration in terms of any deviations between the valuation of assets and liabilities according to IFRS/IAS and the tax valuation in the amount of the expected future tax charge or relief. In addition, deferred tax assets are created for future benefits from tax-loss carryovers if their realization can be reasonably expected. Deferred tax assets and liabilities from temporary differences are netted off provided that offsetting is legally possible.

Due to the existing high trade-tax-loss carryovers for Bilfinger Berger AG and the regularly high proportion of earnings attained outside Germany, no trade-tax charge is to be expected for Bilfinger Berger AG in the near future. For this reason, the rate of deferred taxes of 26.38% is based on corporation tax and the solidarity surcharge (levied to raise funds for reconstruction in eastern Germany).

Pension provisions and similar obligations are calculated according to the projected-unit-credit method for defined-benefit pension plans, taking into consideration future salary and pension increases. If the actuarial gains and losses are outside the limits of a 10% range of total benefit obligations, they are distributed over the average remaining length of service. As far as possible, the fair value of pension plan assets is set off. The interest component contained in the pension expense is shown as an interest expense under financial income.

Other provisions are accounted for insofar as there is a present liability resulting from a past event, its occurrence is more likely than unlikely, and the level of the liability can be reliably estimated. Provisions are carried at settlement values and are not offset against positive profit contributions. Provisions are only formed for legal or factual obligations towards third parties.

Liabilities are shown in the balance sheet at the amounts repayable.

With *financial leasing agreements*, liabilities are entered at the present value of the leasing payments.

Derivative financial instruments (currency futures, currency options, interest-rate swaps and interest-rate options) are only used to hedge against interest-rate and currency risks. Purely speculative transactions without any underlying basic transaction are not undertaken.

Derivative financial instruments are generally entered as assets or liabilities at their fair values.

With a fair-value hedge, gains and losses from the development of the fair value of the hedging transaction are always netted off with the changes in the values of the assets and liabilities that are entered in the balance sheet.

Changes in the fair values of hedging transactions which are used to safeguard cash flows (cash-flow hedges), are entered under retained earnings (reserve from hedging transactions) without any effect on net profit. Reclassification into the income statement takes place when the hedged underlying transaction produces revenues.

Revenue recognition

Revenues from construction contracts are generally booked as specified by IAS 11 Construction Contracts and IAS 18 Revenue according to the percentage-of-completion method. Profits are only recognized if the result of a construction contract can be reliably estimated. Revenues from the sale of products and materials are recognized when the transfer of ownership and risks to the customer has taken place.

Assessments and estimates

With the preparation of the consolidated financial statements, to a certain extent it is necessary to make assumptions and estimates that have an effect on the amounts and valuations shown in the Group's balance sheet and income statement as well as on the contingent liabilities for the reporting period. The assumptions and estimates primarily relate to the calculation of project results, the recoverability of receivables, the accounting and valuation of provisions, and the assessment of the realization of deferred tax assets. The assumptions and estimates are the result of premises that are based on currently available knowledge. If future developments differ from these assumptions, the actual amounts may diverge from the originally anticipated estimates.

At the time of preparing the consolidated financial statements, the basic premises and estimates were not subject to any significant risks, so from the present perspective, no significant adjustment of the carrying values of assets and liabilities shown in the consolidated balance sheet is to be anticipated in the following year.

Notes on the income statement

(Amounts in € million, unless otherwise stated)

6. Sales revenues

Sales revenues primarily comprise output volumes from the Group's construction activities in accordance with the percentage-of-completion method, goods and services supplied to joint ventures and consortiums, as well as shares in the profits of such joint ventures and consortiums. Sales revenues resulting from the percentage-of-completion method amounted to €4,684.4 million (2004: €4,452.8 million).

For the representation of the Group's total output volume, particularly when taking into consideration the pro-rated output of joint ventures and consortiums, the output volumes of the individual segments and regions are summarized as follows:

	2005	2004
Business segments		
Civil	2,747	2,447
Building and Industrial	2,081	1,989
Services	2,250	1,600
Concessions	14	11
Consolidation, other	-31	64
Total	**7,061**	**6,111**
Regions		
Germany	2,390	2,160
Europe excluding Germany	1,500	1,272
Africa	681	467
America	540	624
Asia	139	92
Australia	1,811	1,496
International	4,671	3,951
Total	**7,061**	**6,111**

These figures also include the output of non-consolidated companies of €65 million (2004: €45 million), as well as the output of associated companies of €424 million (2004: €346 million).

7. Other operating income

	2005	2004
Income from the disposal of property, plant and equipment	14.9	12.8
Income from the reversal of impairment charges	8.7	10.6
Gains on currency translation	3.7	2.8
Income from the retransfer of provisions	12.0	17.8
Income from operating investments	27.8	23.4
Other income	62.0	62.1
Total	**129.1**	**129.5**

Income from operating investments is comprised as follows:

	2005	2004
Income from equity holdings	5.8	8.5
Income from the equity-method valuation of associated companies	6.5	6.6
Income from the disposal and write-up of equity holdings	15.5	8.3
Total	**27.8**	**23.4**

Income from the disposal of investments primarily reflects the sale of shares in GKW Holding GmbH, Bangkok Expressway Public Company Limited and Beijing Lufthansa Center Co. Limited.

In 2005, for the first time, all interest income and interest expenses that relate to the concession business are shown under other operating income.

The prior-year figures were not adjusted because the net amounts were insignificant.

The interest income from concession projects shown under other operating income is comprised as follows:

	2005
Construction phase	
Interest expenses (non-recourse financing)	-18.3
Minus interest income from the investment of non-utilized project-finiancing funds	7.1
Minus capitalized project interest	11.2
	0.0
Operation phase	
Interest income on receivables from concession projects	4.3
Minus interest expenses (non-recourse financing)	-3.9
	0.4

8. Cost of materials

	2005	2004
Cost of raw materials, supplies and purchased goods	1,128.6	1,014.9
Cost of purchased services	2,746.4	2,450.9
Total	**3,875.0**	**3,465.8**

€271.5 million of the increase in cost of materials compared with the prior year is due to initial consolidation.

9. Personnel expenses

	2005	2004
Wages and salaries	1,417.4	1,255.5
Social-security levies and pension contributions	292.9	258.0
Total	**1,710.3**	**1,513.5**

€107.1 million of the increase in personnel expenses compared with the prior year is due to initial consolidation.

10. Depreciation and amortization

Intangible assets (excluding goodwill and other intangible assets from acquisitions) were amortized by €5.8 million (2004: €4.5 million), property, plant and equipment were depreciated by €80.7 million (2004: €79.5 million) and real estate properties held as financial investments were amortized by €5.3 million (2004: €0.0 million).

11. Other operating expenses

The increase in other operating expenses to €545.0 million (2004: €449.9 million) is primarily a result of first-consolidation effects and the overall increase in business volumes.

	2005	2004
Office operating costs, traveling expenses, insurance	164.2	133.3
Legal and consulting fees, contributions	90.8	75.0
Rental and leasing payments, repairs	95.9	79.7
Miscellaneous expenses	194.1	161.9
Total	**545.0**	**449.9**

Other expenses include, in particular, the costs of order processing, additions to provisions as well as write-downs of current assets.

They also include losses on the disposal of non-current assets in an amount of €5.6 million (2004: €2.3 million), exchange-rate losses on currency translation in an amount of €5.2 million (2004: €3.4 million), other taxes of €9.0 million (2004: €7.9 million) and expenses from operating investments of €7.9 million (2004: €9.5 million).

Expenses from operating investments are comprised as follows:

	2005	2004
Expenses from equity holdings	0.5	0.3
Expenses from the equity-method valuation of associated companies	5.3	3.0
Expenses from the disposal and write-down of equity holdings	2.1	6.2
	7.9	**9.5**

12. Amortization of goodwill and other intangible assets from acquisitions

In accordance with IFRS 3 / IAS 38, in connection with acquisitions intangible assets are formed to reflect customer relations (e.g. for order backlogs and framework agreements). These intangible assets were written down by €5.3 million in 2005 (2004: €0.3 million).

13. Net interest income

		2005		2004
Interest and similar income		26.7		32.5
(thereof, from subsidiaries)		(0.3)		(0.3)
Interest and similar expenses		-15.8		-20.7
(thereof, from subsidiaries)		(-0.1)		(-0.2)
Interest expenses from additions to pension provisions	-12.1		-9.8	
Interest income from plan assets	5.1	-7.0	4.3	-5.5
Income from the disposal of securities		2.0		4.0
Total		**5.9**		**10.3**

The reduction in interest income and expenses compared with the prior year is primarily a result of the changed accounting method for interest income from concession projects, which is shown for the first time in summarized form under other operating income.

14. Income tax expense

Income tax expense is the taxes on income and earnings paid, owed or deferred in the various countries. The calculations are based on the expected tax rates in those countries at the time of realization. These expected tax rates are derived from the statutory regulations that are in force or planned on the balance-sheet date.

	2005	2004
Actual taxes	31.0	40.1
Deferred taxes	10.6	-5.8
Total	**41.6**	**34.3**

Bilfinger Berger AG's actual tax expense is derived from the applicable tax rate as follows:

	2005	2004
Earnings before income taxes	115.4	91.0
Theoretical tax expense at 26.38% (2004: 26.38%)	30.4	23.9
Tax-rate differences	0.5	-3.7
Tax effects of non-deductible expenses and tax-free income	3.2	4.5
Tax from other accounting periods	4.2	3.9
Losses for which no deferred-tax assets are capitalized and changes in value adjustments	2.5	4.7
Miscellaneous	0.8	1.0
Income tax expense	**41.6**	**34.3**

15. Earnings per share

Earnings per share are calculated by dividing the Group's net profit by the weighted average number of shares issued.

		2005	2004
Net profit		66.5	51.2
Weighted average number of shares issued		37,005,415	36,734,044
Basic earnings per share	in €	**1.80**	**1.39**

A dilution of earnings per share occurs when the average number of shares is increased by adding the issue of potential shares from option rights. Option rights have the effect of diluting profits if these rights result in shares being issued at a price which is below the average stock-market price for the respective year of €38.43 (2004: €28.45). The dilution effect of non-exercised option rights from the 2000 and 2002 stock-option plans was calculated on the basis of an exercise price per share of €15.38 and €23.98 respectively.

		2005	2004
Net profit		66.5	51.2
Weighted average number of shares taking dilution effect into consideration		37,170,115	36,934,220
Diluted earnings per share	in €	**1.79**	**1.39**

Notes on the balance sheet

(Amounts in € million, unless otherwise stated)

16. Non-current assets

Intangible assets

Cost of acquisition or production	Licenses, software and similar rights and values	Goodwill	Intangible assets from acquisitions	Advance payments on intangible assets	Total
December 31, 2003	**20.4**	**297.7**	**0.0**	**0.2**	**318.3**
Changes in the consolidated Group	1.9	1.1	0.0	0.0	3.0
Additions	2.8	47.5	5.3	0.0	55.6
Disposals	0.3	11.8	0.0	0.0	12.1
Reclassifications	0.5	0.0	0.0	-0.1	0.4
Currency adjustments	0.1	-3.3	0.0	0.0	-3.2
December 31, 2004	**25.4**	**331.2**	**5.3**	**0.1**	**362.0**

Accumulated depreciation and amortization	Licenses, software and similar rights and values	Goodwill	Intangible assets from acquisitions	Advance payments on intangible assets	Total
December 31, 2003	**7.9**	**10.5**	**0.0**	**0.0**	**18.4**
Changes in the consolidated Group	0.7	0.0	0.0	0.0	0.7
Additions	4.5	0.0	0.3	0.0	4.8
Disposals	0.2	10.9	0.0	0.0	11.1
Reclassifications	-0.6	0.6	0.0	0.0	0.0
Currency adjustments	0.1	-0.2	0.0	0.0	-0.1
December 31, 2004	**12.4**	**0.0**	**0.3**	**0.0**	**12.7**
Balance at December 31, 2004	**13.0**	**331.2**	**5.0**	**0.1**	**349.3**

Cost of acquisition or production	Licenses, software and similar rights and values	Goodwill	Intangible assets from acquisitions	Advance payments on intangible assets	Total
December 31, 2004	**25.4**	**331.2**	**5.3**	**0.1**	**362.0**
Changes in the consolidated Group	8.4	0.0	0.0	0.0	8.4
Additions	4.6	215.7	28.8	0.0	249.1
Disposals	1.4	3.0	0.0	0.0	4.4
Reclassifications	5.0	-4.9	0.0	-0.1	0.0
Currency adjustments	0.0	0.3	0.0	0.0	0.3
December 31, 2005	0.3	7.4	0.0	0.0	7.7
	42.3	**546.7**	**34.1**	**0.0**	**623.1**

Accumulated depreciation and amortization	Licenses, software and similar rights and values	Goodwill	Intangible assets from acquisitions	Advance payments on intangible assets	Total
December 31, 2004	**12.4**	**0.0**	**0.3**	**0.0**	**12.7**
Changes in the consolidated Group	7.9	0.0	0.0	0.0	7.9
Additions	5.8	0.0	5.3	0.0	11.1
Disposals	1.2	0.0	0.0	0.0	1.2
Reclassifications	0.0	0.0	0.0	0.0	0.0
Currency adjustments	0.2	0.0	0.0	0.0	0.2
December 31, 2005	**25.1**	**0.0**	**5.6**	**0.0**	**30.7**
Balance at December 31, 2005	**17.2**	**546.7**	**28.5**	**0.0**	**592.4**

Within the context of carrying out the annual impairment tests in accordance with IFRS 3 / IAS 36, goodwill was allocated to the relevant cash-generating units. This is allocated to the business segments as follows:

	2005	2004
Civil	72	66
Building and Industrial	10	10
Services	465	255
Concessions	0	0
Total	**547**	**331**

The fair values allocated to these units as of the balance-sheet date correspond with their values in use, which are derived from their discounted future cash flows. The calculation is based on the planning figures confirmed by the Executive Board over a three-year period. For the period thereafter, for the sake of a cautious valuation, constant cash flows were assumed, whereby future growth opportunities were not taken into consideration. The discount rate used for the future cash flows is 11% before taxes, as in the prior year.

A comparison of the fair values attributed to the units with their book values including goodwill did not result in any need for impairments.

The intangible assets from acquisitions reflect the portions of purchase prices attributed to acquired customer relations (e.g. order backlogs and framework agreements) and are amortized over their useful lifetimes using the straight-line method.

Property, plant and equipment

Cost of acquisition or production	Land and buildings	Technical equipment and machinery	Other equipment, office equipment	Advance payments and assets under construction	Total
December 31, 2003	**415.2**	**481.5**	**235.7**	**4.8**	**1,137.2**
Changes in the consolidated Group	21.2	17.8	11.7	0.1	50.8
Additions	7.8	37.7	26.6	3.8	75.9
Disposals	27.2	51.7	30.2	1.5	110.6
Reclassifications	-51.6	-1.7	0.3	-4.3	-57.3
Currency adjustments	0.6	-3.0	1.0	-0.1	-1.5
December 31, 2004	**366.0**	**480.6**	**245.1**	**2.8**	**1,094.5**

Accumulated depreciation and amortization	Land and buildings	Technical equipment and machinery	Other equipment, office equipment	Advance payments and assets under construction	Total
December 31, 2003	**119.3**	**325.7**	**152.5**	**0.0**	**597.5**
Changes in the consolidated Group	3.2	9.9	6.9	0.0	20.0
Additions	9.9	42.8	26.8	0.0	79.5
Disposals	9.4	42.1	25.6	0.0	77.1
Reclassifications	0.3	-0.3	0.0	0.0	0.0
Currency adjustments	-0.3	-1.3	0.9	0.0	-0.7
December 31, 2004	**123.0**	**334.7**	**161.5**	**0.0**	**619.2**
Balance at December 31, 2004	**243.0**	**145.9**	**83.6**	**2.8**	**475.3**

Cost of acquisition or production	Land and buildings	Technical equipment and machinery	Other equipment, office equipment	Advance payments and assets under construction	Total
December 31, 2004	**366.0**	**480.6**	**245.1**	**2.8**	**1,094.5**
Changes in the consolidated Group	21.3	63.0	42.8	0.8	127.9
Additions	7.0	53.8	32.1	8.9	101.8
Disposals	25.1	54.5	25.2	0.3	105.1
Reclassifications	0.1	1.7	1.1	-2.9	0.0
Currency adjustments	3.8	12.0	3.0	0.0	18.8
December 31, 2005	**373.1**	**556.6**	**298.9**	**9.3**	**1,237.9**

Accumulated depreciation and amortization	Land and buildings	Technical equipment and machinery	Other equipment, office equipment	Advance payments and assets under construction	Total
December 31, 2004	**123.0**	**334.7**	**161.5**	**0.0**	**619.2**
Changes in the consolidated Group	9.5	50.5	37.4	0.0	97.4
Additions	9.9	42.8	28.0	0.0	80.7
Disposals	13.2	44.3	23.1	0.0	80.6
Reclassifications	0.1	-0.1	0.0	0.0	0.0
Currency adjustments	1.1	6.2	1.9	0.0	9.2
December 31, 2005	**130.4**	**389.8**	**205.7**	**0.0**	**725.9**
Balance at December 31, 2005	**242.7**	**166.8**	**93.2**	**9.3**	**512.0**

Property, plant and equipment include assets in the amount of €59.9 million (2004: €55.1 million) that are used in connection with finance-leasing contracts.

Financial assets

Cost of acquisition or production	Shares in associated companies	Investment properties	Shares in subsidiaries	Equity holdings	Lendings	Receivables from concession projects	Total of financial assets
December 31, 2003	**70.4**	**0.0**	**57.5**	**108.6**	**4.9**	**0.0**	**241.4**
Changes in the consolidated Group	0.4	0.0	-12.0	0.1	1.4	0.0	-10.1
Additions	12.9	0.0	1.3	0.3	10.8	87.4	112.7
Disposals	3.7	0.0	3.3	54.8	2.8	1.1	65.7
Reclassifications	5.6	162.4	0.0	-5.6	0.0	56.9	219.3
Currency adjustments	0.0	0.0	0.1	-0.6	0.0	-4.1	-4.6
December 31, 2004	**85.6**	**162.4**	**43.6**	**48.0**	**14.3**	**139.1**	**493.0**

Accumulated depreciation and amortization	Shares in associated companies	Investment properties	Shares in subsidiaries	Equity holdings	Lendings	Receivables from concession projects	Total of financial assets
December 31, 2003	**1.7**	**0.0**	**38.6**	**27.9**	**0.5**	**0.0**	**68.7**
Changes in the consolidated Group	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additions	3.1	0.0	1.7	0.0	0.0	0.0	4.8
Disposals	0.0	0.0	3.0	1.4	0.0	0.0	4.4
Reclassifications	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Write-ups	0.0	0.0	0.0	-3.8	0.0	0.0	-3.8
Currency adjustments	0.0	0.0	0.0	-0.1	0.0	0.0	-0.1
December 31, 2004	**4.8**	**0.0**	**37.3**	**22.6**	**0.5**	**0.0**	**65.2**
Balance at December 31, 2004	**80.8**	**162.4**	**6.3**	**25.4**	**13.8**	**139.1**	**427.8**

Cost of acquisition or production	Shares in associated companies	Investment properties	Shares in subsidiaries	Equity holdings	Lendings	Receivables from concession projects	Total of financial assets
December 31, 2004	**85.6**	**162.4**	**43.6**	**48.0**	**14.3**	**139.1**	**493.0**
Changes in the consolidated Group	1.6	0.0	1.8	0.2	0.3	0.0	3.9
Additions	16.0	0.9	4.2	32.3	10.9	375.0	439.3
Disposals	9.4	128.4	4.7	32.3	10.7	0.9	186.4
Reclassifications	-4.3	0.0	0.0	4.3	0.0	0.0	0.0
Write-ups	0.0	0.0	0.0	5.5	0.0	0.0	5.5
Currency adjustments	0.1	0.0	0.0	0.8	0.0	12.1	13.0
December 31, 2005	**89.6**	**34.9**	**44.9**	**58.8**	**14.8**	**525.3**	**768.3**

Accumulated depreciation and amortization	Shares in associated companies	Investment properties	Shares in subsidiaries	Equity holdings	Lendings	Receivables from concession projects	Total of financial assets
December 31, 2004	**4.8**	**0.0**	**37.3**	**22.6**	**0.5**	**0.0**	**65.2**
Changes in the consolidated Group	0.0	0.0	2.3	0.0	0.0	0.0	2.3
Additions	0.0	5.3	1.9	0.0	0.0	0.0	7.2
Disposals	0.2	4.4	1.9	9.3	0.5	0.0	16.3
Reclassifications	-0.3	0.0	0.0	0.3	0.0	0.0	0.0
Write-ups	-2.7	0.0	0.0	0.0	0.0	0.0	-2.7
Currency adjustments	0.0	0.0	0.0	0.3	0.0	0.0	0.3
December 31, 2005	**1.6**	**0.9**	**39.6**	**13.9**	**0.0**	**0.0**	**56.0**
Balance at December 31, 2005	**88.0**	**34.0**	**5.3**	**44.9**	**14.8**	**525.3**	**712.3**

Investments in associated companies

Of the consolidated associated companies, the following values are to be allocated to the Group, in line with the respective percentage shareholdings:

	Total
Assets	608.7
Liabilities	540.5
Sales revenues	327.7

Real estate properties held as financial investments

The real estate properties held as financial investments were removed from inventories as of December 31, 2004. The disposal during 2005 reflects the sale of the Broker Office Center, Frankfurt.

The market value of the remaining real-estate properties corresponds with the amortized costs of acquisition and production and was estimated without the involvement of an independent expert on the basis of recognized valuation methods (discounted cash-flow method or derivation from the current market price of comparable real estate).

Rental income from real-estate properties held as financial investments amounted to €13.3 million in 2005, while expenses of €12.6 million were incurred, including amortization and interest.

Receivables from concession projects

Receivables due from concession projects represent all services provided in connection with the production of buildings for which a fixed payment was agreed – irrespective of the extent of usage. Due to the length of the payment plans, receivables are entered at their present values. The annual accumulation of interest on these discounted values is entered as interest income under other operating income. Clients' payments are divided into a portion to be deducted from the receivables and a portion for the regular concession services.

Funds received in the context of loan financing but not yet applied are also entered.

The capitalized amounts from concession projects are opposed by the non-recourse financing shown below. These amounts are entered under financial liabilities (€485.1 million non-current and €10.1 million current).

Receivables from concession projects are comprised as follows:

	2005	2004
Receivables from concession projects	332.4	139.1
Receivables from project financing funds not yet applied	192.9	0.0
	525.3	**139.1**
Non-recourse financial liabilities	495.2	114.2

17. Deferred taxes

Deferred tax assets and liabilities are distributed among the following balance-sheet items:

	Dec. 31, 2005	Dec. 31, 2004	Dec. 31, 2005	Dec. 31, 2004
		Deferred tax assets		Deferred tax liabilities
Non-current assets	3.6	4.3	35.4	28.5
Current assets	34.4	30.4	57.3	53.0
Provisions	40.8	30.4	3.5	1.0
Liabilities	12.6	13.7	0.0	0.2
Loss carryforwards	65.6	63.7	0.0	0.0
Netting out	-21.8	-30.1	-21.8	-30.1
Balance-sheet amount	**135.2**	**112.4**	**74.4**	**52.6**

In 2004, taxes in an amount of €3.2 million (2004: €1.2 million) were set off against shareholders' equity, with no effect on the income statement.

In the total amount of deferred-tax assets of €135.2 million (2004: €112.4 million), tax-reduction-claim assets are included in an amount of €65.6 million (2004: €63.7 million) that arise from the expected utilization in future years of existing tax-loss carryovers. The realization of these tax-loss carryovers is reasonably certain. Non-capitalized tax-loss carryovers amount to €155.2 million (2004: €158.8 million). Thereof, €149.2 million (2004: €158.8 million) can be utilized without any time limit.

18. Current assets

Inventories comprise the following items:

	Dec. 31, 2005	Dec. 31, 2004
Work in progress	251.6	163.4
Real estate held for sale	44.5	48.6
Finished and unfinished goods and products	17.6	17.5
Raw materials and supplies	52.5	42.0
Advance payments made	18.3	12.0
Total	**384.5**	**283.5**

Construction contracts

The construction contracts valued on the balance-sheet date according to the percentage-of-completion method, but not yet finally invoiced, are shown as follows:

	Dec. 31, 2005	Dec. 31, 2004
Costs incurred plus earnings from non-invoiced projects	4,866.2	4,280.1
Minus progress billings	4,879.0	4,363.7
Balance	**-12.8**	**-83.6**
thereof, work in progress	251.6	163.4
thereof, billings in excess of cost and estimated earnings	264.4	247.0

Advance payments received totaled €4,503.3 million in 2005 (2004: €3,943.1 million).

Receivables and other current assets comprise:

	Dec. 31, 2005	Dec. 31, 2004
Trade receivables including receivables from percentage of completion	792.2	809.4
Receivables from consortiums and joint ventures	204.5	209.8
Receivables from subsidiaries	16.8	13.1
Receivables from companies in which shares are held	21.1	12.5
Tax receivables	27.2	30.1
Other assets	126.5	83.5
Total	**1,188.3**	**1,158.4**

As well as the accrued interest income from fixed-interest securities and fixed-term deposits, *other current assets* are primarily other receivables and other assets outside the field of supplying goods and services. This item also includes accruals/deferrals in an amount of €12.5 million (2004: €6.6 million).

Marketable securities

Marketable securities solely comprise available-for-sale papers in an amount of €143.1 million (2004: €183.2 million).

The amount of unrealized profits/losses of €1.4 million (2004: €1.0 million) resulting from the fair valuation of available-for-sale papers has been entered, after the deduction of deferred taxes, under the reserve from the fair valuation of securities.

Cash and cash equivalents comprise cash deposited at banks, including the Bundesbank – Germany's central bank, and cash in hand.

Securities and cash are assigned as collateral in an amount of €56.4 million (2004: €81.0 million) for the contractual execution of projects and for loans.

Financial instruments shown under marketable securities and cash and cash equivalents are comprised as follows:

	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
	Dividends and miscellaneous		Variable interest rates		Fixed interest rates < 1 year		Fixed interest rates 1-5 years		Total	
Available-for-sale papers	2.9	1.7	0.0	0.0	140.2	129.6	0.0	52.0	143.1	183.3
Cash and cash equivalents	0.0	0.0	688.8	570.5	0.0	60.0	0.0	100.0	688.8	730.5
Total	**2.9**	**1.7**	**688.8**	**570.5**	**140.2**	**189.6**	**0.0**	**152.0**	**831.9**	**913.8**

The average interest rate for marketable securities and cash and cash equivalents with a fixed interest rate was 4.17% on the balance-sheet date (2004: 3.81%); the average variable interest rate was 2.69% (2004: 2.56%). The Group's net investment position has an exclusively short-term structure. Due to an expected interest-rate increase, no derivatives were held on the balance-sheet date. With an unchanged investment position, an interest-rate increase would lead to higher interest income.

19. Shareholders' equity

The *subscribed capital* of €111.6 million is divided into 37,196,102 unitary shares with an arithmetical value of €3 per share. Due to the exercise of options from the 2000 and 2002 stock-option plans, 451,436 shares were issued from contingent capital in 2005.

As of December 31, 2005, approved and contingent capital were comprised as follows:

	2005	2004
Approved Capital I (limited until May 26, 2009) for the issue of new shares against cash contributions	20.0	20.0
Approved Capital II (limited until June 28, 2006) for the issue of employee shares against cash contributions, excluding shareholders' subscription rights	1.5	1.5
Approved Capital III (limited until May 26, 2009) for the purpose of acquiring companies or shareholdings in companies, excluding shareholders' subscription rights	10.0	10.0
Total	**31.5**	**31.5**

	2005	2004
Contingent Capital I for the exercise of options from the 2000 stock-option plan (AOP 2000)	0.1	0.2
Contingent Capital II for the exercise of options from the 2002 stock-option plan (AOP 2002)	2.1	3.3
Contingent Capital III for the issue of shares in connection with the exercise of conversion rights or option rights from bonds	11.0	0
Total	**13.2**	**3.5**

The *Contingent Capital I* serves to issue new shares for the purpose of granting non-transferable subscription rights (options) under the 2000 stock-option plan to the members of the Executive Board of Bilfinger Berger AG and to the senior officers of Bilfinger Berger AG and its subsidiaries. Due to the exercise of options resulting in the issue of 36,946 shares, Conditional Capital I decreased by €0.1 million to €0.1 million. Following the expiry of the plan in December 2005, Contingent Capital I will no longer be required.

A precondition for the acquisition of each ten options was an own investment by each participant in the program of one share in Bilfinger Berger AG until the exercise hurdle is achieved.

The exercise of the stock options was also subject to a lockup period of three years, ending at midnight on May 29, 2003.

The exercise hurdle was an annual increase in the price of Bilfinger Berger's shares of at least 6% (total shareholder return). An additional condition for the complete exercise of all options was that the performance of Bilfinger Berger's shares had to at least equal the development of the CDAX reference index for construction stocks.

After the expiry of the lockup period and the achievement of the exercise hurdle, it was possible to exercise the options within the specified timeframe, for the last time in 2005.

One option represents the entitlement to one share in the Company in return for payment of the base price of €15.38. However, the exercise conditions of the stock-option plan as stipulated by the Executive Board or the Supervisory Board stated that instead of supplying a number of shares at the base price (€15.38) equal to the number of exercised options, the Company could supply a correspondingly smaller number of shares at the lowest issue price (€3.00). The aim of this regulation was to keep the number of shares to be issued as low as possible.

Number			2005	2004
	Executive Board	Senior officers	Total	Total
Remaining options from SOP 2000 on January 1	50,005	7,028	57,033	106,356
Expired	3	29	32	0
Exercised	50,002	6,999	57,001	49,323
Remaining options from SOP 2000 on December 31	**0**	**0**	**0**	**57,033**
Thereof, exercisable	**0**	**0**	**0**	**57,033**

The *Contingent Capital II* serves to issue new shares for the purpose of granting non-transferable subscription rights (options) within the framework of the 2002 stock-option plan to the members of the Executive Board of Bilfinger Berger AG and to the senior officers of Bilfinger Berger AG and its subsidiaries. Due to the exercise of options resulting in the issue of 414,490 shares, Conditional Capital II decreased by €1.2 million to €2.1 million. Following the expiry of the plan in October 2005, Contingent Capital I will no longer be required.

One option represents the entitlement to one share in the Company in return for payment of the base price of €23.98. However, the exercise conditions of the stock-option plan, which are to be determined by the Executive Board or the Supervisory Board, stipulated that instead of a number of shares at the base price (€23.98) equal to the number of options, the Company could supply a correspondingly lower number of shares at the lowest issue price (€3.00). The aim of this regulation was to keep the number of shares to be issued as low as possible.

The exercise of the stock options was subject to a lockup period of two years, ending at midnight on July 17, 2004. A further condition for the exercise of options was that the average closing price on ten consecutive trading days was at least 25% above the base price at least once in 2004 and at least 37.5% above the base price at least once in 2005. The beginning of the relevant period was determined as the second day after the Annual General Meeting in 2004 and 2005. After reaching the hurdle rate of €32.97 they could be exercised from June 2005 onwards – except for the blocked periods – but only until two weeks before the publication of the interim report on the third quarter of 2005.

The 2000 and 2002 stock-option plans did not cause a charge in the income statement in 2005.

Number			2005	2004
	Executive Board	Senior officers	Total	Total
Remaining options from SOP 2002 on January 1	248,000	792,000	1,040,000	1,066,000
Expired	5	26,271	26,276	26,000
Exercised	247,995	765,729	1,013,724	0
Remaining options from SOP 2002 on December 31	**0**	**0**	**0**	**1,040,000**
Thereof, exercisable	**0**	**0**	**0**	**0**

Pursuant to Section 25, Subsection 1 of the German Securities Trading Act, Allianz AG, of Königinstrasse 28, 80802 Munich, notified us in its letter of June 10, 2005 that its proportion of voting rights in our Company had fallen below the thresholds of 25, 10 and 5 percent, and now amounted to 0.05%.

At the same time, we were notified that the proportion of voting rights in our Company held by Dresdner Bank AG, of Jürgen-Ponto-Platz 1, 60301 Frankfurt am Main and Allianz Finanzbeteiligungs GmbH, of Königinstrasse 28, 80802 Munich, had also fallen below the thresholds of 25, 10 and 5 percent, and now amounted to 0.00%.

Fidelity International informed us that the proportion of voting rights in our Company held by FMR Corp. (Fidelity Management and Research Corp.), of 82 Devonshire Street, Boston, Massachusetts 02109, USA, had exceeded the threshold of 5% on September 15, 2005, and now amounted to 5.18%. These voting rights are allocated to FMR Corp. pursuant to Section 22 (1), No. 2 of the German Securities Trading Act in connection with Section 22 (1), No. 6 of the German Securities Trading Act.

Reserves

	Dec. 31, 2005	Dec. 31, 2004
I. Capital reserve	522.6	522.6
II. Retained earnings	491.7	461.5
III. Other comprehensive income	-2.0	-21.0
Total	**1,012.3**	**963.1**

Other comprehensive income comprises the reserve from the fair valuation of securities and hedging transactions and from currency translation.

The *reserve from the fair valuation of securities* shows the development of unrealized profits and losses minus any deferred taxes from available-for-sale papers.

	Before taxes	Tax effect	Net
Balance at December 31, 2004	1.0	-0.3	0.7
Changes during the year			
from additions	5.3	-0.6	4.7
from fair-value valuations	1.3	-0.3	1.0
from the realization of price gains or losses	-0.8	0.2	-0.6
Balance at December 31, 2005	**6.8**	**-1.0**	**5.8**

The *reserve from hedging transactions* contains unrealized profits and losses from hedging future payments, taking into consideration any deferred-tax effects.

	Before taxes	Tax effect	Net
Balance at December 31, 2004	-5.0	1.5	-3.5
Changes during the year			
from additions	-3.9	1.5	-2.4
from fair-value valuations	-2.8	0.7	-2.1
from the realization of price gains or losses	-1.8	0.5	-1.3
Balance at December 31, 2005	**-13.5**	**4.2**	**-9.3**

20. Provisions for pensions and similar obligations

Pension commitments granting fixed claims exist towards the employees of Bilfinger Berger AG and of several companies of the Group in Germany which are to be accounted for as defined-benefit plans in accordance with IAS 19.

Insofar as foreign companies of the Group have their own pension plans, they are primarily defined-contribution plans. As in this case the obligation is solely to make the contributions, there is no need to enter a pension obligation in the balance sheet.

Pension provisions are valued on the balance-sheet date using actuarial techniques according to the projected-unit-credit method, taking future developments into consideration. In Germany, the calculations are subject to the new biometric accounting principles – Guideline Table 2005 G by Klaus Heubeck – and are primarily based on the following assumptions:

%	Dec. 31, 2005	Dec. 31, 2004
Applicable interest rate	4.25	5.00
Expected increase in incomes	2.00	2.00
Expected increase in pensions	1.75	1.75

If the basic assumptions were accurate for the past, the balance-sheet valuation of the pension obligation is equal to the value of the projected benefit obligation. Divergences of the actual development from the assumptions would lead to actuarial gains or losses. Any such gains or losses are recorded in line with the so-called corridor approach of IAS 19 over the expected remaining working lives of the plan participants with an effect on the income statement, if the corridor limits are exceeded. The actuarial losses recorded in 2005 resulted from a sharp decrease in the actuarial interest rate.

If the claims to pension benefits are covered by the plan assets, the value of the plan assets is deducted from the obligation for the balance-sheet entry. The market value of the plan assets amounted to €167 million on the balance-sheet date. It mainly comprises cash and cash equivalents and securities as well as real-estate properties, €25 million of which is accounted for by office buildings used by Bilfinger Berger AG.

The difference between the fair value of the plan assets and the projected benefit obligation is shown in the table as the funded status and reconciled to the values entered on the balance-sheet date.

		2005		2004
Pension plans	Funded by plan assets	Funded by provision	Funded by plan assets	Funded by provision
Projected benefit obligations on January 1	**154.0**	**101.6**	**151.4**	**91.3**
Actuarial gains (+) / losses (-) accumulated on January 1	4.3	-4.4	4.2	-0.8
Provision on January 1 (before deduction of plan assets)	**158.3**	**97.2**	**155.6**	**90.5**
Service costs	3.4	3.2	2.8	1.9
Interest costs	7.4	4.7	5.6	4.2
Pension payments	-8.4	-4.2	-5.7	-4.3
Change in the consolidated Group	0.5	29.3	0.0	4.9
Provision on December 31 (before deduction of plan assets)	**161.2**	**130.2**	**158.3**	**97.2**
Actuarial gains (+) / losses (-) accumulated on December 31	3.1	10.7	-4.3	4.4
Projected benefit obligations on December 31	**164.3**	**140.9**	**154.0**	**101.6**
Fair value of plan assets on January 1	**161.4**		**161.8**	
Expected income from plan assets	6.5		6.2	
Pension payments	-8.4		-8.3	
Allocation to contractual trust arrangement	7.0		2.8	
Miscellaneous	-0.3		-1.1	
Actuarial gains (+) / losses (-) accumulated on December 31	0.8		0.0	
Fair value of plan assets on December 31	**167.0**		**161.4**	
Funded status on December 31	**2.7**	**-140.9**	**7.4**	**-101.6**
Actuarial gains (+) / losses (-) accumulated on December 31	2.3	10.7	-4.3	4.4
Capitalized amount on December 31	**5.0**		**3.1**	
Balance-sheet provision on December 31		**-130.2**		**-97.2**

In the income statement, the service costs are entered under personnel expenses and the interest costs from the addition to the provision for pensions are entered under the net interest result. Expected income from plan assets of €5.1 million was entered under the net interest result (2004: €4.3 million) and, when it resulted from rental income in the pension plan, €1.4 million was entered under other operating income (2004: €1.9 million); this represents a return totaling 4.1%. The income actually achieved from plan assets in 2005 of €7.2 million was €0.8 million above the budgeted income and thus led to actuarial gains in that amount. The defined-contribution and other pension expenses amounted to €20.9 million (2004: €21.2 million).

21. Other provisions

Development of other provisions

	Jan. 1, 2005	Utilization	Reversals	Additions	Changes in consolidated Group	Dec. 31, 2005
Tax provisions	55.4	19.7	2.2	15.7	1.0	50.2
Other provisions	451.0	246.7	12.0	263.1	69.8	525.2
Total	**506.4**	**266.4**	**14.2**	**278.8**	**70.8**	**575.4**

Maturities of other provisions

	2005	2004	2005	2004	2005	2004
	Long-term		Short-term		Total	
Tax provisions	**0.0**	**0.0**	**50.2**	**55.4**	**50.2**	**55.4**
Other provisions	**105.3**	**107.7**	**419.9**	**343.3**	**525.2**	**451.0**
Risks relating to contracts and warranties	81.7	91.0	208.5	185.5	290.2	276.5
Restructuring and other personnel-related obligations	9.9	6.4	82.3	56.8	92.2	63.2
Legal risks	0.0	0.0	24.5	24.7	24.5	24.7
Other uncertain liabilities	13.7	10.3	104.6	76.3	118.3	86.6
Total	**105.3**	**107.7**	**470.1**	**398.7**	**575.4**	**506.4**

22. Liabilities

Financial liabilities

	2005	2004	2005	2004	2005	2004
	Long-term		Short-term		Total	
Liabilities from project financing (non-recourse)	221.2	0.0	5.0	0.0	226.2	0.0
Liabilities to banks (non-recourse)	263.9	114.2	5.1	90.7	269.0	204.9
Subtotal, non-recourse	**485.1**	**114.2**	**10.1**	**90.7**	**495.2**	**204.9**
Liabilities to banks (recourse)	49.4	54.3	22.6	27.6	72.0	81.9
Finance leasing	37.2	31.2	18.3	21.1	55.5	52.3
Subtotal, recourse	**86.6**	**85.5**	**40.9**	**48.7**	**127.5**	**134.2**
Total	**571.7**	**199.7**	**51.0**	**139.4**	**622.7**	**339.1**

Project-related non-recourse financing is solely taken out on the financed project without any recourse to Bilfinger Berger. In 2005, it was utilized exclusively for our concession business (2004: €114.2 million). In the prior year, there was also non-recourse financing in an amount of €90.7 million for a real estate property held as a financial investment.

Classified according to their fixed-interest terms, financial liabilities are comprised as follows:

	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
	Variable interest rate		Fixed interest rate < 1 year		1-5 years		> 5 years		Total	
Non-recourse financing	0.0	0.0	0.0	90.7	0.0	0.0	495.2	114.2	495.2	204.9
Other financing	14.4	15.5	8.1	11.0	5.0	11.5	44.5	43.9	72.0	81.9
Finance leasing	0.0	0.0	18.3	21.1	31.6	24.9	5.6	6.3	55.5	52.3
Total	**14.4**	**15.5**	**26.4**	**122.8**	**36.6**	**36.4**	**545.3**	**164.4**	**622.7**	**339.1**

For financial liabilities with fixed interest rates, the average interest rate on the balance-sheet date for non-recourse loans was 6.58% (2004: 5.12%), for other loans it was 5.86% (2004: 5.77%), and for finance leasing it was 6.08% (2004: 5.78%).

Other liabilities

	2005	2004
Progress billings in excess of cost and estimated earnings	264.4	247.0
Trade payables	892.0	800.6
Liabilities to joint ventures and consortiums	233.7	205.3
Liabilities to subsidiaries	5.3	6.8
Liabilities to companies in which shares are held	1.2	0.3
Miscellaneous liabilities	351.3	320.7
from taxes	78.6	74.4
from social-security contributions	53.8	59.6
Total of short-term other liabilities	**1,747.9**	**1,580.7**
Total of long-term other liabilities	**17.2**	**13.9**

Other non-current liabilities are solely miscellaneous liabilities.

23. Financial instruments

With its international operations, the Bilfinger Berger Group is subject to various market-price risks, relating in particular to exchange rates, interest rates and the market values of investments. Through our central controlling function, netting of cash flows and financial positions is carried out to a large extent. We make use of derivative financial instruments in order to minimize residual risks and the resulting fluctuations in earnings, valuations or cash flows. We do not undertake any financial transactions beyond the underlying business risk. We use currency futures or currency options to hedge foreign-currency cash flows and balance-sheet values in foreign currencies. We hedge project business in this way for the entire project period on the basis of cash-flow planning differentiated by currency.

We counteract the risks of interest-rate changes by continually reviewing and adjusting the composition of assets and liabilities subject to fixed and variable interest rates. In order to react flexibly and economically, we primarily make use of derivative financial instruments. We analyze and evaluate risks from our net interest exposure regularly and in a timely manner.

Issuer risks can occasionally arise in connection with the investment of liquid funds and the application of derivative financial instruments. We counteract such risks by solely selecting issuers with investment-grade ratings; we also limit the periods and amounts of such transactions.

To limit contracting-party risks, we undertake transactions on the basis of an internal limit system solely with banks that have a first-class rating.

The derivative financial instruments for hedging balance-sheet assets or liabilities (fair-value hedges) are used solely for currency hedging. The nominal volume on the balance-sheet date was €154.3 million (2004: €103.1 million); the fair value on the balance-sheet date was -€0.1 million (2004: €3.3 million).

To protect future cash flows, the following derivative financial instruments (cash-flow hedges) were concluded:

	Dec. 31, 2005	Dec. 31, 2004	Dec. 31, 2005	Dec. 31, 2004
	Nominal volumes		Market values	
Currency futures	43.9	41.8	-5.2	-0.8
Currency options	0.0	23.2	0.0	0.3
Interest-rate swaps	56.3	156.8	-8.3	-4.5

24. Asset-backed liabilities

The total of asset-backed liabilities amounted to €48.8 million on December 31, 2005 (2004: €53.8 million). These are liabilities to banks and other commitments that are secured by mortgages and fixed-term deposits.

25. Contingent liabilities

	Dec. 31, 2005	Dec. 31, 2004
Liabilities from guaranties	213.8	180.9

Contingent liabilities were primarily for the performance of contracts, warranties and advance payments. On the balance-sheet date, our guarantees were mainly for associated companies and consortiums and joint ventures. In addition, we are jointly and severally liable as partners in companies constituted under the German Civil Code and in connection with consortiums and joint ventures.

26. Other financial commitments

	Dec. 31, 2005	Dec. 31, 2004	Dec. 31, 2005	Dec. 31, 2004
	Operating lease contracts minimum leasing payments		Other financial liabilities (rents)	
< 1 year	23.4	20.4	32.9	27.3
1-5 years	26.2	24.4	57.0	47.1
> 5 years	4.8	0.9	20.6	21.9

27. Events after the balance-sheet date

There have been no significant events since the balance-sheet date.

Other notes

28. Supervisory Board and Executive Board

The members of the Supervisory Board and the Executive Board are listed in the chapter Boards of the Company.

The compensation for the members of the Executive Board comprises three components: a fixed annual salary, a performance-based bonus and a payment related to the Company's long-term performance (value added) and long-term share price.

The performance goals are agreed between the Presiding Committee of the Supervisory Board and the Executive Board at the beginning of each financial year. Provided that the relevant goals are achieved, the bonus amounts to two thirds of the annual basic salary for the financial year.

The payment with a long-term incentive effect will be made for the first time for the 2005 financial year in accordance with a long-term incentive plan (LTI) and has the following features: If the value added in a particular financial year exceeds the minimum agreed for that year, the members of the Executive Board are granted phantom shares in the form of so-called performance share units (PSUs). The value of these phantom shares varies over a waiting period of two years in line with the development of the Bilfinger Berger share price. After the end of the waiting period, the existing phantom shares are paid out – a smaller portion in cash (after tax) and a larger portion in Bilfinger Berger shares which may not be sold until another two-year lockup period has expired.

If the minimum value added agreed upon for the relevant year is not achieved during the waiting period, this leads to the allocation of negative PSUs, which eliminate existing PSUs. Furthermore, PSUs existing after the expiry of the waiting period can be eliminated if Bilfinger Berger shares perform worse than the MDAX during the waiting period. In addition, there is a cap (for an ordinary Executive Board member it is currently €350,000, for the Executive Board Chairman it is €525,000), which limits the payment to an absolute maximum annual amount.

Value added is the difference between ROCE (return on capital employed) and the weighted average cost of capital, multiplied by the amount of capital employed.

For the 2005 financial year, a total of 22,710 PSUs were granted to the members of the Executive Board. The values of these PSUs as shown in the table below represent a financial measurement calculated as fair value on the basis of the share price when they were granted on February 27, 2006. Whether and to what extent these components of compensation are later actually paid out depends on the development of the described program parameters.

In the consolidated income statement, personnel expenses for the long-term incentive plan are calculated on the basis of the stock-exchange price of Bilfinger Berger shares on the balance-sheet date and duly distributed over the three-year performance period. Taking into consideration the proportionately expired performance period, a provision of €288,000 was formed as of December 31, 2005.

The stock-option plans of the years 2000 and 2002 expired during 2005. No further options were granted from these plans in 2005. The details and development of these stock-option plans are described in the notes on shareholders' equity.

€	Fixed salary	Bonus	Total cash payment	Payment with long-term incentive effect	
				Number of PSUs	Arithmetical value
Herbert Bodner (Chairman)	577,500	345,518	923,018	7,569	346,493
Carlos Möller	385,000	230,345	615,345		
Dr. Joachim Ott	385,000	230,345	615,345	5,047	231,041
Prof. Hans Helmut Schetter	385,000	230,345	615,345	5,047	231,041
Dr. Jürgen M. Schneider	385,000	230,345	615,345	5,047	231,041
Total	**2,117,500**	**1,266,898**	**3,384,398**	**22,710**	**1,039,616**

The members of the Executive Board also received non-cash compensation in the form of the use of company cars and contributions to insurance policies in a total amount of €124,190.

Former members of the Executive Board or their surviving dependants received a total of €3,990,000 (2004: €2,373,000). This includes severance payments of €1,452,000 (2004: €0). The projected benefit obligations of the pensions for these persons calculated according to IAS 19 amounted to €33,545,000 (2004: €28,683,000).

The total compensation paid to the members of the Supervisory Board amounted to €1,034,500 including the refund of expenses of €17,000. This compensation is listed in the Corporate Governance Report in individualized form.

29. Related-party disclosures

Related parties in the sense of IAS 24 are persons or companies that can be significantly influenced by the reporting company or that have a significant influence on the reporting company.

The significant transactions between fully consolidated companies of the Group and related parties involve for the most part associated companies. They are shown in the following table:

	2005	2004
Revenues	255	318
Services received	18	5
Receivables	34	22
Liabilities	1	1

30. Auditors' fees

The amounts listed below cover all of the services provided to the companies of the Bilfinger Berger Group by our external auditors, PricewaterhouseCoopers (PwC) and Ernst & Young (E&Y) in the 2005 financial year. The amounts of these services provided in Germany are shown as such in the table.

€ thousands	PwC	E&Y	Total
Audit fees	2,199	1,854	4,053
thereof, in Germany	1,115	1,075	2,190
Other certification or valuation services	549	749	1,298
thereof, in Germany	369	518	887
Tax-consulting services	719	267	986
thereof, in Germany	43	211	254
Other services	658	329	987
thereof, in Germany	182	45	227
Total	**4,125**	**3,199**	**7,324**

31. Average number of employees

	2005	2004
Office staff		
Germany	6,796	5,927
Abroad	6,588	5,833
Manual workers		
Germany	7,467	6,950
Abroad	32,600	30,220
Total workforce	**53,451**	**48,930**

The workforce of the consolidated Group also includes 16,420 (2004: 15,031) employees of associated and non-consolidated companies.

32. Declaration of compliance

Bilfinger Berger AG is included in the consolidated financial statements as a listed company.

As stipulated by Section 161 of the German Stock Corporation Act, an annual declaration of compliance was issued by the Executive Board and the Supervisory Board on December 7, 2005, and on that date was made permanently available to the shareholders on the Company's website.

33. Proposal on the appropriation of earnings

We intend to propose to the Annual General Meeting that the unappropriated retained earnings in the amount of €37,196,102 as shown in the financial statements for the year 2005 are used to distribute a dividend of €1.00 per share among the dividend-entitled equity capital of €111,588,306 (divided into 37,196,102 shares).

Mannheim, February 27, 2006
The Executive Board

Herbert Bodner   Dr. Joachim Ott   Prof. Hans Helmut Schetter   Dr. Jürgen M. Schneider

Auditor's Report

We have audited the consolidated financial statements – consisting of balance sheet, income statement, notes, statement of changes in equity, cash flow statements – and the Group Management Report of Bilfinger Berger AG for the business year from 1 January 2005 to 31 December 2005. The preparation of the consolidated financial statements and the group management report in accordance with the IFRS, as adopted by the EU, and the additional provisions stated in § 315a Abs. 1 HGB are the responsibility of the Company's Board of Managing Directors. Our responsibility is to express an opinion on the consolidated financial statements and the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with § 317 HGB (German Commercial Law) and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer in Deutschland (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with German principles of proper accounting and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of the companies included in consolidation, the determination of the companies to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Company's Board of Managing Directors, as well as evaluating the overall presentation of the consolidated financial statements and the Group Management Report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion based on the results of our audit the consolidated financial statements are in compliance with the IFRS, as adopted by the EU, and the additional provisions stated in § 315a Abs. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these provisions. The Group Management Report is in accordance with the consolidated financial statements and provides on the whole a suitable understanding of the Group's position and suitably presents the opportunities and risks of future development.

Mannheim, February 28, 2006

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Ernst & Young AG
Wirtschaftsprüfungsgesellschaft

Schwarzhof Nicklis Ruppel Müller

Franz-Josef Schwarzhof
Certified Auditor

Dr. Martin Nicklis
Certified Auditor

Gunther Ruppel
Certified Auditor

Thomas Müller
Certified Auditor

Return-on-capital-employed controlling

€ million	2005	2004	2005	2004
	Civil		Building and Industrial	
Goodwill	70.1	60.7	10.3	10.2
Property, plant and equipment	197.9	187.3	31.8	32.3
Financial assets	14.3	18.0	0.3	1.2
Current assets	743.8	597.8	378.6	370.8
Segment assets	**1,026.1**	**863.8**	**421.0**	**414.5**
Segment liabilities	883.9	783.9	628.1	608.1
Interest-bearing liabilities	0.0	0.0	0.0	0.0
Non-interest-bearing liabilities	**883.9**	**783.9**	**628.1**	**608.1**
Balance	**142.2**	**79.9**	**-207.1**	**-193.6**
Project-related financial assets	0.0	0.0	207.1	193.6
Business-unit-related financial assets	247.6	252.6	159.9	159.6
Operating financial assets	**247.6**	**252.6**	**367.0**	**353.2**
Capital employed	**389.8**	**332.5**	**159.9**	**159.6**
EBITA (earnings before interest, taxes and goodwill amortization)	**50.1**	**22.1**	**-14.4**	**8.9**
Income from investments	0.0	0.0	0.0	0.0
Net interest income including dividends	0.0	0.0	0.0	0.0
Interest expense for non-recourse financing	0.0	0.0	0.0	0.0
Interest income from receivables	0.0	0.0	0.0	0.0
Increase in value of BOT portfolio	0.0	0.0	0.0	0.0
Project-related interest income (4.5% p.a.)	0.0	0.0	9.3	8.7
Business-unit-related interest income (4.5% p.a.)	11.1	11.3	7.2	7.2
Financial income	**11.1**	**11.3**	**16.5**	**15.9**
Return	**61.2**	**33.4**	**2.1**	**24.8**
ROCE (return on capital employed)	**15.7 %**	**10.0 %**	**1.3 %**	**15.5 %**
WACC (weighted average cost of capital)	**11.0 %**	**11.0 %**	**11.0 %**	**11.0 %**
Relative value added	**4.7 %**	**-1.0 %**	**-9.7 %**	**4.5 %**
Absolute value added	**18.3**	**-3.1**	**-15.5**	**7.2**

	Services		Concessions		Total of segments		Consolidation/ other		Consolidated Group	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
	395.5	240.9	0.0	0.0	475.9	311.8	0.1	0.0	476.0	311.8
	127.2	106.5	0.6	4.8	357.5	330.9	156.2	163.0	513.7	493.9
	16.8	13.8	350.3	170.8	381.7	203.8	147.4	170.6	529.1	374.4
	483.1	350.1	52.9	7.6	1,658.4	1,326.3	738.2	1,046.5	2,396.6	2,372.8
	1,022.6	**711.3**	**403.8**	**183.2**	**2,873.5**	**2,172.8**	**1,041.9**	**1,380.1**	**3,915.4**	**3,552.9**
	403.7	248.1	22.3	15.0	1,938.0	1,655.1	840.6	784.5	2,778.6	2,439.6
	0.0	0.0	257.7	78.5	257.7	78.5	-511.9	-332.9	-254.2	-254.4
	403.7	**248.1**	**280.0**	**93.5**	**2,195.7**	**1,733.6**	**328.7**	**451.6**	**2,524.4**	**2,185.2**
	618.9	**463.2**	**123.8**	**89.7**	**677.8**	**439.2**	**713.2**	**928.5**	**1,391.0**	**1,367.7**
	0.0	0.0	0.0	0.0	207.1	193.6	-207.1	-193.6	0.0	0.0
	0.0	0.0	0.0	0.0	407.5	412.2	-407.5	-412.2	0.0	0.0
	0.0	**0.0**	**0.0**	**0.0**	**614.6**	**605.8**	**-614.6**	**-605.8**	**0.0**	**0.0**
	618.9	**463.2**	**123.8**	**89.7**	**1,292.4**	**1,045.0**	**98.6**	**322.7**	**1,391.0**	**1,367.7**
	90.4	**62.2**	**3.5**	**2.8**	**129.6**	**96.0**	**-14.8**	**-15.0**	**114.8**	**81.0**
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	0.0	0.0	0.0	0.0	0.0	0.0	28.7	36.5	28.7	36.5
	0.0	0.0	0.0	-5.4	0.0	-5.4	-2.7	-2.1	-2.7	-7.5
	0.0	0.0	0.0	4.6	0.0	4.6	0.0	-4.6	0.0	0.0
	0.0	0.0	10.4	10.5	10.4	10.5	0.0	0.0	10.4	10.5
	0.0	0.0	0.0	0.0	9.3	8.7	-9.3	-8.7	0.0	0.0
	0.0	0.0	0.0	0.0	18.3	18.5	-18.3	-18.5	0.0	0.0
	0.0	**0.0**	**10.4**	**9.7**	**38.0**	**36.9**	**-1.6**	**2.6**	**36.4**	**39.5**
	90.4	**62.2**	**13.9**	**12.5**	**167.6**	**132.9**	**-16.4**	**-12.4**	**151.2**	**120.5**
	14.6 %	**13.4 %**	**11.3 %**	**13.9 %**	**13.0 %**	**12.7 %**	**-16.6 %**	**-3.8 %**	**10.9 %**	**8.8 %**
	11.0 %	**11.0 %**	**11.0 %**	**11.0 %**	**11.0 %**	**11.0 %**	**11.0 %**	**11.0 %**	**11.0 %**	**11.0 %**
	3.6 %	**2.4 %**	**0.3 %**	**2.9 %**	**2.0 %**	**1.7 %**	**-27.6 %**	**-14.8 %**	**-0.1 %**	**-2.2 %**
	22.4	**11.3**	**0.3**	**2.6**	**25.5**	**18.0**	**-27.3**	**-47.9**	**-1.8**	**-29.9**

Explanation of return-on-capital-employed controlling

Our return-on-capital-employed controlling is based on the segment reporting, which takes place in accordance with the organizational structure of our business segments.

The *segment assets* of the business segments include goodwill and intangible assets from acquisitions, property, plant and equipment, financial assets and current assets. The segment assets shown under Consolidation/Other include securities, cash and cash equivalents, and financial assets not allocated to the business units, as well as real estate and other assets of the Group's headquarters.

The *segment liabilities* are deducted from the segment assets. They include liabilities and provisions that are available to the company free of interest; liabilities to banks and pension provisions are not included.

So-called *non-recourse project financing* in the Concessions business segment is also deducted, although it is interest-bearing. This consists of credit granted to project companies solely on the basis of the project's cash flow, and not on the basis of the Group's creditworthiness. The reduction of this credit from the interest-bearing segment assets is taken into account by entering appropriate interest expenses in the business segment's return.

Segment liabilities and the so-called non-recourse financing are termed *non-interest-bearing liabilities*. The balance of segment assets and non-interest-bearing liabilities represents the capital directly employed in the business segment.

Project-related and business-unit-related financial assets are allocated to the business segments in the context of the return-on-capital-employed controlling so that adequate capital resources are taken into consideration. As so-called *operative financial assets* they adjust the balance, which results in the average tied-up interest-bearing net assets. This item is termed *capital employed*.

The definition of return as used in the return-on-capital-employed concept is derived from *EBITA* as shown in the income statement.

Net *interest income* includes not only the balance of the Group's interest income and interest expense, but also income from the sale of securities as well as writedowns on securities and loans; this item applies solely to the Group's headquarters. In order to determine a measure of earnings not affected by the form of financing, *interest expenses* are fundamentally not taken into consideration in the context of return-on-capital-employed controlling.

On the other hand, in the Concessions business segment, the *interest expenses of non-recourse financing* and *interest income from receivables from concession projects* are included in the calculation of return. Whereas in the prior year, the corresponding amounts were shown in the reconciliation of EBITA to return, in 2005 they are already taken into consideration in the business segment's EBITA.

In addition to the regular income, the calculation of return for the Concessions business segment also takes *increases in the value of the BOT portfolio* into account.

The *project-related and business-unit-related interest expenses* relate to credit entries on operating financial assets by the headquarters to the benefit of the business segments.

Return in the sense of our return-on-capital-employed controlling is the sum of EBITA and the profits from finance components.

ROCE stands for return on capital employed. Expressed as a percentage, it is compared with the *weighted average cost of capital (WACC)* for the entire Group of 11% for the interest-bearing capital employed.

The difference between *ROCE* and *WACC* is the *relative value added*. The *absolute value added* is the difference between return and the cost of capital employed, and is equal to the amount of capital employed multiplied by the relative economic value added.

Principal holdings

At December 31, 2005

I. Subsidiaries	Equity holding %	Output volume € million	Employees at year-end
Bilfinger Berger AG		1,221.6	5,949
A. Germany			
Achatz GmbH Bauunternehmung, Mannheim	100	13.2	112
Babcock Borsig Service GmbH, Oberhausen (subgroup)	100	316.2 [1]	2,757
BBS Schalungsbau GmbH, Bobenheim-Roxheim	100	8.7	39
BBV Vorspanntechnik GmbH, Bobenheim-Roxheim	100	17.8	72
bebit Informationstechnik GmbH, Mannheim	100	16.6	83
Bilfinger Berger BOT GmbH, Wiesbaden	100	5.4	29
-Arteos GmbH, Wiesbaden	100	4.5	-
Bilfinger Berger Facility Services GmbH, Mannheim (subgroup)	100	405.3	2,943
Bilfinger Berger Freiburg GmbH, Freiburg	100	25.1	123
Bilfinger Berger Umwelttechnik GmbH, Aarbergen (subgroup)	100	213.8	905
Franz Kassecker GmbH, Waldsassen	60	77.7	321
Modernbau GmbH, Saarbrücken	100	22.1 [2]	137 [2]
Reinhold & Mahla AG, Munich (subgroup)	100	1,021.6	12,273
R&M Ausbau GmbH, Munich (subgroup)	100	58.9	183
Tesch Industrie- und Rohrleitungsbau GmbH, Essen	100	22.2	171
B. Rest of Europe			
Bilfinger Berger Baugesellschaft m.b.H., Vienna, Austria	100	197.4 [2]	391 [2]
Hydrobudowa-6 S.A., Warsaw, Poland (subgroup)	100	174.3	1,269
Razel S.A., Saclay, France (subgroup)	100	353.4	2,628
C. America			
Fru-Con Holding Corporation, Ballwin, Missouri, United States of America (subgroup)	100	514.2	2,693
D. Australia			
Bilfinger Berger Australia Pty. Limited, Sydney, Australia (subgroup)	100	1,810.4	3,434

At December 31, 2005

II. Associated companies	Equity holding %	Output volume € million	Employees at year-end
Bilfinger Berger (Thai) Construction Co., Ltd., Bangkok, Thailand	49	23.1	619
CrossCity Motorway Pty. Ltd., Sydney, Australia	20	3.4	-
Gloucester Healthcare Partnership Limited, London, United Kingdom	50	2.7	-
Herrentunnel Lübeck GmbH & Co. KG, Lübeck, Germany	50	2.4	38
Julius Berger Nigeria PLC., Abuja, Nigeria	49	165.6 [3]	14,999
White Horse Education Partnership Limited, Chertsey, Surrey, United Kingdom	50	2.2	-

[1] Output volume from April 1 until December 31, 2005
[2] Group
[3] Financial year 2004

Boards of the Company

Supervisory Board

Supervisory Committee	Udo Stark, Chairman Bernhard Walter Maria Schmitt
Audit Committee	Bernhard Walter, Chairman Udo Stark Friedrich Rosner
Committee to be formed pursuant to Section 31, Subsection 3 of the German Law of Industrial Codetermination	Udo Stark Bernhard Walter Maria Schmitt Wolfgang Erdner
Honorary Chairman	Gert Becker

Unless otherwise indicated, all details correct December 31, 2005.

* Group mandate

Udo Stark, Chairman
Chairman of the Executive Board of
MTU Aero Engines Holding AG, Munich

Maria Schmitt, Deputy Chairwoman
Employee of Bilfinger Berger AG,
Mannheim

Hans Bauer
Formerly Chairman of the Executive Board of
HeidelbergCement AG, Heidelberg

Dr. Horst Dietz
President, Industrial Investment Council, Berlin

Membership of statutory supervisory boards of other German companies: ABB AG, Mannheim

Wolfgang Erdner
Employee of Bilfinger Berger AG, Cologne

Dr. Jürgen Hambrecht
Chairman of the Executive Board of BASF
Aktiengesellschaft, Ludwigshafen am Rhein

Reiner Jager
Employee of Modernbau GmbH, Saarbrücken

Rainer Knerler
Chief Executive of the Berlin branch of Industriegewerkschaft Bauen-Agrar-Umwelt (Construction, Agriculture and Environment Trade Union), Berlin

Dr. Hermut Kormann
Chairman of the Executive Board of Voith AG,
Heidenheim

Membership of statutory supervisory boards of other German companies: DIW Industriewartung AG, Stuttgart (Chairman)* | University Clinic Ulm | Voith Turbo Beteiligungen GmbH, Heidenheim, Brenz (Chairman)*

Membership of comparable monitoring boards of other German and foreign companies: Voith Paper Holding Verwaltungs GmbH, Heidenheim, Brenz (Chairman)* | Voith Siemens Hydro Power Generation Verwaltungs GmbH, Heidenheim, Brenz (Chairman)*

Harald Möller
Employee of Bilfinger Berger AG, Frankfurt am Main

Klaus Obermierbach
Employee of J. Wolfferts GmbH, Cologne

Thomas Pleines
Member of the Executive Board of Allianz Deutschland AG, Chairman of the Executive Board of Allianz Versicherungs AG

Membership of comparable monitoring boards of other German and foreign companies: DEKRA Automobil GmbH, Stuttgart | DEKRA AG, Stuttgart | Allianz Suisse Versicherungs-Gesellschaft, Zurich* | Allianz Suisse Lebensversicherungs-Gesellschaft, Zurich* | Allianz Asset Management AG, Zurich (Chairman)* | Alba, Allgemeine Versicherungs-Gesellschaft, Basle (Chairman)* | Amaya, Bern (Chairman)* | Phenix Compagnie d'assurances, Lausanne* | Phenix Compagnie d'assurances sur la vie, Lausanne* | ELMONDA AG, Zurich*

Friedrich Rosner
Employee of Bilfinger Berger AG, Mannheim

Rolf Steinmann
Member of the National Executive Board of Industriegewerkschaft Bauen-Agrar-Umwelt (Construction, Agriculture and Environment Trade Union), Frankfurt am Main

Dr. Klaus Trützschler
Member of the Executive Board of Franz Haniel & Cie GmbH, Duisburg

Membership of statutory supervisory boards of other German companies: Allianz Versicherungs AG, Munich | Celesio AG, Stuttgart* | Cemex Deutschland AG, Ratingen | TAKKT AG, Stuttgart (Chairman)*

Bernhard Walter
Formerly Speaker of the Executive Board of Dresdner Bank AG, Frankfurt am Main

Membership of statutory supervisory boards of other German companies: DaimlerChrysler AG, Stuttgart | Deutsche Telekom AG, Bonn | Henkel KGaA, Düsseldorf | Staatliche Porzellan-Manufaktur Meissen GmbH, Meissen (Deputy Chairman) | Wintershall AG, Kassel (Deputy Chairman)

Membership of comparable monitoring boards of other German and foreign companies: KG Allgemeine Leasing GmbH & Co., Grünwald (Chairman)

Executive Board

Herbert Bodner, Chairman
Corporate development, communications, legal affairs, civil engineering, international affiliated companies

Membership of comparable monitoring boards of other German and foreign companies: A.W. Baulderstone Holdings Pty. Ltd., Sydney (Chairman)* | Bilfinger Berger Australia Pty. Limited, Sydney (Deputy Chairman)*

Carlos Möller (until December 31, 2005)

Dr. Joachim Ott
Environmental technology, facility services, industrial services, concessions

Membership of statutory supervisory boards of other German companies: Rheinhold & Mahla AG, Munich (Chairman)* | Babcock Borsig Service GmbH, Oberhausen (Deputy Chairman)*

Prof. Hans Helmut Schetter
Human resources, technology, building construction, European and international affiliates

Membership of comparable monitoring boards of other German and foreign companies: Razel S.A., Saclay (Chairman)* | Hydrobudowa-6 S.A., Warsaw (Chairman)* | Fru-Con Holding Corporation, Ballwin/Missouri (Chairman)*

Dr. Jürgen M. Schneider
Accounting, finance, controlling, investor relations, industrial services

Membership of statutory supervisory boards of other German companies: Rheinhold & Mahla AG, Munich* | Babcock Borsig Service GmbH, Oberhausen (Chairman)*

Membership of comparable monitoring boards of other German and foreign companies: Abigroup Ltd., Gordon (Chairman)* | Bilfinger Berger Australia Pty. Limited, Sydney* | Dachser GmbH & Co., Kempten (Deputy Chairman) | Fru-Con Holding Corporation, Ballwin, Missouri (President)* | Hydrobudowa-6 S.A., Warsaw* | Razel S.A., Saclay*

Unless otherwise indicated, all details correct January 1, 2006.

* Group mandate

Glossary

Associated companies

Companies upon which a significant influence can be exercised but in which there is no majority holding or controlling interest. The holding is usually between 20% and 50%.

BOT

Abbreviation for build-operate-transfer. BOT projects, also known as public-private partnerships, are private-sector solutions to real estate or infrastructure tasks in the public sector, with planning, construction and long-term operation from one source. Refinancing of the entire investment takes place during the operational phase by means of user fees.

Business-unit-related financial assets / interest income

Accounting category in Bilfinger Berger's return-on-capital-employed controlling for the assessment of appropriate capital resources of the respective unit of the Group.

Capital employed

The average capital tied up in operative assets, which, in the context of return-on-capital-employed controlling, is expected to yield a return at least as high as the weighted average cost of capital *(WACC)*.

Cash earnings

Financial performance measure for the ability of a company to provide its own funds. Measures the financial surplus earned in a certain period from current, profit-relevant activities, but without taking into consideration the change in working capital.

Cash flow

Figure for the assessment of the financial strength and profitability of a company in terms of the flow of funds. *The statement of cash flows* shows the changes in marketable securities and cash during an accounting period in terms of the cash flows from, or into, operating, investing and financing activities.

CTA

Abbreviation for "contractual trust arrangement," a form of financing pension obligations whereby pension plan assets covering the Company's pension obligations are transferred to a trust fund. In consolidated financial statements prepared according to IFRS, this has the effect of reducing the balance-sheet total, as the plan assets are netted out against the corresponding pension provisions. The effect is to improve the international comparability of the consolidated financial statements.

Deferred taxes

Asset or liability items that compensate for different accounting periods compared with earnings according to the tax financial statements. Deferred tax expenses / income are corrections to the actual tax expense derived from the tax financial statements for the period. The primary aim is to show an income-tax expense in a proper relation to the reported earnings before taxes.

EBIT
Abbreviation for "earnings before interest and taxes."

EBITA
Abbreviation for "earnings before interest, taxes and goodwill amortization." In Bilfinger Berger's accounting, EBITA is used as a performance measure for the profits from operating activities.

EBT
Abbreviation for "earnings before taxes."

Equity consolidation
Minority holdings in companies of between 20 % and 50 % are included in the consolidated financial statements as *associated companies* by means of equity-method consolidation. In the consolidated income statement, the pro-rated net profit of the associated companies – reduced by goodwill amortization if necessary – is shown under income from investments.

Equity ratio
Key figure for a company's financing structure, stating the ratio between equity and total assets.

Goodwill
The difference between the amount paid for a company and the market value of its net assets. It arises as a result of taking into consideration a company's expected future earnings when deciding on a suitable price for it. Goodwill is capitalized under fixed assets and subjected to annual impairment tests in accordance with IFRS 3 / IAS 36.

IASB
Abbreviation for "International Accounting Standards Board" based in London. An institution founded in 1973 for the formulation of International Accounting Standards (IAS).

IFRIC
Abbreviation for the London-based "International Financial Reporting Interpretations Committee." IFRIC determines the details of the interpretation of the IAS.

IFRS
Abbreviation for "International Financial Reporting Standards" based on Anglo-American accounting principles. Against a background of harmonization of international accounting, these standards are becoming increasingly important for German accounting. IFRS is based on the International Accounting Standards (IAS/IFRS), which set rules for accounting and valuation: for example, IAS 19 for the valuation of pension provisions.

ISIN code
Abbreviation for "International Securities Identification Number." Internationally valid identification number for securities. Uniform system for the simplification of cross-border transactions.

Joint venture

A company, keeping its own accounts, that is established by two or more construction companies for the period of executing a construction contract. Profits and losses are entered in the income statements of the partner companies according to their percentage of participation and shown under sales revenues. The respective shares of joint-venture revenues are not shown in the financial statements of the partner companies.

Non-recourse financing

Borrowing which is secured solely against the financed project, without the possibility of any recourse liability for Bilfinger Berger.

Output volume

This comprises the supply of goods and services by the Group and the pro-rated supply of goods and services by *joint ventures* in which the Group participates.

Percentage-of-completion method (POC)

Accounting method according to IAS 11 for long-term construction contracts. Contract costs and revenues are accounted for in accordance with the percentage of completion of the contract so that the realization of profits is shown in the income statement in line with the progress made by the project.

Plan assets

Assets that serve to cover pension obligations and fulfill the conditions of IAS 19. In accordance with IFRS, plan assets are netted out against pension provisions, which reduces the balance-sheet total. See *CTA*.

Project-related financial assets / project-related interest income

Accounting category in Bilfinger Berger's return-on-capital-employed controlling for the assessment of appropriate capital resources of the respective units of the Group.

Public-private partnership (PPP)

See BOT

Return

The measure of earnings in return-on-capital-employed controlling at Bilfinger Berger, derived from EBITA.

Return on equity

Measure of earnings which states the ratio between net profit and shareholders' equity.

Return on output volume

Measure of profitability showing the ratio of EBITA to output volume.

ROCE

Abbreviation for "return on capital employed." Ratio between the earnings of a reporting period (return) and the average operative assets (capital employed).

Statement of cash flows

Presentation of liquidity developments / flows of funds taking into consideration the sources and applications of funds within a certain period. The statement of cash flows shows the separate cash flows from, or into, operating, investing and financing activities.

Stock-option plan

Internationally common compensation system for the management for increasing corporate value. The participants in the program are granted subscription rights (options) to shares in the company. The exercise of the options is usually dependent on a minimum performance of the shares. If this hurdle is achieved, the beneficiaries receive the shares at the original market price.

Value added

Difference between ROCE and the weighted average cost of capital multiplied by capital employed. If value added is positive, this means that the return on capital employed is higher than the weighted average cost of capital.

WACC

Abbreviation for "weighted average cost of capital." Serves as a measurement of the financing of the operative assets in return-on-capital-employed controlling at Bilfinger Berger. It reflects the minimum required rate of return of the shareholders and the creditors.

Working capital

Factor for observing changes in liquidity. It shows the difference between current assets, without cash and marketable securities, and short-term liabilities.

Ten-year overview

Group

€ million	1996 [1]	1997 [1]	1998 [1]	1999 [1]	2000	2001	2002	2003	2004	2005
Assets										
Non-current assets	582.1	576.6	576.7	714.2	846.4	898.8	1,257.8	1,117.4	1,364.8	1,951.9
Intangible assets	1.1	0.8	1.2	1.2	8.0	8.4	212.4	299.9	349.3	592.4
Property, plant and equipment	391.8	389.7	388.8	412.6	475.4	502.4	553.6	539.7	475.3	512.0
Financial assets	189.2	186.1	186.7	300.1	308.4	335.6	419.5	172.7	427.8	712.3
Deferred tax assets	0.0	0.0	0.0	0.3	54.6	52.4	72.3	105.1	112.4	135.2
Current assets	2,653.3	2,477.8	2,287.0	2,361.1	2,230.1	2,411.8	2,375.0	2,365.9	2,355.6	2,404.7
Inventories	526.3	463.2	380.8	524.4	408.3	405.4	412.0	370.6	283.5	384.5
Receivables and other assets	917.2	867.3	909.8	934.6	944.7	1,204.3	1,190.6	1.094.8	1,158.4	1,188.3
Cash and marketable securities	1,209.8	1,147.3	996.4	902.1	877.1	802.1	772.4	900.5	913.7	831.9
Equity and liabilities										
Shareholders' equity	711.1	708.4	638.1	633.5	903.4	1,113.0	1,032.3	1,136.1	1,130.5	1,188.8
Subscribed capital	92.2	92.3	92.4	108.6	108.8	108.9	109.1	110.2	110.2	111.6
Reserves	597.2	597.9	531.5	511.0	776.8	980.9	866.0	953.3	963.1	1,012.3
Unappropriated retained earnings	22.1	18.5	14.8	14.8	14.8	20.0	36.4	47.7	36.7	37.2
Minority interest	-0.4	-0.3	-0.6	-0.9	3.0	3.2	20.8	24.9	20.5	27.7
Non-current liabilities	296.7	285.4	258.3	458.7	517.3	532.3	541.8	436.2	471.1	898.8
Pension provisions	89.8	92.0	98.6	100.3	129.4	119.9	187.6	90.5	97.2	130.2
Other provisions	138.0	135.3	132.1	130.3	112.2	109.2	106.2	106.1	107.7	105.3
Financial liabilities, recourse	45.5	44.3	18.4	212.9	197.9	155.4	87.2	68.3	85.5	86.6
Financial liabilities, non recourse	0.0	0.0	0.0	0.0	31.0	101.7	113.3	110.3	114.2	485.1
Other liabilities	23.5	12.2	8.5	15.1	20.1	1.1	6.3	4.6	13.9	17.2
Deferred tax liabilities	0.0	1.6	0.6	0.0	26.7	45.0	41.2	56.4	52.6	74.4
Current liabilities	2,227.6	2,060.6	1,967.3	1,983.1	1,655.8	1,665.3	2,058.7	1,911.0	2,118.8	2,269.0
Tax provisions	60.0	54.2	54.1	33.5	33.5	32.6	47.3	44.8	55.4	50.2
Other provisions	652.0	591.0	528.6	521.2	314.2	274.3	302.7	302.7	343.3	419.9
Financial liabilities, recourse	124.7	121.9	156.9	88.9	93.5	94.2	225.4	113.6	48.7	40.9
Financial liabilities, non-recourse	0.0	0.0	0.0	0.0	0.0	0.0	30.3	51.3	90.7	10.1
Other liabilities	1,390.8	1,293.4	1,227.7	1,339.5	1,214.6	1,264.2	1,453.0	1,398.6	1,580.7	1,747.9
Balance-sheet total	3,235.4	3,054.4	2,863.7	3,075.3	3,076.5	3,310.6	3,632.8	3,483.3	3,720.4	4,356.6
Proportion of balance-sheet total										
Non-current assets	18%	19%	20%	23%	28%	27%	35%	32%	37%	45%
Current assets	82%	81%	80%	77%	72%	73%	65%	68%	63%	55%
Shareholders' equity	22%	23%	22%	21%	29%	34%	28%	33%	30%	27%
Non-current liabilities	9%	9%	9%	15%	17%	16%	15%	12%	13%	21%
Current liabilities	69%	68%	69%	64%	54%	50%	57%	55%	57%	52%

[1] These figures according to the Geman Commercial Code (HGB)

Business developments

€ million		1996 [1]	1997 [1]	1998 [1]	1999 [1]	2000	2001	2002	2003	2004	2005
Output volume		4,728	4,919	4,756	4,586	4,437	4,607	4,912	5,586	6,111	7,061
Orders received		5,083	4,303	4,582	4,320	4,591	4,680	5,216	5,605	6,139	7,545
Order backlog		5,102	4,486	4,312	4,046	4,200	4,272	5,168	6,277	6,339	7,001
Capital expenditure		106	116	85	217	80	111	324	271	165	330
Property, plant and equipment		94	107	72	82	66	73	71	88	70	102
Financial assets		12	9	13	135	14	38	253	183	95	228
Employees (at year-end)		51,171	57,662	55,171	41,641	40,653	43,471	50,277	50,460	49,852	55,346
Group earnings											
EBITA		7	-20	-90	8	10	36	74	101	81	115
Earnings before taxes (EBT)		75	34	-42	30	62	71	85 [2]	86 [2]	91	115
Net profit		47	20	-46	22	43	52	60 [3]	50 [3]	51	66
Earnings per share	in €	1.74	0.54	-0.77	0.62	1.20	1.44	1.66	1.37	1.39	1.80
Bilfinger Berger AG (the Company)											
Dividend distribution		22.1	18.5	14.8	14.8	14.8	20.0	36.4	47.7	36.7	37.2
Dividend per share	in €	0.61	0.51	0.41	0.41	0.41	0.55	0.55	0.65	1.00	1.00
Dividend bonus	in €							0.45	0.65		
Share price at year-end	in €	28.89	28.53	21.73	21.60	12.99	25.00	14.60	27.00	30.25	40.30

[1] These figures according to the German Commercial Code (HGB)
[2] Adjusted for exceptional items totaling €48 million in 2003 and €36 million in 2002
[3] Adjusted for exceptional items totaling €76 million in 2003 and €54 million in 2002

Financial calendar

	2006
May 11	Interim Report Q1 2006
May 18	Annual General Meeting*
August 10	Interim Report Q2 2006
November 13	Interim Report Q3 2006

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