Annual Report 2009

The Multi Service Group. BILFINGER BERGER

Key figures

€ million		2007	2008	2009
Output volume		9,222	10,742	10,403
Orders received		11,275	10,314	11,129
Order backlog		10,759	10,649	11,704
Capital expenditure		268	697	530
Property, plant and equipment		204	237	162
Financial assets		64	460	368
Employees (at year-end)		52,723	60,923	67,199
Balance sheet				
Balance-sheet total		6,128	6,773	7,941
Equity capital		1,332	1,141	1,562
Equity ratio	in %	22	17	20
Working capital		– 697	–890	–1,222
Cash and cash equivalents		796	720	798
Liabilities to banks, recourse		111	328	354
Liabilities to banks, non-recourse		1,362	1,518	1,902
Capital employed		1,548	1,594	1,925
Earnings				
EBIT		229	298	250
Net profit		134	200	140
Cash flow from operating activities		325	357	368
Cash flow per share	in €	8.07	9.22	9.94
Earnings per share	in €	3.32	5.18	3.79
Dividend per share	in €	1.66	1.85	2.00
Profitability				
Return on output (EBIT)	in %	2.5	2.8	2,4
Return on equity (ROE)	in %	10.7	16.6	11.3
Return on capital employed (ROCE)	in %	18.7	23.2	15.6
Value added		126	202	98

Cover photo
High-pressure piping at the Boxberg coal-burning power station must withstand extreme burdens. With the utmost care and precision, experts from Bilfinger Berger adjust two pipe components before they are connected using an automated, computer-aided welding process.

Business segments

Civil

€ million	2009	2008	Δ in %
Output volume	3,286	3,934	–16
Orders received	3,849	3,337	+15
Order backlog	4,886	4,320	+13
Capital expenditure	54	116	–53
EBIT	–7	+11	
Employees	11,161	13,294	–16

Output volume in %	
Abroad	81
Germany	19

Building and Industrial

€ million	2009	2008	Δ in %
Output volume	2,018	2,020	0
Orders received	1,847	1,915	–4
Order backlog	2,044	2,263	–10
Capital expenditure	8	13	–38
EBIT	+22	+14	+57
Employees	3,322	3,556	–7

Output volume in %	
Abroad	68
Germany	32

Services

€ million	2009	2008	Δ in %
Output volume	5,097	4,805	+6
Orders received	5,407	5,078	+6
Order backlog	4,768	4,081	+17
Capital expenditure	96	100	–4
EBIT	+238	+230	+3
Employees	52,115	43,480	+20

Output volume in %	
Abroad	59
Germany	41

Concessions

Number / € million	2009	2008	Δ in %
Projects in portfolio	26	24	+8
thereof, under constr.	8	13	–38
Committed equity	340	291	+17
thereof, paid-in	140	101	+39
EBIT	+14	+9	+56
Employees	135	136	–1

Equity investments in %	
Abroad	81
Germany	19

Bilfinger Berger is an international services Group for industry, real estate and infrastructure with a leading position in its markets. The Company's strategic goal is to improve its risk profile and enhance its profitability by further expanding the services business and curtailing construction activities. The Group’s operations comprise the business segments Civil, Building and Industrial, Services and Concessions.

A high degree of technical competence and decades of experience mean that Bilfinger Berger has the expertise necessary to design and execute major infrastructure projects. We modernize transport routes and energy generation in countries all around the globe. Through the successful execution of complex civil engineering measures, we have earned a strong reputation among our clients.

Bilfinger Berger delivers customized services for real-estate properties that encompass the entire lifecycle of the building. With our specialist expertise we enable clients to make sustainable investment decisions for their construction projects. With our research & development activities we are a pioneer in energy-conscious and resource-efficient building construction.

Bilfinger Berger occupies a leading position in the provision of services for industrial facilities, power plants and buildings. Industrial Services covers the maintenance, repair and modernization of production plants in the process industry. Power Services is focused on maintenance, repair, efficiency enhancements and lifetime extensions at existing plants as well as the manufacture and assembly of components for power plant construction. Facility Services delivers technical, commercial and infrastructural services for office buildings, sport and event centers, hospitals and correctional facilities.

On the basis of long-term concession contracts, Bilfinger Berger delivers and operates transport and social infrastructure projects as a private partner to the public sector. Important markets include Australia, Germany, the United Kingdom, Canada, Norway and Hungary.

Annual Report 2009

The Multi Service Group. BILFINGER BERGER

Contents

Foreword

Dear Shareholders and Business Associates,
Ladies and Gentlemen,

Buoyed by a strong performance in its services business, Bilfinger Berger successfully concluded the 2009 financial year. Despite a charge on earnings from a major project and difficult economic conditions, we were able to meet the goals established in our forecast at the beginning of the year. EBIT and net profit reached levels equal to those of the prior year after adjusting for the sale of Razel.

Not only was 2009 a successful year, it was also an important year in the development of the Company: Bilfinger Berger undertook a stronger shift in the focus of its activities toward the services business and laid the groundwork for a substantial reduction in the volume of its construction business. This applies in particular to the planned sale of our subsidiary, Bilfinger Berger Australia, the proceeds of which we will use to further expand our services business.

With the ongoing restructuring of our Company, we will fundamentally improve our economic footing and limit our dependence on economic cycles. This positioning as a services Group for industry, infrastructure and real estate is being very positively received by investors and clients. In October 2009, we carried out a capital increase, primarily to finance the acquisition of industrial and power services provider MCE. Our shareholders purchased nearly all of the new shares offered to them – evidence of the confidence they have in our corporate strategy.

The Services business segment, with its Industrial Services, Power Services and Facility Services divisions once again recorded an increase in output volume and earnings, exceeding expectations despite a recessionary business environment. Through the acquisitions of MCE in Austria, the Swiss Rohrbau Group, LTM in France and Duro Dakovic Montaza in Croatia, we have further expanded our strong position in this business.

Construction will remain a core business in the future despite reduced volumes. Our strengths lie in our technical competence and our expertise in sustainable construction. In the Civil business segment, we are active in selected regions where we carry out challenging infrastructure projects. In the Building and Industrial business segment, we compete on the basis of quality and avoid competition where price is the decisive factor. Because issues relating to sustainability in real estate are becoming increasingly important, the role of the lifecycle approach that we favor and have been pursuing for many years is growing. The volume reduction will also serve to improve margins in the construction business over the long term. We have also once again tightened our risk management and project selection guidelines.

We are taking the incidents that have occurred at the North-South urban rail line project in Cologne very seriously. I assure you that we are contributing our share to a complete and thorough examination into the causes of the accident and, depending on the outcome, will respond appropriately. Through close cooperation with the client and the authorities involved as well as through open communication, we are working to restore the confidence that has been lost.

In a year marked by crisis, we were nevertheless able to add attractive projects in transport infrastructure and in public-sector building construction to our portfolio in the Concessions business segment. In addition, seven projects entered the operating phase.

Even though our transformation from a construction to a services Group has not yet been completed, our efforts are being recognized on the capital markets. Bilfinger Berger presents itself not only as a financially solid Group, but also as a company with exciting growth potential.

We will extend our services business to additional markets and expand the range of services we offer. Acquisitions will continue to play an important role in this process.

Our concessions business will also be continuously expanded. The sale of mature projects and the participation of a partner in our portfolio are two options that continue to be part of our business model. We are well-positioned in our markets and the demand for privately financed infrastructure projects is growing.

We also see growth opportunities in stricter climate protection and resource conservation requirements: Our expertise is needed in many areas, including sustainable construction and securing the supply of drinking water. In all areas of our business we are developing resource-friendly and environmentally compatible products and services and are offering our clients solutions that optimize expenditure and consumption over the entire lifecycle of structures and plants.

Be it in services, construction or concession projects – our business relies to a tremendous extent on highly-qualified employees. In the competition for the best minds available, we benefit from intensive cooperation with selected colleges and universities. In a survey to determine the most popular employer, Bilfinger Berger was selected by thousands of German university graduates as the year's rising star among engineers. This is certainly also a result of our promising future prospects and strong human resources work.

Bilfinger Berger has proven that its strategic positioning is successful, even in an economically challenging environment. As has been the case in the past, we will aggressively pursue the path we have chosen. I look forward to receiving your continued support.

Sincerely yours,

Herbert Bodner,
Chairman of the Executive Board
Bilfinger Berger AG

Bilfinger Berger AG Executive Board

Herbert Bodner
(Chairman)

Born in Graz, Austria in 1948.
He studied civil engineering at the University of Stuttgart and started a career in the construction industry after completing his studies. Herbert Bodner joined the Bilfinger Berger Group in 1991.
He has been a member of the Executive Board since 1997 and its Chairman since 1999. He is also responsible for corporate development, communications and legal.

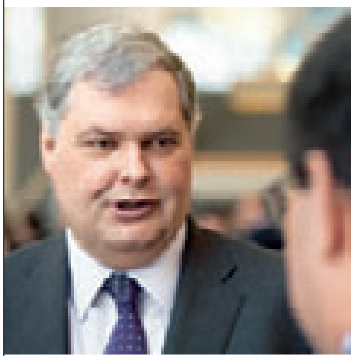
Klaus Raps

Born in Nördlingen in 1960.
He joined Bilfinger Berger in 1986 after studying civil engineering at the University of Applied Science in Munich as well as business administration and engineering at the Technical University of Berlin.
Klaus Raps assumed leading management positions in various branches of Bilfinger Berger AG and was appointed member of the Executive Board in 2007.
His responsibilities include Building, parts of the international construction business and Bilfinger Berger Facility Services.

Joachim Müller

Born in Eberbach in 1959.
After studying economics at the University of Heidelberg, Joachim Müller worked in the field of finance and accounting at several international industrial and IT companies. He was appointed to the Executive Board of Bilfinger Berger in 2008 and has been Chief Financial Officer since May 2009 with responsibility for accounting, finance, controlling, investor relations and IT management.

Board responsibilities
as of January 1, 2010

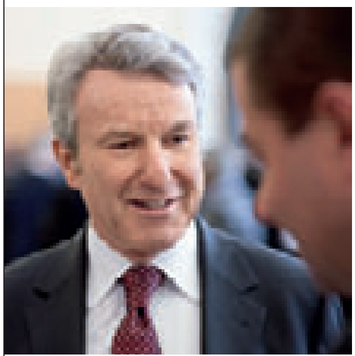


Kenneth D. Reid

Born in Hamilton, Scotland in 1965. After studying civil engineering at Heriot-Watt University, he worked in various parts of the world including the Middle East and Asia. In 1990, he started working for the Bilfinger Berger Group while studying for an MBA at the Edinburgh Business School. He was appointed to the Executive Board in 2007 and is responsible for Civil, concession projects and Bilfinger Berger Power Services.

Prof. Hans Helmut Schetter

Born in Albstadt in 1949. After studying civil engineering at the University of Karlsruhe and starting a career in the construction industry, he joined the Bilfinger Berger Group in 1990. Prof. Hans Helmut Schetter has been a member of the Executive Board since 1995 and is responsible for human resources, technology and parts of the international construction business.



Thomas Töpfer

Born in Frankfurt in 1961. After studying business administration at the University of Nuremberg and economics at the University of Würzburg, he joined a consulting company. In 1995, Thomas Töpfer then joined what is now Bilfinger Berger Industrial Services GmbH. He has been a member of the Executive Board at Bilfinger Berger since April 1, 2009 and is responsible for Industrial Services.

Sustainability – Growth opportunities for Bilfinger Berger

> *Climate protection and resource conservation are some of the biggest challenges at the top of the political agenda worldwide. These challenges create diverse opportunities for Bilfinger Berger.*

"Sustainable development is something people talk about when they can't think of anything else to say", says Prof. Klaus Töpfer, former Head of the UN Environment Programme and sustainability pioneer, criticizing dilution of the term.

Since the Earth Summit in Rio in 1992 when the United Nations agreed on "development which takes into account the needs of future generations", the term 'sustainable development' has increasingly been used for the purposes of superficial green washing. Use of the term 'sustainable' has become so widespread that its everyday use

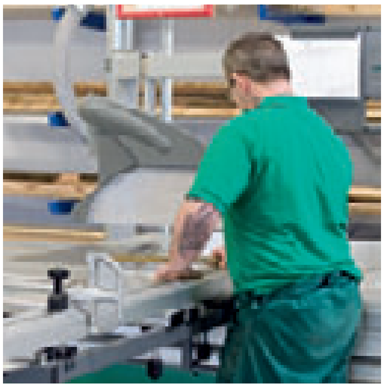
Respecting nature makes good economic sense

has lost its real meaning. If a footballer plays a good game, the newspaper reports that it's "sustainable proof that he's a good candidate for the national team."

On the positive side, sustainability is no longer a word used only in academic circles. Children in schools paint pictures about climate change. 'LOHAS' consumers (LOHAS is an acronym for Lifestyle Of Health And Sustainability) are a powerful new consumer group with the aim of promoting sustainability, for example by switching to green electricity. Investors are investing in ethical funds or in shares in companies who assume a high degree of social responsibility.

The concept has thus traveled full circle since the beginning of the 18th century when it was first realized that taking into account environmental and social issues makes good economic sense. At that time, the Saxon forests were being rapidly consumed by the sliver mining industry. But timber was vital for the construction of mine tunnels, smelting furnaces and houses and its scarcity threatened people's livelihood and the economic well-being of the state. This is the reason why Carl von Carlowitz, the prince elector's mine administrator wrote his fundamental work on forestry, calling for forests to be exploited in a "consistent, lasting and sustainable way, as man cannot act against nature."

A realization that is universally relevant today. Just a few years ago, clients wanted buildings to be built as cheaply as possible. Over time however, the supposedly cheap properties proved to be





Sustainable development can be self-serving

expensive, as their energy consumption was very high. Investors and consumers now demand recognized certificates as proof of resource-conserving construction. One such certificate is the German Seal of Approval for Sustainable Construction, developed in large part by Bilfinger Berger. This certification system will further strengthen the lifecycle approach in use at Bilfinger Berger for many years. Bilfinger Berger focuses on establishing close dialog with clients, from the development and planning stages through to building operation. This approach allows early identification of the costs a building will generate over its entire lifecycle. The Company's wide-ranging expertise is a competitive advantage in the sustainable solutions market.

Bilfinger Berger builds the foundations for huge offshore wind-farms, ensures solar power plants operate efficiently, reduces the emissions of coal-fired power plants and is a reliable partner to its clients in long-term, public private partnerships.

Sustainability also affects internal processes at Bilfinger Berger. A comprehensive compliance system contains principles of conduct that apply to all employees. Included in these principles are regulations that counteract corruption and waste and call for social behavior. Training programs increase safety and improve environmental protection in the workplace.

Various initiatives have also had an impact on society. The Bilfinger Berger Award 2009, which included a cash-prize of €50,000 went to Copenhagen. The prize recognizes an urban district renewal project whose success was brought about primarily as a result of the commitment of its citizens, emphasized Klaus Töpfer, chairman of the award jury, in his speech. In addition to numerous commitments in universities, the Company also supports the teaching of sciences in schools, with projects such as 'Technology is the Future' and 'Knowledge Factory'. Bilfinger Berger hopes that these projects will get young people interested in technical careers and in so doing counteract the threatened shortage of engineers and skilled workers. Sustainable development can be self-serving too.

Infrastructural, industrial and facility services: Bilfinger Berger's broadly-based expertise is an important advantage in competition for sustainable solutions.

Workers pour concrete for the giant foundations before they are transported across the sea on pontons.

The sun has set. The ship's spotlights illuminate the dark surface of the water. Suddenly, the yellow helmet of a professional diver rises from the depths below. He had been inspecting the gravel bed that had just been laid by a floating dredger on the sea floor. That gravel be will be the resting place of a 1,400-tonne giant that is now hanging on the floating crane: a heavy-weight foundation for an offshore wind power generator. Based on the video images from the diver's helmet camera, the people at the construction site already know that the gravel bed is perfect.

"Let's get started", says Nils Benecke, the 29-year-old project manager from Bilfinger Berger. He has already made several dozen notches with a pen on the inside of his construction helmet: one for each foundation that has been set. "I'll be adding another one tonight", says Benecke.

He and his staff won't be finished until the 91st notch has been made. In the Roedsand offshore windpark between the Danish island of Lolland and the German island of Fehmarn, Bilfinger Berger and their Danish partners Per Aarsleff will set five rows with 18 foundations each for the wind turbines and an additional foundation for a transformer station.

Text
Bernd Hauser

Photos
Rainer Kwiotek

Making waves in offshore wind power

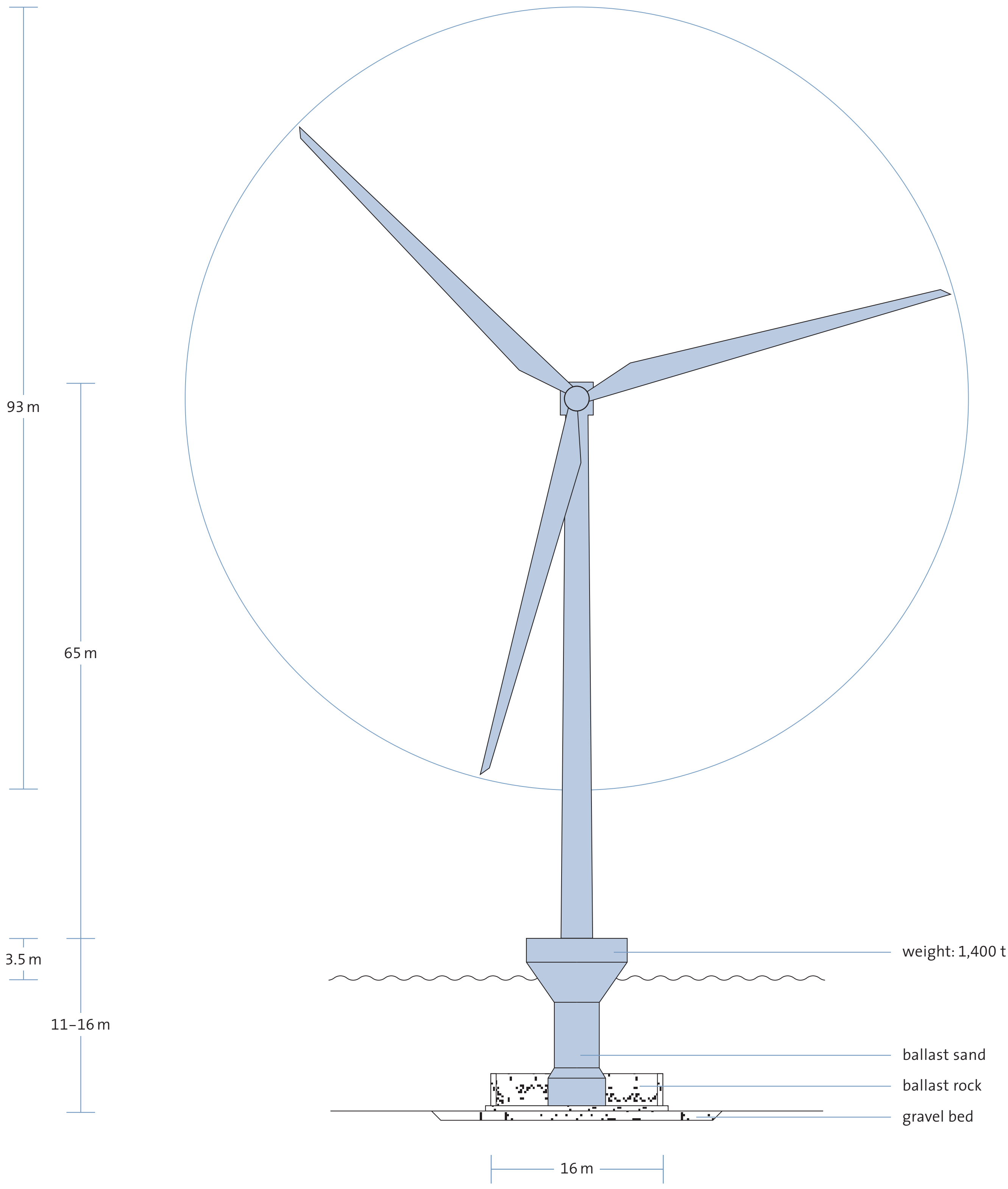
In the middle of the Baltic Sea, specialists from Bilfinger Berger are placing more than 90 heavyweight foundations on the sea floor: the company is ensuring that the wind turbines at the Roedsand 2 offshore windpark stand straight.

The foundations have to be rock-solid because the wind turbines they support will be exposed to extraordinary burdens. They have a wing-span of 93 meters and at full-speed, the tips of the rotary blades reach speeds of over 250-kilometers an hour. And then each turbine generates 2.3 megawatts. All of the turbines combined are capable of providing enough electricity for 230,000 households.

Benecke's radio starts to hiss. The project manager responsible for preparing the gravel beds wants to discuss how to proceed with the work on the next day: his dredger ships and Benecke's floating crane should not get in each other's way. The two men talk about the weather – which does not qualify as small talk around here. The wind decides how work will proceed. As soon as the waves are higher than 75 centimeters, all work has to stop.

The Fehmarn Belt is just 19 kilometers wide and water depths at Roedsand range between just six and eleven meters. Günter Grass once referred to the Baltic Sea as the 'Baltic Puddle', making it sound anything but dangerous. But anyone who sees how even the giant pontons begin to dance on the waves when the foundations are brought from Swinemünde in Poland understands the degree of respect these waters command from both engineers and sailors.

The tanks in the back of the floating crane are flooded to counter the weight of the foundation. 1,400 tons appear to float weightlessly above the water.



The wind turbines and, consequently, the foundations holding them in place are exposed to extreme burdens. At full load, the tips of the rotary blades reach speeds of up to 250-kilometers an hour.

Although it may be difficult to build wind power stations on the sea, the potential is enormous. Stations with a total output of 1.5 gigawatt have been built on the North Sea and Baltic Sea since 2000. By 2020, Germany intends to generate ten gigawatts from seawind, the Netherlands is aiming for six and the United Kingdom 14 – all told, the equivalent of 75 windparks the size of Roedsand. Even if these plans turn out to be overly-ambitious and only a portion of that total is actually built, Bilfinger Berger will still benefit from its expertise.

Leading position in laying foundations for offshore wind turbines

In November 2009, the Group won the order for its most important offshore project to date, thereby solidifying its leading position as a provider of foundations for offshore wind power stations. Power generation companies E.ON and Dong along with financial investor Masdar are building the vast London Array Windpark in the Thames estuary with an output of one gigawatt – enough to provide power to a quarter of metropolitan London. 175 wind turbines will be put up in the first phase of the project – the largest of its kind in the world.

Back at the Roedsand site, project manager Benecke's team is lowering the 57th foundation into the water this evening. That afternoon, a tugboat was put to the test maneuvering the floating crane into position near the pontoon with the foundations – against the wind. Workers hang the slings, heavy-duty lifting cables made of plastic, on one of the foundations. They have already flooded the tanks in the pontoon under the foundation and at the same time the tanks in the rear of the floating crane in order to compensate for the weight of the foundation. The crane operator then pulls a lever and the foundation, as heavy as 1,000 Mercedes sedans, is in the air above the waves. At this point, the tugboat drags the crane 1.5 kilometers to the place the foundation is to be set. With the help of four anchors and satellite navigation, the captain can bring the foundation into exact position above the gravel bed on the sea floor below.

Divers check the quality of the gravel bed on the sea floor before the foundation is set down with the help of GPS.

A story told in just a few sentences actually takes several hours and now night has settled on the sea. Aided by banks of high-powered spotlights, the crane operator slowly lowers the foundation while constantly checking the monitor with the navigation data. 20 centimeters above the gravel bed he stops the cables. The surveyor checks the position once more and then the crane operator again pulls the lever: slowly the foundation sinks to the ground with its top section reaching 3 meters out of the water. Now it resembles a giant candle stick in the middle of the sea.

The team is proud of the precision work they do

The surveyor shows project manager Nils Benecke his results on a data sheet. He must ensure that the foundation's actual location does not deviate by more than 30 centimeters from the planned position. The team usually manages to put the foundation down within ten centimeters of the planned position. For foundation number 57, they missed the mark by a mere two centimeters. "That'll cost a bottle of whiskey", says the surveyor proudly – but only once they are on land, alcohol is strictly forbidden offshore.

Project manager Benecke just smiles. He's more than happy to buy the bottle. Before he retires to his bunk in the container, he checks the weather forecast on the laptop once again. The waves are expected to remain below the critical level in the next 24 hours. "Might work", mumbles Benecke. It looks as though he will be able to put another notch in his helmet tomorrow.

In the middle of the sea: the position of the foundation is accurate down to the last centimeter.

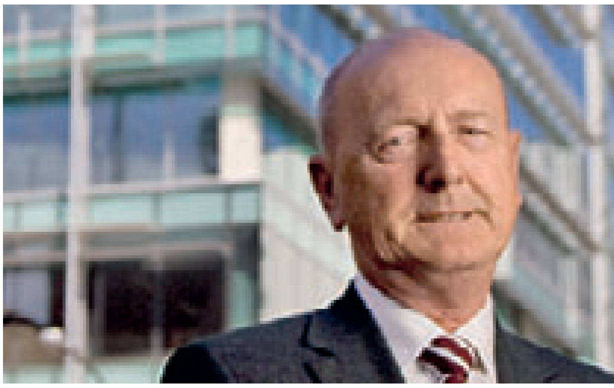
Green Stars Shine Brightly

Green building is not only about protecting the climate and conserving resources. People feel better in ‘green buildings’. In Australia, Bilfinger Berger is a key player when it comes to creating energy-efficient real estate.

Text
Julica Jungehülsing

Photos
Michael Amendolia

Adelaide, early summer, not long after lunch, the perfect time for that mid-afternoon slump during a long day at the office. But there's no slump in sight among those on the eleventh floor of City Central Towers. The air is fresh, not recycled, and as there's no air-conditioning, there's nothing to be heard but the sound of low voices and the clicking of keyboards. And though the sun is beating on the glass façade outside and the city is heating up to 30 degrees, it's a comfortable 21 degrees in the office.



Filtered sunlight shines into the offices. Only at the elevator are energy-saving lamps in use. "The City Central Towers are not only good for the environment and for health," says Ben Yates, General Manager of Investors Aspen Developments, "they also set new standards in economic efficiency". The City Central Tower constructed by Bilfinger Berger is the largest structure in Adelaide with the harmony of environmental and economic interests at heart – and was awarded the much sought after five green stars for sustainability.

Ecology and economy finally get together

The Green Building Council, set up in 2002, is a state supported association of construction companies, architects, scientists and government authorities. The new association took on the task of establishing uniform standards with which to measure the sustainability of real estate. Buildings considered examples of best practice receive four stars. Outstanding buildings are awarded five stars. Six stars are awarded only in exceptional cases.

So far, around 200 office buildings have received a green star award – due, not least, to exemplary government policy. Since 2004, the state of South Australia, which utilizes a fourth of all office space in downtown Adelaide, has rented rooms exclusively in five-star-rated properties. "We can use our expertise and close cooperation with specialist architects, engineers and subcontractors to cater to this demand", says Derek Hough, Regional Manager of the Australian Bilfinger Berger subsidiary.

Bilfinger Berger developed a special recycling system for the project and a specifically formed company organized the sorting and removal of waste generated during construction. As a result, 87 percent of the construction waste was recycled instead of ending up on the scrapheap – well above the green star minimum requirement of 60 percent.

The most distinctive feature of the City Central Towers are their turquoise façades made of double-coated low-E glass. Low-E stands for low emissivity, which means the windows allow daylight through but hardly any heat. The windows are

Consumption of water and electricity sinks noticeably

made of different glass depending on the direction they face. The sides of the building that receive less sun allow more light and heat through. Much of the office space is lit by natural light during the day.

The use of 'chilled beams' – passive chilled ceilings – is another main contributor to the reduction of energy consumption. Water is cooled by heat exchangers on the roofs and then sent through chilled water circuits to all floors. A second system sends fresh air through a system of ducts. This combination requires only a fraction of the energy needed by conventional air-conditioning systems. The temperature and air humidity are adjusted by computer depending on the weather and occupancy of the building. "We analyze many different types of data so that we can control the indoor climate with great precision", explains service manager Neville Hall. The building manager from Bilfinger Berger was involved in developing the initial architectural plans.

The water supply and wastewater disposal system is also highly sophisticated – an important consideration in a region with one of the lowest precipitation levels in Australia – and was awarded a top rating by the Green Building Council. Instead of potable water, gray water is used to flush the toilets. The water circulates through the cooling systems six times before it is treated as wastewater. And the washbasins are equipped with water-saving faucets. As a result, daily consumption of water per person was reduced to only 16 liters.

The City Central Towers have been fully rented for over a year, which means a much anticipated first assessment is now available: "During this period, energy consumption was 218 millijoules per square meter. The Australian average is 581", explains Neville Hall. "We managed to use only 38 percent of the energy used by a conventional office building."

But perhaps the most important argument in favor of green buildings is that derived from a survey conducted among City Central Towers employees. In the new environment, without conventional air-conditioning, they feel more motivated and healthier – a subjective evaluation, of course, but one backed up by a scientific study which has shown that the productivity of employees in sustainable buildings is ten percent higher than in conventional buildings.

Jan van Asperen and his team ensure that no energy is lost as thermal oil and steam make their way through kilometer-long piping systems.

Driving through the dusty plains of Andalusia is like driving into another time. Everywhere you look, it would seem almost as far as the eye can see, are rows of mirrors the size of houses. They are part of solar-thermal power plants that produce electricity from solar energy.

Text
Tilman Wörtz

Photos
Frank Schultze

If you look carefully, you will see they are parabolic troughs, which work by focusing the rays of the southern Spanish sun, so rarely covered by clouds, onto their focal line. Pipes containing synthetic oil run along the focal line and when heated, the thermal oil transfers its energy via a heat exchanger to a water-steam cycle, which uses a turbine to drive a power generator.

Bilfinger Berger is responsible for ensuring that as little energy as possible is lost during the process of transporting the oil and steam through pipes kilometers in length. Group specialists ensure complete insulation of pipes and plant components. “With daytime temperatures of up to 40 degrees, it’s a difficult job”, says project manager Jan van Asperen, who together with his team, has already insulated five solar thermal plants in Spain.

Under the Southern Sun

When it comes to the construction of large solar power stations, the energy industry in the south of Spain is ahead of the rest. Bilfinger Berger's expertise is essential in ensuring the efficiency of the new solar thermal plants.

The new Solnova power plant in Andalusia is made up of four blocks, each with an output of fifty megawatts and each solar field covering an area as big as 70 football fields. The total length of the related power networks is over ten kilometers.

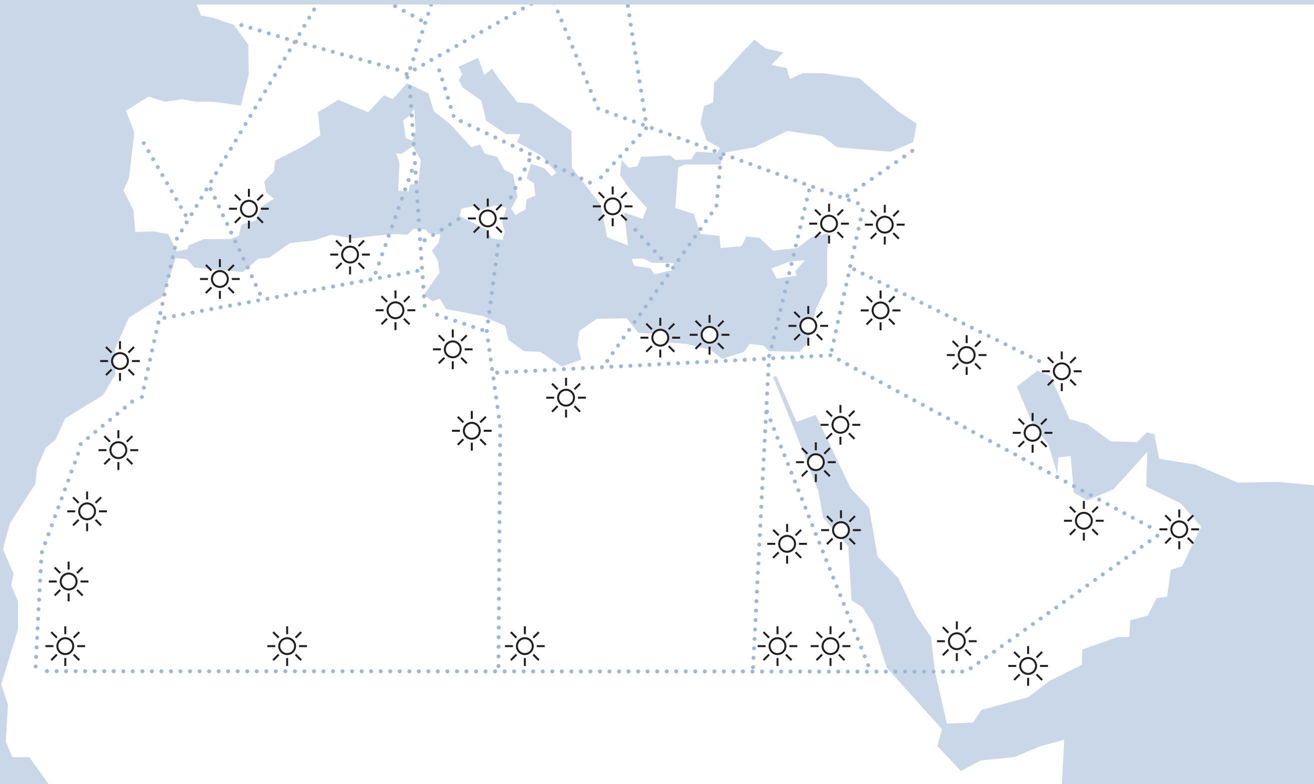
The sun heats the thermal oil to 400 degrees celsius.

Each pipe must be carefully covered in glass wool and then coated in aluminum, as the thermal oil is heated to temperatures of up to 400 degrees Celsius. Thermally insulating complex plant components such as the steam cycle heat exchanger is a particularly challenging task.

The quality requirements are high. The insulating material used can only be obtained from a small number of manufacturers. The wire netting used to keep the glass wool tight against the pipe is galvanized to protect against rust. “Some of our competitors save on these costs. But we want the insulation to last for decades”, explains the project manager. He knows that “in the long term, quality pays off in the form of follow-up orders.”

Desertec – Power from the Sahara

The aim of the Desertec major project is to use gigantic solar-thermal power plants in the Sahara to produce power, which would be fed into long-distance pipelines. A power plant covering an area half the size of Switzerland could meet the energy needs of the entire EU. The planning company, recently formed by industry leaders, is working towards turning this plan into a reality. The technology, including that to transport the power, already exists. The task now is to create the political conditions for such a pioneering project.





Each pipe is carefully insulated and encased in aluminum.

The boom in solar energy makes Spain a very promising market for Bilfinger Berger's insulation specialists. Applications for the construction of solar-thermal power plants with a total capacity of 4,300 megawatts have been submitted to the Spanish department of energy. A third of the plants have already been approved. The increased growth in the sector is due in large part to the statutory purchase price for solar power – 25 cent per kilowatt hour over twenty years is a safe bet.

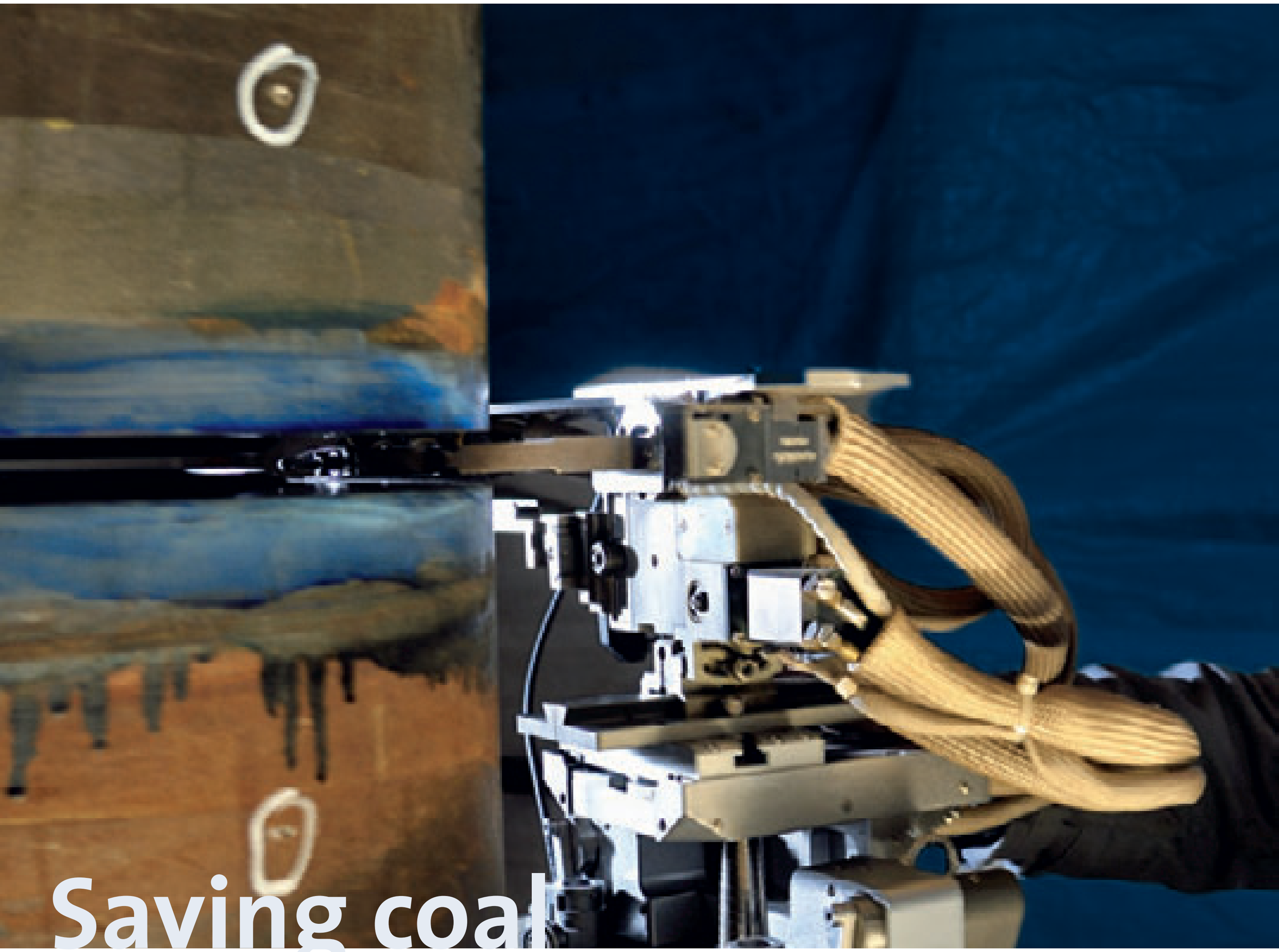
The big players Acciona and Abengoa Solar continue to set the scene and are already building

The first solar thermal power plants are also appearing in North Africa.

solar-thermal power plants in North Africa. Bilfinger Berger has been working with both energy companies for years. Abengoa Solar, working on a new plant in Algeria, has again turned to Bilfinger Berger's specialists. Jan van Asperen is confident: "Solar-thermal energy will continue to be a hot topic for us for a long time to come".

The Power Tower

Within view of Solnova in Andalusia, another form of solar-thermal energy is being tested. A power tower rises 115 meters into the sky and mirrors arranged in a semi-circle around it direct the sun's rays to the top of the tower. This system allows power to be produced from solar energy even in mountainous areas.



Saving coal for the sake of conservation

To conserve raw materials and reduce emissions, operators of coal-fired power plants are working to achieve ever-higher levels of efficiency. Bilfinger Berger is making a substantial contribution to this process and to protecting the environment.

Text
Sara Mously

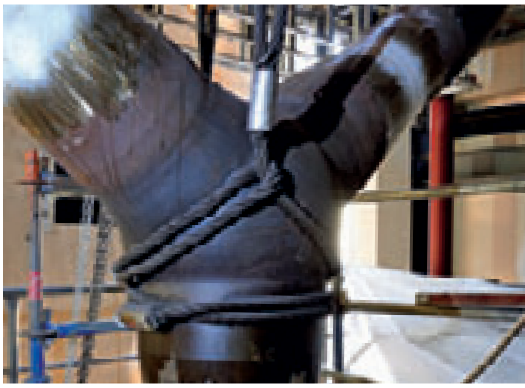
Photos
Eric Vazzoler

One of the most modern lignite-fired power plant blocks in the world is being built in the Lausitz region of Germany. While the average efficiency levels of these plants is about 30 percent, the level in Block R of the Boxberg power plant will reach more than 43 percent. The pipes that direct steam to the turbines are a key component. Beginning in February, 2011, the steam will shoot through the piping at temperatures of over 600 degrees and at pressures that reach 280 bar – without causing any cracks or deformations.

Bilfinger Berger is one of just a handful of companies in the world that is up to the challenges presented by the P 92 special steel, an alloy with chrome, tungsten, molybdenum, vanadium and niobium. Using the €4 million inductive bending machine at the factory in Essen, Bilfinger Berger staff can take ten-centimeter thick steel and bend it with extreme precision.

"One piping segment can weigh up to 13 tons", says project manager Arno Schulz. Cranes that are 150-meters high are required to maneuver the elements into the correct position once they reach the power plant. Using heavy steel hooks and chain hoists, workers then take over the final adjustments: "It's a job that requires the combined efforts of eight men."

An automated procedure is used for particularly thick wall strengths: computer-controlled orbital narrow-gap welding.



Piping specialists work day and night welding the segments together into a complete system. For particularly thick pipes, they employ an automated process, the computer-controlled orbital narrow-gap welder. "Mainly because it's more accurate than doing it by hand", explains welder Uto Kubitzki and wraps a metal track around one of the two pipe ends that he wants to connect. He leaves a one-centimeter gap between the pipes which will now gradually be filled with welding rod. Kubitzki approaches the metal track and attaches a 15-centimeter long pin which extends

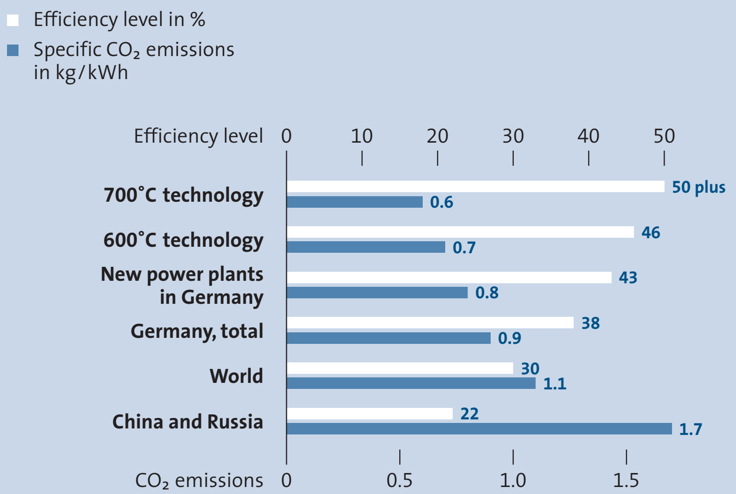
Bilfinger Berger is researching new methods to further improve efficiency levels.

into the gap. At its tip, the welding electrodes are glowing and, with every rotation, welding one millimeter-thin layer over another. The work proceeds slowly and precisely. A single rotation takes 20 minutes and the segment has to be turned about 80 times before the 8.5-centimeter deep gap is filled and the two pipes are firmly connected.

The diameter of the pipes can reach to well over a half-meter; they wind their way from the floor to under the roof of the boiler house 135 meters above, twisting hundreds of meters through a maze of scaffolding, stairways, steel beams and chains. "There have been huge developments in power plant construction in recent years", explains Arno Schulz. "Efficiency levels in particular have improved". With P-92 piping, Bilfinger Berger is making an important contribution to climate protection, "because the more efficiently we use each and every gram of coal, the less CO_2 is released."

In order to achieve ever-greater levels of efficiency, Bilfinger Berger is constantly carrying out research on new methods. In Block R, for example, the Powerise process is being applied, an

Higher efficiency levels – lower emissions



The average efficiency level for coal-fired power plants around the world is 30 percent, in Europe it is 36 percent. The average efficiency level for plants in Germany is 38 percent which puts them among the most efficient in the world.

There is substantial potential to reduce the consumption of coal and CO_2 emissions in the technology for coal-fired power plants. The target for development in the next ten years is an efficiency level of 55 percent.

approach that was developed in the Group and by which residual heat from the up to 150-degree flue gas is used to pre-heat the feed water.

Further increases in the level of efficiency are achieved through the improved drying of the lignite. In a test facility at Vattenfall's Schwarze Pumpe power plant, Bilfinger Berger is testing the pressure-charged fluid bed drying. Higher pressure in the plant allows for lower temperatures and, as a result, lower energy consumption than with traditional methods. The principle is similar to that of a pressure-cooker – the heat energy is used optimally and the water content of the lignite is similar to that of hard coal. The efficiency level of power plants equipped in this way can increase by up to 50 percentage points.

A test plant in Gelsenkirchen, Germany in which 700-degree steam shoots through the pipes is also aiming to achieve further efficiency improvements. Bilfinger Berger uses Alloy 617 for the pipes in this plant, a material that consists primarily of extreme heat-resistant nickel. After four years of test operations, metallurgists are now looking into the effect on the material. "In five to six years we will be able to provide power plants with pipes from nickel-based materials", says Gerd Lesser, Managing Director of Bilfinger Berger Power Services. "With our coal drying processes and heat recovery, we will be able to achieve efficiency levels of 50 percent."

At its plant in Essen, Bilfinger Berger uses an inductive-bending machine to bend ten-centimeter thick walls with absolute precision.

Text
Uschi Entenmann

Photos
Kathrin Harms

Long-term obligation

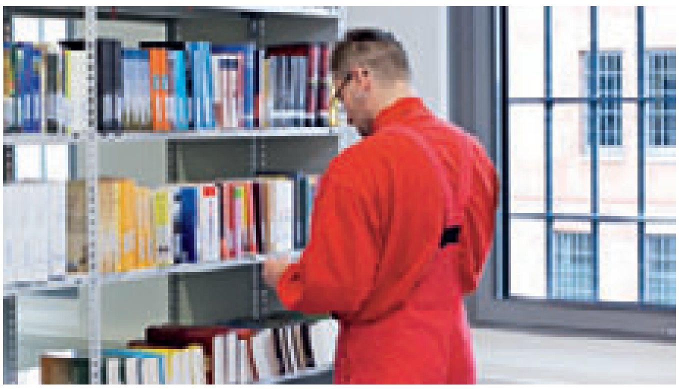
In Germany, a life sentence means a minimum of 15 years behind bars. Bilfinger Berger's commitment to the Burg Prison is longer: the company is responsible for the operation of the facility for a period of 25 years.

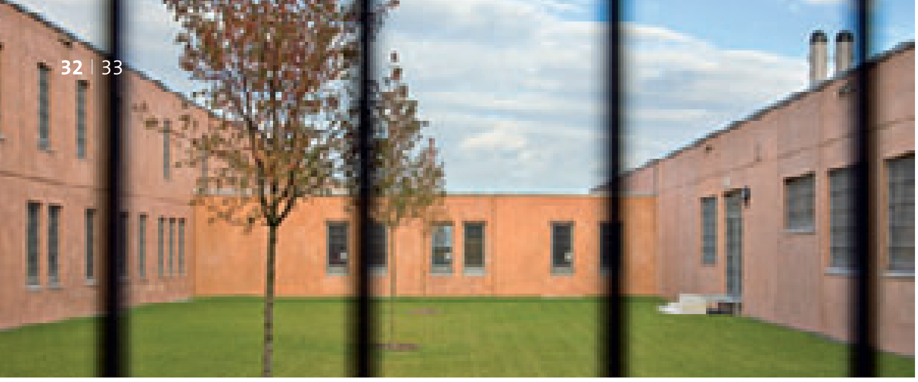
The new Burg Prison is the most modern correctional institute in Germany.

Escape is completely out of the question. Even if a prisoner managed to get over the security fence, sensors located below the ground in the security trenches would locate him. And he wouldn't have any luck if he tried to hide in a delivery truck, either: the exit is equipped with a detector that can register a human heartbeat.

But it is not only its security systems that make the prison in Burg, where about 658 hardened criminals serve sentences of at least three years, the most modern in Germany. The most interesting thing about this correctional facility near Magdeburg is that Bilfinger Berger not only financed, designed and built it, they are now also operating it.

The company will be taking a lot of work off the hands of the justice system in the next quarter century. The organization of the facility will of course remain a sovereign task for the federal state of Saxony-Anhalt. Responsibility for all other services, however, will be assumed by about 100 employees of Bilfinger Berger or its specialized partners.





Bilfinger Berger eases the workload of the justice system and organizes the sports activities at the facility.

Holger Lüth, Head of the Burg Prison

"A quantum leap"

"When a camera breaks down at another correctional facility, replacing it can take time. If a trainer is ill, the sporting activity is canceled. The number of disciplinary measures rises, because the inmates cannot burn off their energy in a sensible manner. Here, when a trainer is ill, another one takes his place. Bilfinger Berger must ensure that is the case. The same applies for medical professionals, psychologists or camera repair. I have been working in prisons for the last 22 years. In my view, the Burg Prison represents a quantum leap in the penal system."

These private companies manage the highly sophisticated security technology that includes more than 500 video cameras and 2,000 locks along with the complete building technology. And the work doesn't stop there: if a chair is damaged or even if a light bulb fails in one of the cells or in the visitor's area they ensure that it is replaced – within minutes. They are responsible for the library with its collection of more than 5,000 books and organize the regular sporting activities for the inmates. Football, volleyball or basketball are on each inmate's schedule twice a week in the indoor sports hall. The operation of the kitchen and laundry facilities is also up to the private companies, as is the provision of medical care by trained nurses.

The fact that Saxony-Anhalt, a state with significant per capita debt levels, can afford this full-service package can be attributed to public-private partnership (PPP). The project volume amounts to about €500 million and includes the construction, maintenance, operation and financing of the facility for the next 25 years, for which

A clear division of responsibilities ensures greater efficiency

Saxony-Anhalt pays a monthly usage fee. Studies confirm that, over the entire contract period, costs are lower than they would be for a conventional approach.

An important criteria for PPP projects, in addition to the long-term relationship between private service providers and the public-sector, is the effort that is made to jointly achieving a reduction in lifecycle costs. This benefits both partners. The goal is not so much ensuring that the initial construction investment is as low as

possible but, above all, achieving a sustainable level of operation. In Burg, for example, a decision was made for a wood-chip heating system to complement the gas heating. This is a more economical and a more ecological approach. In another area, it was decided that low-energy lamps should be used which turn themselves off automatically as soon as a room is empty. Then the heating also reduces its output.

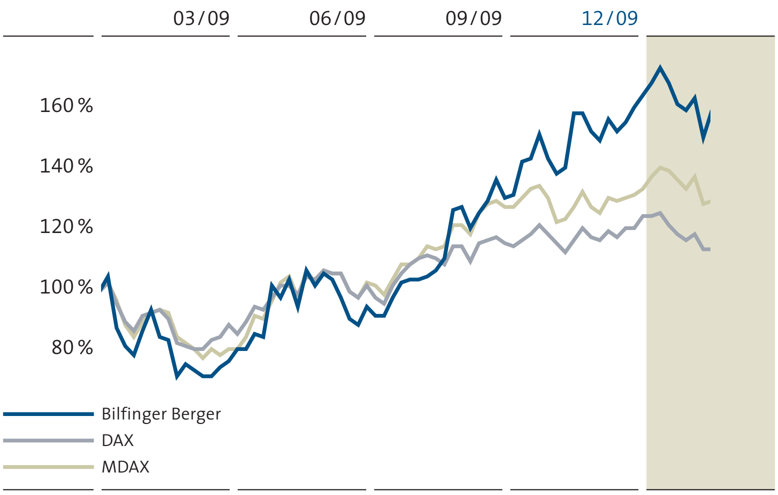
Sustainable operation is the primary objective

Angela Kolb, the Social Democratic Justice Minister in Saxony-Anhalt, is a strong proponent of public-private partnerships – although the decision for such a solution had been made by the previous Christian Democratic government. "PPP models offer long-term planning security, an important requirement for the reasonable and efficient management of the correctional facility", commented the Minister. "A clear division of responsibilities between the prison administration and private companies is a major advantage – one that speaks volumes for this kind of procurement."

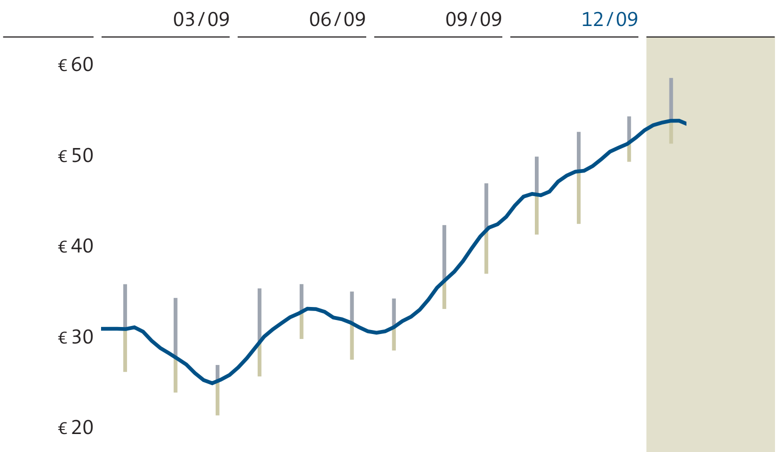
The 400-year old oak tree provides a stark contrast to the somewhat somber architecture.

Bilfinger Berger shares

Relative performance of our shares



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



- **Development better than market and sector**
- **Successful capital increase**
- **Increased dividend distribution**

Divided year on the stock exchange – development better than market and sector

2009 had two distinct halves for Bilfinger Berger's share price: The difficult situation of the world economy led to a disappointing development in the first half of the year. From July onward, our share price profited from the general stock-market revival. The pleasing stability of the services business and the strategic decision to reduce our construction activities and invest the additional funds in the Services segment was very well received by the capital market. The acquisition of MCE in combination with a successful rights issue further supported the positive share-price development.

The planned sale of our Australian activities and the even stronger weighting that the services business will have in the future have led to a revaluation of Bilfinger Berger's stock, which is reflected in the significant outperformance compared with the market and the sector as well as in analysts' significantly higher share-price targets.

The DAX ended trading in 2009 at 5,957 points or 24 percent higher than a year earlier, while the MDAX closed at 7,507 points or 34 percent above the prior-year level. Bilfinger Berger shares were listed at €53.92, which is 65 percent higher than at the end of 2008. This is equivalent to a market capitalization of €2.5 billion.

Key figures on our shares

€ per share		2005	2006	2007	2008	2009
Earnings		1.66	2.29	3.32	5.18	3.79
Dividend		0.92	1.15	1.66	1.85	2.00
Dividend-yield [1]		2.5%	2.3%	3.4%	5.4%	3.7%
Pay-out ratio [2]		56%	50%	50%	36%	53%
Highest price		42.87	51.47	68.99	59.68	54.56
Lowest price		27.86	34.81	43.71	22.06	21.57
Year-end price		37.20	51.25	48.72	34.45	53.92
Book value [3]		28.80	29.54	32.50	29.26	34.90
Market value / book value [3]		1.3	1.7	1.5	1.2	1.5
Market capitalization [5]	in € million	1,499	2,065	1,963	1,388	2,482
MDAX weighting [1]		2.0%	2.2%	2.1%	3.1%	4.0%
Price-to-earnings ratio [1]		22.39	22.39	14.66	6.65	14.23
Number of shares (in thousands) [4,5]		37,196	37,196	37,196	37,196	46,024
Average daily volume (no. of shares)		165,946	286,756	377,923	485,628	390,746

All price details refer to Xetra trading.
Values per share for the years 2005-2008 were adjusted in accordance with the subscription rights issue.

1 Based on the year-end closing price
2 Based on earnings per share
3 Balance-sheet shareholders' equity excluding minority interest
4 Based on the year-end
5 2008 and 2009: including treasury shares

Additional data

ISIN	DE0005909006 / GBF
WKN	590900
Stock exchange abbreviation	GBF
Stock exchange	XETRA / Frankfurt, Stuttgart
Deutsche Boerse segment	Prime Standard
Component of	MDAX, Prime Construction Perf. Idx., DJ STOXX 600, DJ EURO STOXX, DJ EURO STOXX Select Dividend 30, MSCI Europe

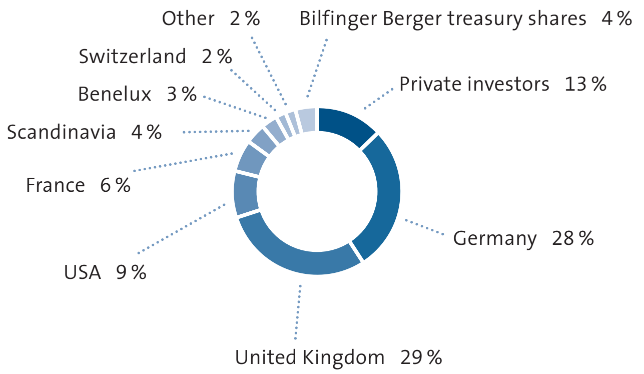
Successful capital increase

The capital increase with shareholders' subscription rights decided upon on October 6, 2009 was successfully completed on October 21, 2009. We see the strong interest shown in the new shares as evidence of shareholders' confidence in our corporate strategy.

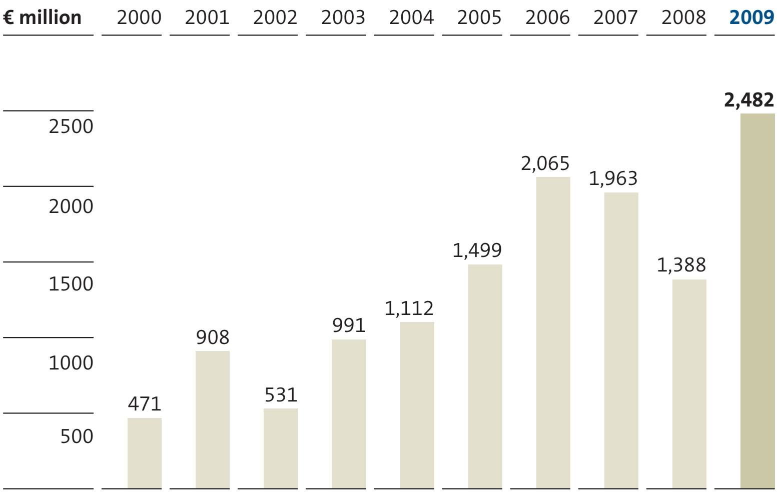
Bilfinger Berger's share capital was increased by approximately 25 percent through the issue of 8,828,025 no-par-value shares. A bank consortium consisting of Commerzbank, Deutsche Bank and BNP Paribas had undertaken to purchase the new shares at the subscription price of €30.60 per share and to offer them to shareholders at a ratio of 4:1. Holders of subscription rights acquired 99.82 percent of the new shares; the small number of remaining shares was sold by the bank consortium on the stock exchange.

Gross proceeds from the subscription rights issue accruing to Bilfinger Berger of approximately €270 million served to finance the acquisition of all shares in industrial and power services provider MCE, headquartered in Linz, Austria, and to maintain the financial flexibility of the Bilfinger Berger Group.

Institutional investors by region (as of December 31, 2009)



Market capitalization Bilfinger Berger share



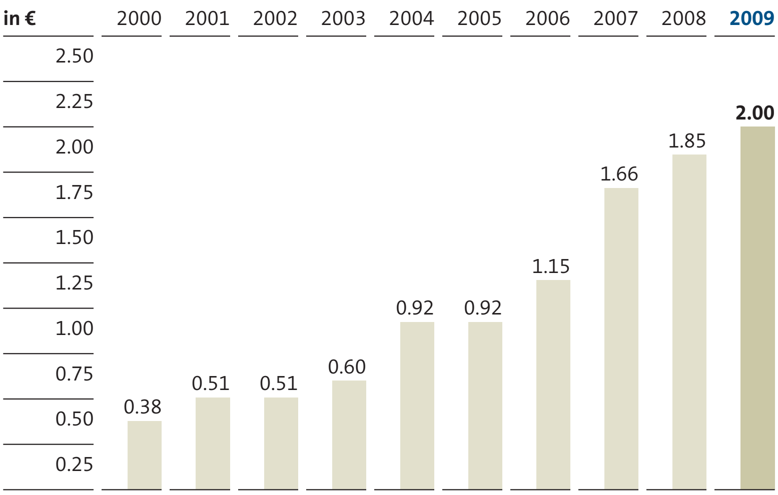
Increased weighting in the MDAX

Compared to 2008, trading volumes decreased overall in 2009, but Bilfinger Berger shares had relatively high liquidity within the MDAX: In December 2009, our shares ranked fourth by trading volumes (December 2008: 10th). The increased weighting of Bilfinger Berger shares in this stock-exchange segment is also reflected by the fact that they ranked fifth in terms of free-float market capitalization (December 2008: 11th). Our MDAX weighting increased from 3.1 percent at the end of 2008 to 4.0 percent at the end of 2009.

Broad international shareholder structure

As in prior years, we carried out two shareholder surveys in 2009. The analysis of December 31, 2009 shows that besides shareholders in Germany, shareholders in the United Kingdom and the United States are the most prominent – France, Scandinavia and the Benelux countries have, however, gained ground as compared to the previous year. Institutional investors continue to dominate our shareholder structure; the proportion of private shareholders decreased to 13 percent (2008: 15 percent). Four percent of our shares are currently held as treasury stock.

Dividend development of Bilfinger Berger shares not including bonus dividend



Adjustment to the historical value of the share

As a result of the capital increase with subscription rights for shareholders carried out in October 2009, the historical value of our shares has been adjusted to allow for a timeline comparison. The calculation of an adjusting factor is based on an *opération blanche* model: At the time of the capital increase, the shareholder sells as many subscription rights as are necessary to generate proceeds which allow him to exercise his remaining subscription rights without making an additional capital expenditure. The number of his shares increases but his investment remains the same.

If, for example, he now applies the dividend he received in the previous year to the new number of shares, the dividend per share is lower. All historical key share figures are subject to this adjustment.

The adjustment factor used in our capital increase was 0.923164.

Higher dividend once again

In our dividend policy, we focus on continuity: The dividend paid out on Bilfinger Berger shares has always been held constant or increased over the past ten years. A proposal will be made to increase the dividend for 2009 to €2.00 per share. Due to the capital increase, the adjusted value of the dividend in 2008 was €1.85 (see *Adjustment to the historical value of our shares*). In relation to the share price at the end of 2009, this results in a proposed dividend yield of 3.7 percent.

In dialogue with our investors

Despite the difficult capital-market environment that prevailed in 2009, we were still able to increase the coverage of Bilfinger Berger shares with the addition of four banks. We are now in contact with a total of 22 financial analysts, of whom 17 currently recommend our shares as buy and five recommend hold. We also provided information to institutional investors in more than 250 individual discussions, some of them in roadshows in 16 cities in Germany and abroad, as well as by participating in seven investor conferences.

Capital Markets Day 2009 focused on our Industrial Services division and was held at the Höchst Industrial Park near Frankfurt. Speeches given by members of the management gave representatives of the capital market better insight into the range of services provided by Industrial Services and was followed by a guided tour of the industrial park. The active participation in the event demonstrates the great interest in our services business.

Corporate governance report

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

Corporate Governance Code

Bilfinger Berger supports the goal set out by the German Corporate Governance Code of enhancing the transparency and comprehensibility of the corporate governance system and fostering trust among national and international investors, customers, employees and the public in the management and supervision of German listed companies. On December 8, 2009 in accordance with Section 161 of the German Stock Corporation Act, the Executive Board and Supervisory Board issued the following statement:

"Bilfinger Berger AG complies with all of the recommendations of the German Corporate Governance Code as amended on June 18, 2009 with the following exceptions:

- The recommendation in section 5.4.3 sentence 3 (announcement to shareholders of proposed candidates for the Chair of the Supervisory Board) is not followed because this recommendation does not conform with the distribution of competences as set out in the German Stock Corporation Act, which states that the election of the Supervisory Board Chairman is the responsibility of the Supervisory Board alone.
- The recommendation in section 3.8 sentence 5 (deductible in a D&O insurance for the Supervisory Board) is currently not followed because this recommendation, announced on June 18, 2009, in section 3.8. sentence 5 of the German Corporate Governance Code, had not been made at the time of closing of the D&O insurance contract. Bilfinger Berger AG intends to amend the D&O insurance contract so that the deductible for the Supervisory Board that it calls for is in line with the recommendation in section 3.8 sentence 5.
- The recommendation in section 4.2.3 sentence 5 (consideration of both positive and negative developments in variable remuneration) was not taken fully into account in those employment contracts concluded prior to the announcement of the recommendation to the extent that they take only a single year as a point of reference for the annual bonus. In spring 2010, the Supervisory Board of Bilfinger Berger AG will review, with regard to the Act on the Appropriateness of Executive Board Remuneration from July 31, 2009, the degree to which the amended legal situation under the recommendation in section 4.2.3 sentence 5 of the German Corporate Governance Code will be taken into account in the future.

Since issuing the Declaration of Compliance of December 2008, Bilfinger Berger has complied with all of the recommendations of the German Corporate Governance Code as amended on June 6, 2008 with the exception of the aforementioned recommendation in section 5.4.3 sentence 3."

The D&O insurance contract has now been amended so that the deductible for the Supervisory Board that it calls for is in line with the recommendation in section 3.8 sentence 5 of the German Corporate Governance Code. As a result of these changes and the planned modification of Supervisory Board remuneration as part of the Executive Board and Supervisory Board's proposal to the Annual General Meeting on April 15, 2010 with regard to the transformation of the Company into a European stock company (Societas Europaea, SE), the Executive Board and Supervisory Board, in accordance with Section 161 of the German Stock Corporation Act, issued the following new statement on March 4, 2010:

"Bilfinger Berger AG complies with all of the recommendations of the German Corporate Governance Code as amended on June 18, 2009 with the following exceptions:

- The company does not follow the recommendation in section 5.4.3 sentence 3 (announcement of proposed candidates for the Supervisory Board chair to the shareholders), since this recommendation is not in line with the distribution of powers stipulated in the German Stock Corporation Act, which states that the Supervisory Board alone is responsible for electing its chair.
- The service contracts concluded with the members of the Executive Board before the recommendation in section 4.2.3 sentence 5 (taking into account both positive and negative developments when determining variable remuneration components) was published do not take full account of this recommendation in that they provide for a customary annual bonus to be determined on the basis of an assessment period of no more than one year. In the course of the year 2010, the Supervisory Board of Bilfinger Berger AG will review how the recommendation in section 4.2.3 sentence 5 can be accounted for in future, based on the changes to the legal framework introduced by the German Act on the Appropriateness of Executive Board Remuneration *(Gesetz zur Angemessenheit der Vorstandsvergütung)* of July 31, 2009.
- In the context of the conversion of the Company into an SE, which is being proposed by the Executive and Supervisory Boards, it is envisaged to modify the remuneration system for the Supervisory Board such that the members of the Supervisory Board of Bilfinger Berger SE will in future only receive a fixed remuneration. The remuneration system for the Supervisory Board would then no longer comply with the recommendation set out in section 5.4.6 sentence 4 (fixed as well as performance-related remuneration components).

Since issuing the declaration of compliance of December 2009, Bilfinger Berger AG has complied with all recommendations of the GCGC as amended on June 18, 2009, with the exception of the recommendations in sections 3.8 sentence 5, 4.2.3 sentence 5 and 5.4.3 sentence 3.

Bilfinger Berger also fulfills nearly all non-binding suggestions of the German Corporate Governance Code. Excepted from this are the accessibility of the proxy representative of the shareholders, also during the Annual General Meeting (section 2.3.3), the broadcast of the Annual General Meeting through modern communications methods such as the internet (section 2.3.4) and the inclusion of components of Supervisory Board remuneration based on the long-term performance of the enterprise, (section 5.4.6).

Corporate governance structure

Bilfinger Berger AG is a stock corporation under German law and as such has a dual management and monitoring structure consisting of the Executive Board and the Supervisory Board. The third body of the Company is the Annual General Meeting. At present, no use is made of the possibility of forming an advisory board, as allowed by Article 15 of our Articles of Incorporation. The corporate governance structure remains unaffected by the transformation into a Societas Europaea (SE), which will be proposed to the Annual General Meeting on April 15, 2010 as a result of the increasing importance of European markets for Bilfinger Berger.

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 consists of six members (see page 213).

Details of the remuneration of the members of the Executive Board can be found in the Remuneration Report, which is included as a section of this corporate governance report (see page 42).

Supervisory Board

The Company's Supervisory Board is composed of 20 members, of whom ten are representatives of the shareholders and ten are representatives of the employees. 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 Supervisory Board advises and monitors the management of the Company by the Executive Board. Within the context of its report, the Supervisory Board informs the shareholders on its activities (see page 50).

The current composition of the Supervisory Board and the committees formed for more efficient execution of its activities can be seen in the section of the Annual Report entitled *Boards of the Company* (see page 208). The proposal to the Annual General Meeting on April 15, 2010 on the transformation into an SE calls for a reduction in the number of Supervisory Board members, with no change in the principle of parity in the composition of that body.

The remuneration of the members of the Supervisory Board is shown in the remuneration report (see page 48).

Annual General Meeting

The Annual General Meeting is to be convened at least once each year. The Executive Board presents to the Annual General Meeting certain documents, including the individual and consolidated financial statements, and the management reports for the Company and the Group. The AGM decides on the appropriation of profits and on ratifying the actions of the Executive Board and the Supervisory Board, elects the members of the Supervisory Board representing the shareholders, and the external auditors. In addition, it makes decisions on amendments to the Articles of Incorporation and in certain other cases as specified by applicable law or the Articles of Incorporation. Each share grants entitlement to one vote in the Annual General Meeting.

Directors' dealings

Pursuant to Section 15a of the German Securities Trading Act, the members of the Supervisory Board and the Executive Board, other persons with management duties who regularly have access to insider information on the Company and who are authorized to make significant business decisions, and certain persons who are in a close relationship with those persons, are legally obliged to disclose to Bilfinger Berger AG any acquisitions and disposals of Bilfinger Berger shares and related financial instruments, particularly derivatives in an amount of more than €5,000 in any calendar year. We published details of such transactions on our website at www.bilfinger.com, among other places, without delay.

The members of the Executive Board and the Supervisory Board do not own any shares in the Company or any related financial instruments that together, either directly or indirectly, constitute more than 1 percent of the shares issued by the Company.

Compliance system

The Code of Conduct is a significant component of our compliance system. Bilfinger Berger is aware that the interests of the Company and its partners can only be effectively guaranteed through responsible dealings and adherence to ethical principles. These principles have been clearly formulated in our Code of Conduct. The Behavioral Guidelines, which apply to all Group employees, include fundamental rules for the counteraction of corruption, bribery, bid rigging and illegal employment as well as guidelines on dealing with confidential information, donations and social behavior in the Company. Because of the wide variety of legal and social conditions which exist in Germany and abroad, the Code of Conduct also includes country-specific behavioral guidelines.

A network, consisting of the Chief Compliance Officer of the Group and the compliance officers of the first tier operating units that report to him is responsible for the distribution and application of our Code of Conduct. To supplement the position of the internal ombudsmen, we have appointed an external ombudsman to whom employees, and persons from outside the Company can report misconduct.

Information that is given to the ombudsman through the hotline remains anonymous since, on this special line, the number of the caller cannot be identified. Internal whistleblowers are protected against reprisals; the voluntary disclosure of one's own misconduct will have a beneficial impact on the employee.

The control systems we have implemented to ensure compliance with the Code of Conduct include both routine and extraordinary audits from Internal Auditing, special controls with regard to compliance with regulations for competition and employee deployment as well as regulating and controlling the use of third parties in connection with order acquisition. Our Code of Conduct and the compliance system are components of events for employees, employee reviews and comprehensive training measures. With the intranet-based e-learning program we introduced over the course of the reporting year, we will be training a large number of employees on compliance issues without them ever having to leave their desks. Through the immediate reporting of serious cases, as well as through quarterly reports from the Chief Compliance Officer, the Executive Board, the Audit Committee of the Supervisory Board and the entire Supervisory Board are informed regularly about developments in this area.

A Compliance Committee made up of the Heads of Legal, Internal Auditing and Human Resources, which meets at least once in each quarter, supports the Chief Compliance Officer in the general framework and the further development of the compliance system.

We actively pursue information on compliance violations through our own investigations, by notifying the relevant authorities and cooperating with them to achieve a full resolution. Any misconduct that is discovered will result in personnel consequences and organizational measures as required. The insights gained from reporting, the comparison with other systems and the evaluations from external specialists all contribute to the ongoing development and improvement of our compliance system.

Remuneration of the committees

The following remuneration report is part of the management report and, at the same time, part of this corporate governance report. The Supervisory Board has included it in the approval of the management report and has adopted it for its reporting on corporate governance and remuneration as its own.

In the course of its management reporting, the Executive Board issued a corporate governance statement pursuant to Section 289a of the German Commercial Code that has been made available to the general public on the Company's web site (www.bilfinger.com) under the heading *corporate governance statement*. This Corporate Governance Report is, as relates to Clause 3.10 of the German Corporate Governance Code, a supplementary component of the corporate governance statement made pursuant to Section 289a of the German Commercial Code.

Mannheim, March 4, 2010

Bilfinger Berger AG

The Executive Board The Supervisory Board

Remuneration report

Details of the remuneration of the members of the Executive Board and the members of the Supervisory Board are provided in this remuneration report. This remuneration report is a constituent part of the corporate governance report and the group management report.

Executive Board remuneration

The remuneration of the members of the Executive Board consists of three components: an annual fixed salary, a performance-related bonus and a payment linked to the Company's long-term performance and share price (long-term incentive plan).

Dr. Schneider stepped down from the Executive Board for reason of age effective July 31, 2009 and his remuneration ceased as of that date. He receives his retirement benefit from external institutions (insurance-type pension fund and reinsured relief fund).

Dr. Ott stepped down from the Executive Board effective March 31, 2009 and since then solely holds the position of Chairman of the Management of Bilfinger Berger Facility Services GmbH. As Dr. Ott was originally appointed as a member of the Executive Board until December 31, 2009, Bilfinger Berger AG has compensated him for the rest of the year 2009 in the amount of the difference between the remuneration of a full member of the Company's Executive Board and the remuneration that Dr. Ott has received since April 1, 2009 from Bilfinger Berger Facility Services GmbH.

Annual fixed salary

The annual fixed salary amounts to €674 thousand for the Chairman and €449 thousand for full members of the Executive Board. The remuneration of newly appointed members is at first reduced by 20 percent. This applies to Mr. Raps (until the end of March 2009), Mr. Müller (until the end of April 2009) and Mr. Töpfer (until the end of March 2011). In addition to the fixed salary, the members of the Executive Board also receive fringe benefits (benefits in kind) for the most part in the form of insurance cover and the use of company cars, the value of which is shown in accordance with applicable tax law.

Bonus

Variable remuneration is calculated according to a profit-sharing model, by which all full members of the Executive Board receive €2,400 and the Chairman receives €3,600 per €1 million of earnings before taxes (EBT) achieved by the Group. As is the case with the annual fixed salary, the bonus for newly appointed members of the Executive Board is reduced by 20 percent during the periods described above under *Annual fixed salary*. The amount of bonus paid out is limited by a cap of €640 thousand for newly appointed members and €800 thousand for the other full members of the Executive Board and €1,200 thousand for the Chairman. Furthermore, the bonus thus calculated can be reduced by up to 20 percent if EBT is significantly increased by non-periodic earnings.

Long-term incentive plan

The component of remuneration with a long-term incentive effect is calculated in accordance with a long-term incentive plan (LTI), which has the following main features: If the value added achieved in a certain year exceeds the agreed minimum for that year, the members of the Executive Board are granted phantom shares in the form of so-called performance share units (PSUs). Value added is defined as the difference between return and the cost of capital. Return is calculated as EBIT plus amortization of intangible assets from acquisitions, net interest income and the growth in value of the portfolio of concession projects. The cost of capital is arrived at by multiplying capital employed (average for the period) by the weighted average cost of capital (see page 204). The value of the PSUs granted varies during a waiting period of two years in line with the development of Bilfinger Berger's share price. Upon expiry of the waiting period, the value of the PSUs at that time is paid out.

For Mr. Bodner and Professor Schetter, payment is made after a waiting period of two years, with 65 percent paid in cash (taxable) and 35 percent paid in the form of Bilfinger Berger shares, which may not be sold until another two-year lockup period has elapsed. A four-year waiting period has been set in the LTI for Mr. Müller, Dr. Ott, Mr. Raps, Mr. Reid and Mr. Töpfer, after which the total value of the PSUs is paid out in cash (after taxes).

If the minimum value added agreed upon for a year is not achieved during the waiting period, this leads to the allocation of negative PSUs, reducing the number of PSUs already held (this applies to Mr. Bodner and Professor Schetter), or PSUs credited are cancelled (this applies to Mr. Müller, Dr. Ott, Mr. Raps, Mr. Reid and Mr. Töpfer). If Bilfinger Berger's shares underperform compared with the MDAX during a waiting period, the award of PSUs can be reduced by up to 20 percent. There is also a cap (for the Chairman €551 thousand; for a full member €368 thousand; for newly appointed members during the waiting periods specified under *Annual fixed salary* €294 thousand), which limits the payment under the LTI to an absolute maximum annual amount.

For the 2009 financial year, the members of the Executive Board were granted a total of 17,114 PSUs, whose maximum payout amount is limited by the cap to €2,505 thousand.

For the financial year 2009, Dr. Ott has been granted PSUs pro rata for the period until March 31, 2009. Otherwise, the existing LTI regulations continue to apply to him. Due to his departure for reason of age, Dr. Schneider was credited with PSUs for the year 2009 pro rata until July 31, 2009. The total number of PSUs granted to Dr. Schneider for the years 2007, 2008 and 2009 will be paid out irrespective of the waiting periods after the Annual Meeting in 2010.

At the balance sheet date, the members of the Executive Board held a total of 88,645 PSUs. The level of the cash flows that will result from these PSUs depends on the further development of the program parameters. On the basis of Bilfinger Berger's share price at the end of 2009 of €53.92, from today's perspective, taking the cap into consideration, this would lead to a total amount to be paid out of €4,586 thousand.

No loans or advances were made to the members of the Executive Board in 2009. No remuneration was paid for other board positions held at the Group in 2009. Any such payments exceeding €20 thousand would have to be deducted from the Executive Board remuneration.

Compensation with a long-term incentive effect (long-term incentive plan)	Number of PSUs Status Jan. 1		Number of PSUs paid-out		Number of PSUs granted		Number of PSUs Status Dec. 31	
	2009	2008	2009	2008	2009	2008	2009	2008
Herbert Bodner (Chairman)	78,893	79,323	62,782	7,569	4,725	7,139	20,836	78,893
Joachim Müller	837	–	–	–	1,850	837	2,687	837
Dr. Joachim Ott	56,253	55,168	41,848	5,047	496	6,132	14,901	56,253
Klaus Raps	6,561	1,656	–	–	1,883	4,905	8,444	6,561
Kenneth D. Reid	12,159	6,626	–	–	1,983	5,533	14,142	12,159
Prof. Hans Helmut Schetter	52,577	52,865	41,848	5,047	3,150	4,759	13,879	52,577
Dr. Jürgen M. Schneider	52,577	52,865	41,848	5,047	1,838	4,759	12,567	52,577
Thomas Töpfer	–	–	–	–	1,189	–	1,189	–
	259,857	**248,503**	**188,326**	**22,710**	**17,114**	**34,064**	**88,645**	**259,857**

	Value at granting for PSUs granted in financial year		Theoretical amount to be paid out for PSUs Status Dec. 31		Expense recognized in financial year for PSUs Status Dec. 31	
€ thousand	2009	2008	2009	2008	2009	2008
Herbert Bodner (Chairman)	217	198	1,123	1,126	553	249
Joachim Müller	77	20	145	31	28	5
Dr. Joachim Ott	21	146	707	888	205	140
Klaus Raps	79	116	436	245	104	36
Kenneth D. Reid	83	131	685	454	177	59
Prof. Hans Helmut Schetter	151	132	748	750	387	165
Dr. Jürgen M. Schneider	92	151	678	750	393	269
Thomas Töpfer	50	–	64	–	11	–
	770	**894**	**4,586**	**4,244**	**1,858**	**923**

€ thousand	Fixed salary 2009	Fixed salary 2008	Bonus 2009	Bonus 2008	Total cash compensation 2009	Total cash compensation 2008	Long-term incentive (value at granting) 2009	Long-term incentive (value at granting) 2008
Herbert Bodner (Chairman)	674	658	770	797	1,444	1,455	217	198
Joachim Müller	420	60	479	59	899	119	77	20
Dr. Joachim Ott	224	439	514	531	738	970	21	146
Klaus Raps	427	351	488	346	915	697	79	116
Kenneth D. Reid	449	396	514	440	963	836	83	131
Prof. Hans Helmut Schetter	449	439	514	531	963	970	151	132
Dr. Jürgen M. Schneider	262	439	300	531	562	970	92	151
Thomas Töpfer	270	–	308	–	578	–	50	–
	3,175	**2,782**	**3,887**	**3,235**	**7,062**	**6,017**	**770**	**894**

€ thousand	Probable annual pension entitlement upon retirement	Payments to a relief fund 2009	Payments to a relief fund 2008	Capital returned to the Company from the pension fund 2009	Capital returned to the Company from the pension fund 2008
Herbert Bodner (Chairman)	330	327	332	–39	–92
Joachim Müller	96	202	162	–	–
Dr. Joachim Ott	207	208	183	–13	–13
Klaus Raps	112	202	154	–	–
Kenneth D. Reid	175	216	164	–	–
Prof. Hans Helmut Schetter	237	196	200	–67	–66
Dr. Jürgen M. Schneider	252	–	339	–	–17
Thomas Töpfer	82	144	–	–	–
	1,491	**1,495**	**1,534**	**–119**	**–188**

Total remuneration

The total remuneration of the members of the Executive Board is shown in the table on the opposite page.

The members of the Executive Board also received non-cash remuneration for the most part in the form of the use of company cars and contributions to insurance policies in a total amount of €280 thousand (2008: €233 thousand).

Retirement benefits

Since 2006, the system of retirement benefits for the members of the Executive Board has consisted of defined-contribution pension plans and has been transferred to external institutions (insurance-type pension fund and reinsured relief fund). This means that future pension entitlements are fully funded, so members of the Executive Board no longer place a financial burden on the Company after reaching retirement age. For the Executive Board member Professor Schetter, a pension commitment in the case of invalidity remains with the Company; its present value totals €7 thousand. For the Executive Board members Mr. Raps and Mr. Reid, retirement pension commitments exist representing an obligation of €80 thousand and €44 thousand respectively; Mr. Töpfer has a pension commitment from Bilfinger Berger Industrial Services GmbH with an obligation value of €394 thousand, which was granted before he was appointed to the Executive Board. With these exceptions, the retirement benefits of the members of the Executive Board have been fully transferred to external institutions.

The Company makes annual payments to a relief fund for the future periods of office of the members of the Executive Board. The table on page 46 shows contributions to the relief fund for the financial year and pension entitlement already achieved, as well as capital returned to the Company from a pension fund. In the case of death, there is entitlement to a widow's pension equivalent to 70 percent of the normal pension.

Further provisions

The members of the Executive Board receive a transitional payment from the Company if their Executive Board membership ends due to revocation or non-extension of their Executive Board appointment by the Company or due to termination of their contracts of service for an important reason to be justified by the Company. Entitlement to a transitional payment only exists, however, if the event causing the termination occurs after the beginning of a second period of office and after the member concerned has reached the age of 50.

In the case of a change of control, i.e., if a shareholder in the Company reaches or exceeds a shareholding of 30 percent of the Company's voting rights and in addition due to an allocation of responsibilities decided upon by the Supervisory Board a significant change occurs in the Executive Board members' responsibilities, or if the Company enters into a control agreement as the controlled company, the members of the Executive Board have a special right of termination for their contracts of service. If this occurs, they receive severance compensation for the remaining periods of their contracts of service, but for a maximum of three years. The severance compensation comprises the annual fixed salary and bonus (average of the previous five years). Furthermore, following the remaining periods of their contracts of service covered by the severance compensation, they are entitled to a transitional payment if the individual conditions for such payment are fulfilled. PSUs are neither granted nor remunerated for the time after departure from the Executive Board. In accordance with the recommendation in Clause 4.2.3, Paragraph 5 of the German Corporate Governance Code, severance compensation in the case of a change of control is limited to 150 percent of the aforementioned severance cap.

Pensions

The amounts paid to former members of the Executive Board or their surviving dependents totaled €2,535 thousand (2008: €2,481 thousand). The present value of future pension obligations for those persons calculated according to IAS 19 amounts to €28,003 thousand (2008: €27,035 thousand).

Supervisory Board remuneration

As specified by Article 14 of Bilfinger Berger's Articles of Incorporation, which are published on our Internet site, the remuneration of the members of the Supervisory Board comprises an annual fixed payment of €40 thousand and an annual variable payment of €300 for each cent by which the dividend exceeds €0.80 per share. The Chairman of the Supervisory Board is paid double these amounts, the chairmen of the committees with the exclusion of the committee established pursuant to Section 27, Subsection 3 of the German Codetermination Act and of the Nomination Committee receive one and three quarters times these amounts. The Deputy Chairman of the Supervisory Board and the members of the committees with the exclusion of the committee established pursuant to Section 27, Subsection 3 of the German Codetermination Act and of the Nomination Committee receive one and a half times these amounts. If a member of the Supervisory Board exercises several of the aforementioned functions, he or she is only entitled to the highest of the respective amounts.

In addition, expenses were reimbursed in a total amount of €40 thousand (2008: €43 thousand). The total remuneration of the members of the Supervisory Board for the 2009 financial year thus amounted to €1,769 thousand (2008: €1,651 thousand).

The members of the Supervisory Board received no remuneration or other advantages for personal services rendered such as consulting or agency services.

Supervisory Board compensation	2009			2008		
€ thousand	Fixed compen-sation	Variable compen-sation	Total	Fixed compen-sation	Variable compen-sation	Total
Dr. h. c. Bernhard Walter (Chairman, Chairman of the Presiding Committee and member of the Audit Committee)	80	72	152	80	72	152
Stephan Brückner (Deputy Chairman and member of the Presiding Committee)*	60	54	114	37	33	70
Hans Bauer	40	36	76	40	36	76
Volker Böhme*	40	36	76	24	22	46
Dr. Horst Dietz	40	36	76	40	36	76
Britta Ehrbrecht*	40	36	76	24	22	46
Dr. John Feldmann*	40	36	76	24	22	46
Andreas Harnack*	40	36	76	24	22	46
Reinhard Heller*	40	36	76	24	22	46
Rainer Knerler	40	36	76	40	36	76
Prof. Dr. Hermut Kormann	40	36	76	40	36	76
Harald Möller	40	36	76	40	36	76
Klaus Obermierbach (Member of the Audit Committee)	60	54	114	52	47	99
Thomas Pleines	40	36	76	40	36	76
Dr. Rudolf Rupprecht*	40	36	76	24	22	46
Dietmar Schäfers*	40	36	76	24	22	46
Rainer Schilling*	40	36	76	24	22	46
Bernhard Schreier*	40	36	76	24	22	46
Udo Stark (Member of the Presiding Committee and Chairman of the Audit Committee)	70	63	133	70	63	133
Prof. Dr. Klaus Trützschler	40	36	76	40	36	76
Other members of the Supervisory Board until May 21, 2008				110	98	208
	910	**819**	**1,729**	**845**	**763**	**1,608**

* Member of the Supervisory Board since May 21, 2008

Report of the Supervisory Board

Dr. h. c. Bernhard Walter
Chairman of the Supervisory Board

During the year under review, the Supervisory Board performed the duties incumbent upon it in accordance with the law and the Articles of Incorporation and continually advised and monitored the Executive Board. The Supervisory Board was regularly kept informed about business developments and the situation of the Company. It supervised the management of the Company by the Executive Board in particular on the basis of written and verbal reports. The benchmarks for the supervision were the legality, correctness, suitability and profitability of the Group-wide management of the business by the Executive Board. Executive Board reporting fulfilled the requirements set by the law, by good corporate governance and the Supervisory Board in terms of both their subject matter and their scope. As well as the reports, the Supervisory Board also received additional information from the Executive Board. The reports and information issued by the Executive Board were examined in terms of their plausibility and were critically assessed and questioned by the Supervisory Board. A catalogue created by the Supervisory Board and constantly checked for necessary adjustments lists the kinds of business transactions for which the Executive Board requires the approval of the Supervisory Board. Business transactions requiring Supervisory Board approval were examined and discussed with the Executive Board. The Supervisory Board gave its approval for, among other things, the acquisition and sale of shareholdings, for the submission of bids for major projects and for the investment budget.

In face-to-face discussions outside the meetings of the Supervisory Board and its committees, the Chairman of the Supervisory Board and the Chairman of the Executive Board examined the situation of the Company, its further development and other issues.

Supervisory Board meetings

In financial year 2009, six meetings of the Presiding Committee of the Supervisory Board were held.

At the Supervisory Board meetings, in addition to matters relating to current business and major projects, economic developments, particularly with regard to global economic and financial crisis, corporate strategy, risk management, corporate financing, the consolidated financial statements 2008 and 2009 as well as the planned transformation of Bilfinger Berger AG into a Societas Europaea (SE) were discussed in detail with the Executive Board. The Executive Board's plan to shift the focus of the Company's activities through further expansion of the Services business segment and a significant reduction in the construction business was approved and supported by the Supervisory Board. The Supervisory Board dealt intensively with the acquisition, in line with this strategic shift, of MCE AG and the corresponding capital increase and approved both measures. Before issuing an approval of the acquisition of MCE, all major considerations 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 plan. The Supervisory Board received regular reports on the actual development of new subsidiaries compared with the assumptions made at the time of acquisition and discussed the implementation of corporate strategy in detail.

A further focus of consultations in the plenary sessions of the Supervisory Board was the Group's earnings development. The Supervisory Board was informed, on an ongoing basis, on the development of concession projects and critical major projects, particularly the accident at an excavation pit for the North-South urban rail line in Cologne and associated events. Detailed examinations were also carried out on general issues of risk management, corporate planning, capital expenditure, return-on-capital-employed controlling, and comparison of the course of business with the expected figures. The shareholder structure and changes in it were discussed with the Executive Board twice in the past financial year. Upon the proposal of the Audit Committee, the Supervisory Board in plenary session decided on the main areas for the audit of the individual and consolidated financial statements for the 2009 financial year.

The Supervisory Board also dealt intensively with compliance issues. Through its Audit Committee, the Supervisory Board follows and monitors the framework and further development of the Bilfinger Berger compliance system.

The Supervisory Board dealt in detail with the German Corporate Governance Code. It had external experts evaluate the efficiency of its activities, and the high level and quality of the Supervisory Board's activities were confirmed. On December 8, 2009 the Executive Board and the Supervisory Board issued a declaration of compliance pursuant to Section 161 of the German Stock Corporation Act. Due to recent changes, the Executive Board and Supervisory Board issued a new statement in accordance with Section 161 of the German Stock Corporation Act on March 4, 2010. Both this and the previous statement are permanently available to shareholders on the Company's web site and are components of the corporate governance report (see page 38 of the Annual Report). No conflicts of interest arose in the Supervisory Board during the year under review.

Committees

In order to enhance the efficiency of its activities, the Supervisory Board has formed a Presiding Committee, an Audit Committee and a Nomination Committee. In addition, in accordance with Article 11, Paragraph 2 of the Articles of Incorporation, a committee of the Supervisory Board has been formed to perform the duties described in Section 31, Subsection 3 of the German Industrial Codetermination Act (Mediation Committee). The current composition of the Supervisory Board and its committees can be seen in the section of the Annual Report entitled *Boards of the Company* (see page 208 of the Annual Report). The Audit Committee includes independent members who have expertise in the areas of accounting, auditing and the application of internal control procedures.

The chairmen of the committees reported on the work of their respective committees to the entire Supervisory Board.

Presiding Committee of the Supervisory Board

The main tasks of the Presiding Committee include, in particular, regulating the personnel issues of the Executive Board, unless the provisions of the German Stock Corporation Act and the German Corporate Governance Codex stipulate that they are to be regulated by the entire Supervisory Board, and decisions on certain business dealings and transactions. The Presiding Committee also prepares the plenary meetings and makes recommendations on important resolutions. In financial year 2009, four meetings of the Presiding Committee took place. In addition, a number of resolutions were made in writing. The Committee, within the scope of its competence, primarily dealt with and approved major projects, the acquisition of LTM, Rohrbau Gruppe and Westfonds Fund Management, the sale of Passavant-Roediger as well as the privately financed concessions business. The focus of the personnel issues for the Executive Board were the changes in the Executive Board and the remuneration and service contracts of the Executive Board.

Audit Committee

The Audit Committee deals, among other things, with questions of accounting, risk management, compliance and auditing. In the six meetings held over the course of the past financial year, the main issues that were dealt with included the consolidated financial statements for 2008 and the quarterly reports for 2009, including the corresponding interim financial statements. The Committee, after examination of their independence, recommended the external auditors to the Supervisory Board for election through the Annual General Meeting 2009 and prepared the audit assignment and the fee agreement. It also dealt with the services provided by the independent auditors in addition to auditing services. The Audit Committee received information on the development of the risk situation from the quarterly risk reports of the Executive Board, which were also submitted to the Plenum of the Supervisory Board. Furthermore, the Audit Committee dealt extensively with the deployment of Project Controlling and the activities of Internal Auditing. For the audit of risk management, the two corporate departments submitted annual reports to the Committee. The Audit Committee once again dealt with the risk structure of major construction projects and commissioned internal and external experts to investigate the causes of the negative development of an overseas project. The Audit Committee was satisfied that the measures necessary to limit risk in major construction projects were taken by the Executive Board. The Audit Committee dealt with the internal control and risk-management system, particularly with regard to the accounting process and is of the opinion that the internal control system currently in place, including the internal auditing system and the risk management system are appropriate to fulfill the demands that are placed on them. The auditors and internal auditing confirmed this in their review. The Committee had external experts evaluate the efficiency of its activities. Overall, the Audit Committee's high degree of competence in the fulfillment of its duties was certified.

The Chairman of the Audit Committee met with the Chief Financial Officer, also outside of committee meetings, and in face-to-face discussions reviewed the interim financial statements and the consolidated financial statements.

In addition, the Audit Committee also dealt extensively with compliance questions and promoted the further development of the compliance system (see page 40 of the Annual Report). External consultants commissioned by the Committee analyzed the framework of the compliance system and confirmed its functionality. The Chief Compliance Officer submitted quarterly reports to the Audit Committee on his activities.

Nomination Committee

In accordance with the recommendation in Clause 5.3.3 of the German Corporate Governance Code, the Supervisory Board formed a Nomination Committee made up exclusively of shareholder representatives whose purpose it is to recommend suitable candidates to the Supervisory Board for its own recommendations to the Annual General Meeting. With regard to the reduction in the size of the Supervisory Board as part of the planned transformation into an SE, the Nomination Committee met once in 2009 and submitted its recommendation to the plenary session of the Supervisory Board.

Mediation Committee

It was not necessary to convene the Mediation Committee in the 2009 financial year.

Audit of the individual and consolidated financial statements

The annual financial statements, prepared in accordance with the German Commercial Code (HGB) and the consolidated financial statements, prepared in accordance with the International Financial Reporting Standards and the supplementary requirements of Section 315a of the German Commercial Code (HGB) along with the management reports of Bilfinger Berger AG and the Bilfinger Berger Group for the 2009 financial year have been audited and each has been issued with an unqualified audit opinion by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Mannheim. The aforementioned financial statements, the audit reports of the external auditors and the proposal of the Executive Board on the appropriation of profits were submitted to the members of the Supervisory Board in good time. The Audit Committee of the Supervisory Board, in preparation for the audit and treatment of these documents in the Plenum of the Supervisory Board, discussed the financial statements and the audit reports as well as the proposal on the appropriation of profits in the presence of the auditors. In addition, the Audit Committee had the auditor report on the collaboration with internal auditing and others in positions relating to risk management and on the effectiveness of the internal control and risk management system, in particular with regard to accounting whereby the auditor stated that no significant weaknesses were found. The Audit Committee is of the opinion that the internal control system currently in place, including the internal auditing system and the risk management system are appropriate to fulfill the demands that are made of them.

The Supervisory Board undertook a detailed examination of the individual financial statements, the consolidated financial statements and management reports of Bilfinger Berger AG and the Group for the 2009 financial year, as well as the proposal of the Executive Board on the appropriation of profits – following an explanation of these documents from the Executive Board – and dealt with these matters in its meeting on March 4, 2010. This meeting was also attended by the external auditors in the persons of two of the signing auditors, who explained their audit and its results and answered questions from the Supervisory Board on the results of the audit as well as its form and scope. They also discussed in detail with the Supervisory Board the internal control and risk management system, in particular as it relates to the accounting process. The Supervisory Board shares the opinion of the Audit Committee on the effectiveness of these systems. The Audit Committee of the Supervisory Board dealt with additional services provided by the independent auditors beyond auditing services. There were no reasons to doubt the independent auditor's impartiality.

The Supervisory Board was convinced that the audit by the external auditors was conducted in a proper manner. 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. Following the final results of the Supervisory Board's own examination carried out on this basis, no objections were to be made; this applies also to the corporate governance statement insofar as the components of which are to be analyzed by the Supervisory Board alone. At its meeting held on March 4, 2010, the Supervisory Board approved the financial statements of the Company and the Group and the management reports for the 2009 financial year as submitted by the Executive Board. The Company's financial statements have thus been adopted. The Supervisory Board, in its estimation of the situation of the Company, agrees with the estimation of the Executive Board in its management report. The Supervisory Board consents to the proposal of the Executive Board on the appropriation of profits particularly with regard to the stringency of accounting and dividend distribution policy, the effect on liquidity, creditworthiness and future financing needs as well as under consideration of shareholder interest. In accordance with the recommendation of the Audit Committee, it consents to and adopts the Executive Board's proposal for the utilization of unappropriated retained earnings.

Auditor's review of interim consolidated financial statements and interim group management report

The auditor was also commissioned with the task of reviewing the interim financial statements and the interim group management report as of June 30, 2009. The auditor participated in the Audit Committee's discussion of the half-year financial statements and report and described their own auditors' review which was carried out with a positive result.

Personnel issues

In its meeting on March 10, 2009, the Supervisory Board appointed Mr. Thomas Töpfer as a member of the Executive Board with effect as of April 1, 2009. He was previously Chairman of the Executive Board at Bilfinger Berger Industrial Services AG in Munich. Dr. Ott stepped down from the Executive Board by mutual agreement with effect as of March 31, 2009 and since than has been active exclusively as Head of Executive Management of Bilfinger Berger Facility Services GmbH. Dr. Jürgen M. Schneider stepped down from the Executive Board with effect as of July 31, 2009 after reaching retirement age.

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 past financial year.

Mannheim, March 4, 2010

Dr. h. c. Bernhard Walter
Chairman of the Supervisory Board

The fundamental strengths of Bilfinger Berger

Strategic

› *Bilfinger Berger is an international services group for industry, real estate and infrastructure. We will continue expanding the range of services we provide. We are reducing the conventional construction business and, in this regard, intend to dispose of our Australian subsidiary. Construction, however, will remain one of our core activities in the future. By shifting the focus of our business to services, we will improve the Bilfinger Berger Group's risk profile and increase profitability.*

Operational

› *Internationally positioned, we operate on a broad basis. We occupy leading positions in our markets. This is the result of our comprehensive range of first-class services, a consistent focus on our clients' needs and highly motivated employees.*

Financial

› *Bilfinger Berger operates from a sound financial basis and does not have any refinancing requirements at present. We will make use of the resources that become available from the planned disposal of our Australian activities for the further expansion of our services business.*

Overview of 2009

The Bilfinger Berger Group had a generally successful year 2009, despite the global financial and economic crisis. Our services business in particular once again proved to be robust and profitable.

Services

The expansion of our services business continued, with the acquisitions of MCE, LTM, the Rohrbau Group and Duro Dakovic Montaza. The acquisition of MCE, which has an annual output volume of €840 million, provides a strong growth boost to our Industrial Services and Power Services divisions. We carried out a capital increase to finance the purchase price of €350 million. Through the issue of approximately 8.8 million ordinary shares, Bilfinger Berger's share capital was increased by 25 percent in October. The gross proceeds from the issue amounted to approximately €270 million. With the acquisition of LTM in France and the Rohrbau Group in Switzerland, our Industrial Services division will penetrate new markets in those countries. And we have improved the effectiveness of our Power Services division with the acquisition of Duro Dakovic Montaza in Croatia with nearly 1,000 assembly specialists.

We have strengthened our position as a partner to major clients in the fields of industry, power supply and processing with a large number of new orders received. This applies to our Facility Services division in particular as they have been able to conclude a number of long-term framework agreements.

Construction business

Our construction business posted an output volume of approximately €5 billion in 2009; in the medium term, we plan to reduce this to approximately €2 billion. As we announced in the third quarter, we intensively examined the possibility of an initial public offering in Australia, and on the basis of the knowledge we gained we decided at the end of January 2010 to dispose of our activities in that country, which, including the services activities, achieved an output volume of approximately €2.7 billion in 2009. Construction will continue to be one of our core activities, and we will continue to utilize competitive advantages from synergies with other segments – concession projects for example. We intend to make use of the proceeds from the disposal of our Australian business operations above all for the further development of the Services business segment. By shifting our business focus to services, we improve the Group's risk profile and increase its profitability.

In the construction business segments, we succeeded in gaining new infrastructure and environment projects. In Australia, we are widening the Ipswich Motorway southwest of Brisbane to six lanes over a length of eight kilometers. The new London Array offshore windpark in the outer Thames estuary, for which we are laying the foundations of 175 wind turbines and two transformer substations, will generate a total of 1,000 megawatts, enough to cover the needs of more than 750,000 households. In Germany, we are building a modern prison to accommodate 850 inmates in the state of North Rhine-Westphalia.

Concession projects

The portfolio of our concession projects expanded once again in 2009. In the middle of the financial crisis at the beginning of 2009, we reached financial close for a section of the M80 motorway, a major transport project in Scotland. At the end of the year, our portfolio comprised 26 projects with an investment volume of €6.4 billion and our equity commitment had risen to €340 million. The degree of maturity and thus the value of our portfolio increased significantly, with seven projects going into operation.

This successful series continued at the beginning of the new financial year: A project company managed by Bilfinger Berger was selected to realize the Peninsula Link highway in Australia.

The Bilfinger Berger Group

Strategy and business activities

Bilfinger Berger is an international services group in the fields of industry, real estate and infrastructure. We will continue the expansion of our services business. We are reducing our conventional construction business and intend to sell our activities in Australia. Within the construction business, we are reducing our dependence on major projects and anticipate rising profit contributions, due among other things to our improved risk profile. We want to expand the portfolio of our concession projects and to increase its value.

The long-term development of our Services business segment proved to be the right strategy in the economically difficult environment of 2009. Our repair and maintenance work for the processing industry is based on long-term contracts. The energy sector continues along its growth path. The business model of the Facility Services division ensures good basic capacity utilization. The Services business segment is to be further strengthened and expanded also through acquisitions.

In the construction business, the focus is on improving our profitability and risk profile. We will reduce the scope of our business activities. Nonetheless, with the advantage of our high degree of technical expertise, we will continue to be one of the leading competitors in Germany and other selected markets, also in the field of construction.

Our concessions portfolio is to be further expanded. We will continue to concentrate on projects with favorable risk profiles. Such projects have proven to be financially feasible also with changed conditions in the financial market.

Our strengths as a services group are to be found in our specialist expertise, decades of experience and the wide range of services we offer and provide with highly qualified permanent staff. Two key parameters for measuring our success are EBIT and cash flow. We additionally assess the commercial success of the business segments and the Group with the use of value added on the basis of our return-on-capital-employed controlling. Another relevant performance measure is the Group’s net profit after taxes and minority interests.

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 amended on June 18, 2009 with three exceptions for which reasons are stated (see page 39). Due to the increased importance to Bilfinger Berger of the European markets, at the Annual Meeting to be held on April 15, 2010, a proposal will be made to change Bilfinger Berger’s legal status to that of a European company.

Our business operations are organized in a decentralized manner. The subgroups and their entities act as independent profit centers. Controlling and monitoring functions are based on close management by the Executive Board, strong Group headquarters with clearly defined tasks, and a risk management system that encompasses the entire Group.

Economic environment

Economic developments

In 2009, the world economy went through its worst recession since the Second World War. Global economic output fell by 1.1 percent, but world trade was hit harder and slumped by 11.9 percent. Emerging markets proved to be relatively resistant to the recession.

As of autumn 2009, there were increasing signs that the recession was easing. The main factors responsible for the mitigation of the crisis were the economic stimulus programs carried out by many countries and measures taken to rescue distressed banks, which prevented the collapse of the financial sector.

The European Union also experienced the most severe recession in its history. Economic output in Europe fell by approximately 4 percent in 2009, whereby the decline in manufacturing was substantially higher. Slight growth was achieved again in the third quarter of the year. The deep recession and the financing of economic stimulus programs led to sharp increases in government deficits all over Europe: In relation to gross domestic product, government deficits tripled to 6.9 percent in 2009. The EU member states were affected differently by the global financial and economic crisis. Countries with a high dependence on exports and important financial and real-estate markets were particularly hard hit.

As an export-oriented country, Germany suffered from the collapse of global trade and in particular from the weakness of global demand for investment goods. Despite substantial stimulus programs, gross domestic product fell by 5 percent, compared with growth of 1.3 percent in the prior year. The labor market was surprisingly robust; unemployment had risen only marginally by the end of the year. A sharper increase was prevented in 2009 by flexible working-time instruments and state allowances for short-time working arrangements, but also by companies' own interests in retaining highly qualified personnel. Due to the favorable labor-market situation and stable prices, private consumption remained a significant driver of the economy.

Gross domestic product fell by 4.6 percent in the United Kingdom. Unlike in Germany, the recession was exacerbated by a slump in private consumption. Due to falling real-estate prices, high levels of private debt and rising unemployment, British consumers have significantly increased their savings rates.

Among the Scandinavian countries, Finland was hit particularly hard by the crisis due to its high export rate, with a drop in GDP of 6.9 percent, followed by Sweden (-4.6 percent), Denmark (-4.5 percent) and Norway (-2.2 percent).

The economies of Austria (-3.7 percent), Belgium (-2.9 percent) and Switzerland (-2.4 percent) performed relatively well. The financial crisis and the collapse of exports to the United States led to a GDP slump in Ireland of 7.5 percent.

Poland was the only country of the European Union whose economy expanded in 2009, by 1.2 percent. In the crisis, Poland benefited from its stable banking system, a lower export rate in comparison to other countries and a significant depreciation of its currency. Developments in the other countries of Eastern Europe were considerably less favorable. The situation was the worst in the Baltic countries, with severe GDP slumps of minus 18 percent in Latvia and Lithuania.

Although the recession was also overcome in the United States in the second half of 2009, full-year GDP shrank by 2.5 percent nevertheless. The labor market still showed no signs of an end to the crisis at the end of the year. The annual average unemployment rate increased to 9.2 percent from 5.8 percent in 2008. Consumer sentiment remained depressed due to high unemployment and substantial asset losses of home owners. This explains the decrease in private consumption of 0.8 percent. Rising exports, aided by the weaker dollar, and the debt-financed stimulus programs facilitated the moderate recovery. But this came at the price of soaring national debt: The public deficit amounted to 11.3 percent of GDP in 2009.

Canada also experienced a deep recession, with GDP of minus 2.7 percent. The Canadian economy was impacted by the fall in raw-material prices. Unlike its most important trading partner, the United States, private consumption remained robust. Economic recovery began with the increase in raw-material prices in the second half of the year. Due to the favorable budget situation before the crisis, the government deficit of 4.8 percent of GDP is far below the level in the United States.

The oil-producing countries of the Gulf Region suffered a sharp drop in oil revenues and worsened financing conditions, although high levels of state spending prevented a severe economic slump. Saudi Arabia for example, the biggest economy in the Gulf Region, recorded only a mild decrease in GDP of 0.9 percent.

Unlike most of the other OECD states, Australia proved to be economically stable during the crisis with GDP growth of 0.8 percent. The unemployment rate increased only slightly to 5.7 percent, which is a moderate level when compared internationally. In the course of the year, exports of mining products to China and other Asian countries increased again sharply, thus contributing to the economic recovery. Due to the robust economic situation, Australia's central bank was the first to reverse its monetary policy and raise its key interest rates again after the crisis.

Gross domestic product – growth by region

%	2009	2008
Germany	–5.0	1.3
Euro zone	–4.0	0.5
United States	–2.5	0.4
Australia	0.8	2.3

German construction industry

Investments in construction in Germany were stable in 2009, whereby developments varied within the industry. While residential construction remained unchanged as compared to the previous year, commercial construction, with a minus of 2 percent, was significantly affected by companies' unwillingness to invest and their financial difficulties. Public-sector construction recovered as of the second quarter, resulting in growth of more than 5 percent for the full year. Demand was noticeably boosted as of the summer by the economic stimulus programs, but these effects will not be fully felt until 2010. Unlike the still-positive outlook for public-sector construction, no rapid recovery is to be expected for commercial construction due to the low order backlog at the end of the year.

International construction industry

The construction industry in the United Kingdom contracted by a double-digit percentage in 2009. Continuing public-sector investment in the country's infrastructure did not offset the decline in commercial and residential building.

In the countries of Eastern Europe, there was robust investment in public infrastructures combined with lower activity in residential and commercial construction. Financing from the European Union's structural funds supported public-sector construction also in crisis year 2009. For example, during the period of 2007 to 2013, Poland benefits from subsidies of €67 billion and Hungary is receiving €25 billion. The focus of public-sector investment is currently on transport infrastructure and the energy sector. As EU waste-water standards must be fulfilled as of 2015, billions of euros are being invested in sewage plants.

The Australian construction industry contracted by 8 percent compared to the prior year. This development was triggered by more difficult financing conditions and lower utilization of capacities in mining and heavy industry. However, the situation was stabilized by state infrastructure programs focusing on roads, railways, ports and data networks.

In Canada, the construction industry showed some signs of recovery again, following a decline in the first half of the year. Investment in commercial construction remained low due to large numbers of empty office buildings and historically low utilization of industrial capacity. A number of planned major projects were stopped, in the area of oil sands exploitation for example. Also the Canadian construction industry was supported by economic stimulus programs. Consequentially, growth was only recorded in the public sector due to high levels of investment, particularly in roads, bridges, power plants and water supply.

In the Gulf Region, the crisis resulted in many privately financed construction projects being abandoned or postponed. Projects already started were generally continued, although often with extended schedules.

In Nigeria, the long-lasting construction boom was slowed down by the lower oil price, although growth rates remained positive. The government continued to concentrate 90 percent of its investment budget on infrastructure projects for roads, airports and railways.

Services

Companies' investments in plant and equipment in the industrialized countries fell substantially due to the recession. Compared to 2008, companies' capital expenditure fell by 16.3 percent in the OECD economies and by 14.1 percent in Germany. This lack of investment was due to a combination of lower utilization of capacities, more difficult financing conditions and economic uncertainty.

In 2009, production and utilization of capacities in the chemicals industry fell significantly. This has led to lower demand both for framework agreements and in the project business with simultaneous margin pressure. The utilization of capacities in the pharmaceutical industry remained stable.

The market for plant maintenance, modernization and lifetime extension received some stimulus, however, from the closure of plants for economic reasons. Industrial companies had the opportunity in 2009 to carry out long-planned and overdue actions for process optimization and efficiency improvements.

Outsourcing activities remain at a moderate level. But it is clear that small and medium-sized companies are increasingly considering the future outsourcing of repair and maintenance work to service providers due to intense cost pressure. Whereas only partial functions have been outsourced in the past, the trend now is towards outsourcing the entire maintenance function.

The situation of the energy sector continues to benefit from the continuing growth of energy needs. This is due to dynamic developments in China, India and other countries, especially in Asia and South America. In addition to the new projects that are already under way, numerous other power-plant projects still have to be started in order to replace closed plants and cover rising needs. The efficiency of existing power plants also has to be improved.

The electricity sector has started a program of new construction. Most of the contracts for approved new projects have already been awarded, but the realization of the planned projects is unclear due to the ongoing political debate. With regard to power generation, the lack of investment in new construction increasingly raises the question of extending the lifetimes of old plants.

While global demand for energy is constantly growing, the threatening danger of climate change is becoming ever more apparent. The burden placed upon the environment by power generation from oil, coal and gas must therefore be reduced substantially.

The German market for facility-management services is still in a situation of cut-throat competition. Although the economy is generally stagnating, this is one of the country's growth industries, due among other things to increasing outsourcing. Large service providers can profit in particular from this development by combining packages of services. Consequentially, the leading facility-management companies continued to grow last year. However, this expansionary trend was slowed by the global financial and economic crisis; according to available estimates, growth rates were significantly lower than in 2008.

Concession projects

Soaring state debt in the industrialized countries caused by the crisis will increase the pressure to implement more projects as public-private partnerships. However, the financial crisis has had the negative effect of restricting financing possibilities for the private-sector partners.

The number of municipal concession projects in Germany increased again in 2009. By the end of November, new contract volume of €765 million for 26 public-sector building-construction projects was already higher than for full-year 2008.

In Australia, the *Building Australia Fund* was established at the beginning of 2009 with resources of 12.6 billion Australian dollars and the aim of accelerating privately financed infrastructure investment.

In the United Kingdom, the private sector has long played an important role in the financing of transport infrastructure, schools and hospitals. During 2009, the government provided guarantees in a total volume of 13 billion pounds in order to alleviate crisis-related problems with the availability of credit for new, jointly financed projects.

Among the provinces of Canada, concession projects are increasingly being carried out in Ontario, Alberta and British Columbia. The market will be stimulated nationwide by the current *Building Canada* investment plan with a volume of 33 billion Canadian dollars.

Business development in 2009

- **Earnings reach adjusted prior-year level**
- **Capital base further strengthened**
- **Increased dividend distribution proposed**

Bilfinger Berger continued along its successful path in 2009 despite the charge on earnings from a major project and difficult economic conditions. Buoyed by a strong services business, EBIT and net profit reached levels equal to those of the prior year after adjusting for the exceptional item relating to the sale of Razel.

Output volume decreased by 3 percent to €10,403 million. 68 percent of that total was generated in international markets, as in the prior year. Services activities in Germany contributed 20 percent of the Group's total output volume (2008: 18 percent) while the share contributed by the domestic construction business decreased further to 12 percent (2008: 14 percent).

Orders received rose by 8 percent to €11,129 million. The order backlog at the end of 2009 amounted to €11,704 million, representing an increase of 10 percent.

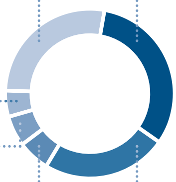
EBIT of €298 million in 2008 included a positive special item of €45 million related to the sale of Razel, while net profit of €200 million in 2008 included €60 million due to the special item. EBIT of €250 million in 2009 was at the level of prior-year EBIT adjusted for this special item (€253 million), and net profit of €140 million was the same as the adjusted prior-year figure.

Output volume, orders received, order backlog

€ million	2009	2008	Δ in %
Output volume	10,403	10,742	–3
Orders received	11,129	10,314	+8
Order backlog	11,704	10,649	+10

Output volume by region

€ million	2009	2008	Δ in %
Germany	3,330	3,430	–3
Rest of Europe	2,535	2,989	–15
America	638	684	–7
Africa	625	633	–1
Asia	500	431	+16
Australia	2,775	2,575	+8
	10,403	**10,742**	**–3**



Earnings situation

Revenue / output volume

Revenue decreased by 2 percent to €9,581 (2008: €9,757 million), while output volume decreased by 3 percent to €10,403 (2008: €10,742 million).

Whereas the output volume of the construction business decreased by €651 million to €5,304 million primarily due to the sale of French subsidiary Razel in December 2008, the output volume of the Services business segment increased due to the acquisition of companies during 2008 by another €292 million to €5,097 million.

Revenue primarily comprises revenue received for the provision of services and from production orders, but also for goods and services supplied to joint ventures as well as our proportionate share of joint ventures' profits and losses. Revenue does not include our share of the output volume generated by joint ventures. For the presentation of the total output volume generated by the Group, we therefore report on output volume rather than revenue in the management report. For the reconciliation of revenue to output volume, goods and services supplied to joint ventures and profit and loss transfers from joint ventures have to be deducted and our proportionate share of the revenue generated by joint ventures has to be added.

In the *Civil business segment*, output volume fell by €649 million or 16 percent to €3,286 million, mainly reflecting the sale of Razel in December 2008. Adjusted for the sale of Razel, output volume in 2009 was 5 percent below the level of 2008.

Our biggest market for civil engineering was Australia, where we generated a nearly unchanged output volume of €1,324 million (2008: €1,351 million).

In Germany, output volume remained stable at €630 million (2008: €631 million).

In the Europe region – excluding Germany – output volume fell due to the sale of Razel by €395 million to €796 million (2008: €1,191 million). The important markets here are Scandinavia, the United Kingdom, Poland, Austria, Hungary and Switzerland.

Output volume in Africa decreased following the sale of Razel by €59 million to €234 million (2008: €293 million).

In North America, output volume decreased due to the expiry of a major project in Canada by €119 million to €108 million (2008: €227 million).

In Asia, our activities are focused on Doha, Qatar. Our overall output volume in this part of the world fell due to the expiry of projects by €47 million to €194 million (2008: €241 million).

In the *Building and Industrial business segment*, output volume remained unchanged at €2,018 million (2008: €2,020 million).

We reduced the volume of our German building construction activities as planned to €635 million (2008: €914 million).

In Australia, output volume increased due to the high order backlog at the beginning of the year by €198 million to €1,027 million (2008: €829 million).

Output volume in Africa consists of volumes for our Nigerian minority holding, Julius Berger Nigeria, which increased by €26 million to €223 million (2008: €197 million).

The *Services business segment* developed well. In particular due to the companies acquired in 2008 – above all M+W Zander and Tepsco in July 2008 and Hydro Production Partner on April 1, 2008 – output volume increased by €292 million to €5,097 million (2008: €4,805 million). In organic terms, there was a slight decrease of 2 percent. The acquisition of the Austrian MCE Group effective December 23, 2009 with an annual output volume of €0.8 billion did not yet contribute to the Group's output volume in 2009.

The *Industrial Services* division performed well again considering the difficult economic situation. Output volume decreased by €113 million to €2,664 million (2008: €2,777 million); in organic terms, the decrease amounted to 10 percent.

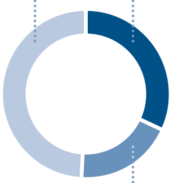
The division's business outside Germany accounted for 77 percent of its output volume – as in the prior year. Its most important markets are Europe outside Germany with 48 percent (2008: 51 percent), Australia with 16 percent (2008: 14 percent) and North America with 12 percent (2008: 9 percent).

The *Power Services* division continued its successful development. Output volume increased by €235 million to €1,017 million (2008: €782 million). Organic growth in output volume amounted to 26 percent. 53 percent of output volume was generated in Germany (2008: 58 percent). The most important markets outside Germany are the rest of Europe, South Africa and the Gulf region.

The *Facility Services* division also performed well in a difficult year. Its increase in output volume of €170 million to €1,416 million (2008: €1,246 million) is due solely to the acquisition of M+W Zander as of July 1, 2008. In organic terms, there was a slight decrease in output volume of 3 percent. 66 percent of output volume was generated in Germany, almost unchanged from the prior year (2008: 63 percent). The other most important markets are Europe outside Germany and North America.

Output volume by business segment

€ million	2009	2008	Δ in %
Civil	3,286	3,934	–16
Building and Industrial	2,018	2,020	0
Services	5,097	4,805	+6
Consolidation, other	+2	–17	
	10,403	**10,742**	**–3**



At the beginning of 2009, Environmental Services were moved from the Civil business segment to the Services business segment, the prior year's figures were adjusted accordingly.

Cost of sales

The main components of cost of sales are material expenses and personnel expenses, whereby the latter are also allocated to administrative and selling expenses. Other components of cost of sales are depreciation of property, plant and equipment, amortization of intangible assets from acquisitions, and other costs directly allocable to the sale process. The level of these costs in relation to sales revenue differs from period to period and fluctuates from order to order, mainly depending on the extent that subcontractors are used. Whereas order processing in the Group's own output volume is reflected in both material expenses and personnel expenses, all costs for the use of subcontractors are allocated to material expenses.

Cost of sales decreased by €175 million to €8,509 million (2008: €8,684 million). In relation to revenue, cost of sales amounted to 88.8 percent (2008: 89.0 percent). Of that total, material and personnel expenses accounted for 82.2 percentage points (2008: 81.9 percentage points).

Cost of sales also included amortization of intangible assets from acquisitions of €25 million (2008: €24 million), representing scheduled amortization of capitalized items from acquired order backlogs and long-term customer relations from acquisitions in the services business. Depreciation of property, plant and equipment amounted to €125 million (2008: €144 million), of which €96 million was allocated to cost of sales (2008: €101 million). The remaining depreciation of property, plant and equipment is allocated to selling and administrative expenses.

Gross profit

Gross profit of €1,072 million remained almost unchanged (2008: €1,073 million). In relation to output volume, gross profit increased to 10.3 percent (2008: 10.0 percent), despite the provision for risks of €80 million recognized in the Civil business segment for the Doha Expressway project in Qatar.

Selling and administrative expenses

Selling and administrative expenses decreased slightly to €868 million (2008: €876 million). In relation to output volume, they amounted to 8.3 percent (2008: 8.2 percent).

Other operating income and expenses

Following an increase in the prior year, the balance of other operating income and expenses returned to a normal level of €29 million (2008: €86 million). In 2008, there was a positive special effect of €45 million related to the sale of Razel as well as other capital gains.

Income from investments accounted for using the equity method

Income from investments accounted for using the equity method is presented separately for the first time for the year 2009; in the prior year, it was included in other operating income and expenses. It is composed of the income and expenses from associated companies and joint ventures and amounts to €17 million (2008: €15 million).

EBIT

EBIT for 2009 amounts to €250 million (2008: €298 million). The prior-year figure includes the aforementioned special item of €45 million in connection with the sale of Razel.

The *Civil* business segment's EBIT amounted to minus €7 million (2008: plus €11 million). This result includes an exceptional charge of €80 million for a project in Doha, Qatar (2008: €65 million for a project in Norway).

At *Building and Industrial*, EBIT improved to €22 million (2008: €14 million). The German building construction business also made a positive contribution to this result, following a negative contribution in 2008 due to increased material and subcontractor prices.

The *Services* segment's EBIT increased again to €238 million (2008: €230 million). The effects of initial consolidation account for €12 million of EBIT. In organic terms, there was a slight decrease of 2 percent. Despite the difficult economic conditions, the margin of 4.7 percent was at the prior-year level (2008: 4.8 percent).

At the *Concessions* segment, EBIT improved again to €14 million (2008: €9 million). To assess the success of our concessions business, we also take into consideration the annual changes in the present value of future cash flows. The development of the value of our concessions portfolios is explained in detail in the chapter of this Annual Report on the Concessions business segment (see page 100).

EBIT not allocated to the business segments was unusually high in 2008 at €34 million due to the aforementioned special item related to the sale of Razel. It normalized again in 2009, however, to minus €17 million.

Consolidated income statement (abridged)

in Mio. €		2009	2008
Output volume (for information only)		10,403	10,742
Revenue		9,581	9,757
Cost of sales		–8,509	–8,684
Gross profit		**1,072**	**1,073**
Selling and administrative expenses		–868	–876
Other operating income and expenses		29	86
Result of investments accounted for using the equity method		17	15
EBIT		**250**	**298**
Net interest result		–36	–15
Earnings before taxes		**214**	**283**
Income tax expense		–71	–79
Earnings after taxes		143	204
thereof minority interest		3	4
Net profit		**140**	**200**
Average number of shares	in thousands	37,005	38,728
Earnings per share	in €	3.79	5.18

EBIT

€ million	2009	2008
Civil	–7	11
Building and Industrial	22	14
Services	238	230
Concessions	14	9
Consolidation, other	–17	34
Consolidated Group	**250**	**298**

Net interest result

The net interest result worsened to an expense of €36 million (2008: expense of €15 million). Due to lower average liquidity and lower levels of interest rates, interest income fell to €17 million (2008: €34 million). At the same time, regular interest expenses increased further to €27 million (2008: €22 million) due to the promissory note loan of €250 million placed in the middle of 2008. The interest expense from the increase in the retirement benefit obligation – netted with the income from the plan assets – increased due to the effects of initial consolidation to €13 million (2008: €10 million).

The interest expense for minority interests decreased to €13 million as a result of lower interest rates for the compounding of purchase-price obligations (2008: €18 million).

Earnings before taxes / Income tax expense

Earnings before taxes decreased to €214 million (2008: €283 million), while the income tax expense fell to €71 million (2008: €79 million). In this context, it is necessary to consider the effect in 2008 from the tax-free capital gain of €90 million realized on the sale of Razel.

Minority interest

Profit attributable to minority interest amounted to €3 million (2008: €4 million).

Net profit

Net profit amounted to €140 million (2008: €200 million). The aforementioned positive special item accounted for €60 million after taxes in the prior year.

Earnings per share

Earnings per share amounted to €3.79; the prior-year figure adjusted for the capital increase is €5.18.

Dividend proposal of €2.00 per share

The net profit for 2009 of Bilfinger Berger AG, whose company financial statements are prepared according to the accounting regulations of the German Commercial Code, amounts to €88.3 million (2008: €71.0 million). Including the profit carryforward of €3.8 million (2008: €3.4 million), unappropriated retained earnings amount to €92.1 million (2008: €74.4 million).

A proposal will be made to pay out a dividend of €2.00 per share. This represents a total dividend distribution of €88.3 million (2008: €70.6 million) in relation to the number of shares entitled to a dividend as of February 18, 2010. The comparable dividend for the year 2008, adjusted for the effect from the capital increase, was €1.85 per share (see page 37).

Value oriented Group management

One of the key features of the Bilfinger Berger Group's financial management system is return-on-capital-employed controlling. With this method, we measure the value added by our business segments and by the Group. We specifically employ our capital where high value growth can be achieved.

The basic idea behind this concept is that positive value added is only achieved when the return on capital employed (ROCE) exceeds the cost of capital. The weighted average cost of capital (WACC) for the Group amounted to 10.5 percent before taxes in 2009, as in the prior years. In order to reflect the business segments' various risk profiles, we applied specific cost-of-capital rates for each segment, unchanged from 2008.

Details and an explanation of the calculation are provided in the chapter of this Annual Report dealing with return-on-capital-employed controlling (see page 204).

The Group's ROCE decreased to 15.6 percent (2008: 23.2 percent) and its value added decreased to €98 million (2008: €202 million). In this context, it is necessary to consider that the results for the year 2008 were positively affected by €45 million due to the aforementioned special item. Without this effect, ROCE in 2008 would have been 20.3 percent and value added of €157 million would have been achieved.

Another important reason for the fall in ROCE and value added is the significant increase in average capital employed to €1,925 million (2008: €1,594 million). This was mainly caused by higher financial liabilities following the issue of the promissory note loan of €250 million in the middle of 2008, higher pension obligations following initial consolidations, and higher equity due to the capital increase, the net profit and exchange-rate effects.

Value added	Capital employed € million		Return € million		ROCE %		Cost of capital %		Value added € million	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Civil	385	381	7	28	1.8	7.3	13.0	13.0	–43	–22
Building and Industrial	111	112	40	29	36.3	25.9	13.0	13.0	26	15
Services	1,427	1,074	263	254	18.4	23.7	9.0	9.0	134	157
Concessions	192	124	23	21	11.9	17.4	9.8	9.8	4	9
Total of segments	**2,115**	**1,691**	**333**	**332**	**15.7**	**19.7**	**10.5**	**10.5**	**121**	**159**
Consolidation, other	–190	–97	–33	37	–	–	–	–	–23	43
Consolidated Group	**1,925**	**1,594**	**300**	**369**	**15.6**	**23.2**	**10.5**	**10.5**	**98**	**202**

At the *Civil* business segment, ROCE decreased due to the negative EBIT to 1.8 percent (2008: 7.3 percent). Value added was negative at minus 43 million (2008: minus €22 million).

At *Building and Industrial*, ROCE increased due to the higher EBIT to 36.3 percent (2008 25.9 percent). Value added increased to €26 million (2008: €15 million).

The *Services* segment continues to account for the largest share of capital employed. As a result of acquisitions, this share grew significantly in 2009 to €1,427 million (2008: €1,074 million), including €1,192 million of goodwill and intangible assets from acquisitions (2008: €911 million). Despite the higher EBIT therefore, ROCE decreased to 18.4 percent and value added decreased to €134 million (2008: 23.7 percent and €157 million).

At *Concessions*, the calculation of return takes into account not only EBIT, but also the portfolio's growth in value compared to a year earlier. The calculation of the segment's value added of €9 million (2008: €12 million) is explained in detail in the Concessions chapter of this Annual Report.

As a result of capital contributions to project companies, capital employed increased again to €192 million (2008: €124 million). With ROCE of 11.9 percent, value added amounted to €4 million (2008: 17.4 percent and €9 million).

The value added by *headquarters and consolidation* was positive in 2008 – as an exception – due to the aforementioned exceptional item of €43 million connected with the sale of Razel. In 2009, value added was negative again at minus €23 million.

Financial position

The balance sheet total increased by €1,168 million to €7.9 billion (2008: €6.8 billion). The expansion of our concessions business contributed approximately €450 million of the increase. The initial consolidation of MCE also had a positive impact of €450 million. Exchange-rate effects – excluding the concessions business – contributed approximately €250 million towards the increase in the balance sheet total.

On the assets side, non-current assets increased again to €4,915 million (2008: €3,964 million).

€301 million of the increase relates to acquired goodwill and intangible assets from acquisitions, which rose to €1,368 million and €153 million respectively (2008: €1,083 million and €136 million).

Property, plant and equipment increased largely due to initial consolidation to €796 million (2008: €599 million). Receivables from concession projects and other non-current assets in this business segment rose by €411 million to €2,257 million (2008: €1,846 million).

Current assets increased because of the initial consolidation of MCE to a total of €2,228 million (2008: €2,089 million).

Despite substantial investment, cash and cash equivalents increased to €798 million (2008: €720 million). The capital increase carried out in October resulted in a cash inflow of €260 million. Financial debt – excluding project financing on a non-recourse basis – increased slightly to €354 million (2008: €328 million).

Non-recourse debt, for which the Group is not liable, increased in line with receivables from concession projects to €1,902 million (2008: €1,518 million). Most of this amount represents the financing of concession projects.

The retirement benefit obligation increased primarily due to the acquisition of MCE to €287 million (2008: €219 million).

Of the decrease in other non-current liabilities of €189 million to €706 million, €206 million was accounted for by other liabilities, in particular the negative fair values of interest-rate hedges in our concessions business and purchase-price obligations from acquisitions.

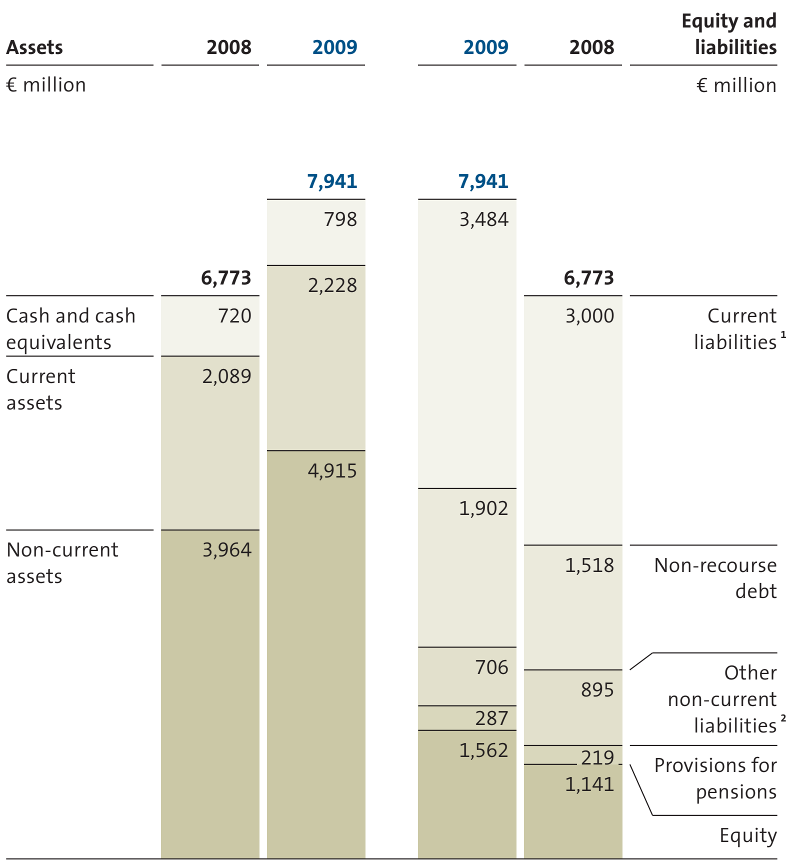
Current liabilities increased primarily due to the initial consolidation of MCE to €3,484 million (2008: €3,000 million).

Working capital decreased further to minus €1,222 million (2008: minus €890 million). €180 million of the decrease was accounted for by the initial consolidation of MCE.

Equity increased by €421 million to €1,562 million (2008: €1,141 million), partially due to the capital increase of €263 million. An additional €95 million resulted from exchange-rate effects. Furthermore, €143 million resulted from earnings after taxes, whereby the dividend payment reduced equity by €74 million. The equity ratio therefore amounted to 20 percent (2008: 17 percent). The elimination of non-recourse debt, which has the effect of extending the balance sheet, would result in an equity ratio of 26 percent (2008: 22 percent).

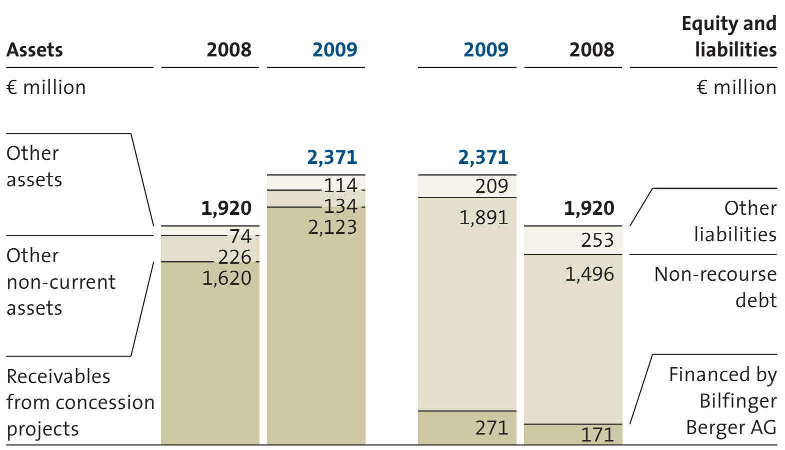
Liquidity and capital resources

Structure of consolidated balance sheet



[1] Including financial liabilities of €34 million (2008: €22 million)
[2] Including financial liabilities of €320 million (2008: €306 million)

Structure of Concessions balance sheet



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

Principles and objectives of financial management

The prime objective of financial management is to maintain liquidity and limit financial risk. In addition, we regard financial flexibility as an important precondition for our further corporate development and the optimization of our portfolio structure.

The main aspects of the Group's financial policy are determined by the Executive Board of Bilfinger Berger AG. As the parent company, Bilfinger Berger AG carries out the implementation at the Group as well as regular risk management. Departmental responsibility is at Group Treasury, which manages the application of available surplus liquidity as well as the provision and utilization of bank credit and guarantees at the Bilfinger Berger Group.

We report in detail on our management of financial risk in the risk report on pages 128 ff. and in the Notes to the Consolidated Financial Statements under Note 28. Risks related to financial instruments, financial risk management and hedging transactions.

Financing

The main source of funds for corporate financing is our business operations and the cash they generate. This is based not only on operating profits, but also on effective management of working capital. Within the framework of a special project, we further improved the related monitoring in 2009.

For the purpose of general corporate financing, our main banks have provided a firmly committed, syndicated credit facility of €300 million, available until 2012, which had not been utilized at the balance sheet date. We also have additional short-term bilateral credit commitments of approximately €150 million.

We have credit by way of bank guarantees of more than €4 billion available to meet the needs of the project business, which is far from being fully utilized. More than €1.5 billion of that total consists of syndicated credit lines maturing in 2010 and 2011. We also have numerous bilateral credit lines in a total volume of approximately €2.5 billion.

Detailed information on existing financial debt with maturities and interest rates is provided in the Notes to the Consolidated Financial Statements under Note 24. Financial debt.

Financial debt – excluding non-recourse debt – totaled €354 million on the balance sheet date (2008: €328 million). Of that total, €320 million is long term (2008: €306 million) and €34 million is short term (2008: €22 million). This includes financial leasing of €88 million (2008: €60 million).

We finance our concession projects with the use of project-specific non-recourse financing. The lenders have no access to Bilfinger Berger's assets or cash flows outside the respective companies. Due to the planned expansion of our concessions business, non-recourse debt increased again to €1,902 million on the balance sheet date (2008: €1,518 million).

In connection with the financing of acquisitions for the expansion of our services business, we issued a long-term promissory note loan of €250 million in 2008, with tranches falling due in mid-2011 and 2013.

To finance the acquisition of MCE for a purchase price of €350 million, with the consent of the Supervisory Board, the Executive Board made use of an authorization granted by the Annual General Meeting and increased the share capital last October through partial utilization of the approved capital. The net proceeds of the share issue amounted to €260 million.

The remaining approved capital for the issue of new shares against cash or non-cash contributions amounts to €29 million.

Bilfinger Berger also has conditional capital of €11 million to be used to grant conversion and/or warrant rights in the case of convertible bonds being issued.

We report in detail on the existing authorizations of the Executive Board to raise capital in the management report on page 136, as part of the disclosure pursuant to Section 315 of the German Commercial Code (HGB).

Free cash flow

Cash earnings decreased to €275 million (2008: €322 million), whereby the 2008 figure includes unusually high gains on the disposal of fixed assets, in particular from the sale of Razel. After deducting gains of €6 million on the disposal of fixed assets (2008: €126 million) and considering the repeated positive effect from the further reduction in working capital of €99 million (2008: €161 million), the cash flow from operating activities of €368 million was at the high level of the prior year (2008: €357 million).

In line with a cautious spending policy, investments in property, plant and equipment and intangible assets were reduced significantly to €162 million (2008: €237 million). These outflows were reduced by inflows of €14 million (2008: €129 million). The high cash inflow in 2008 primarily resulted from the sale of office buildings used by Bilfinger Berger. In total, there was a net cash outflow of €148 million (2008: €108 million). The disposal of financial assets resulted in proceeds of €18 million (2008: €92 million). The high prior-year figure reflects the sale of Razel.

The free cash flow amounted to €238 million, following a very high free cash flow of €341 million in 2008 caused by unusually high proceeds from the sale of property, plant and equipment and financial assets.

Statement of cash flows

€ million	2009	2008
Cash earnings	**275**	**322**
Changes in working capital	99	161
Gains on disposals of non-current assets	–6	–126
Cashflow from operating activities	**368**	**357**
Investments in tangible and intangible assets	–162	–237
Proceeds from the disposal of property, plant and equipment	14	129
Cash outflow for tangible and intangible assets	**–148**	**–108**
Proceeds from the disposal of financial assets	**18**	**92**
Free cash flow	**238**	**341**
Investments in financial assets	**–368**	**–460**
Cashflow from financing activities		
Capital increase	260	0
Buyback of own shares	0	–100
Dividends	–74	–68
Borrowing (+) / repayment of loans (-)	–10	251
	176	**83**
Other adjustments	**32**	**–40**
Changes in cash and cash equivalents	**78**	**–76**
Cash and cash equivalents at January 1	720	796
Cash and cash equivalents at December 31	**798**	**720**

Investments in financial assets were at the high level of €368 million (2008: €460 million). Acquisitions in the services business accounted for €255 million, after netting with acquired cash and cash equivalents (2008: €401 million). In 2009, this primarily comprised additions in the Industrial Services division following the acquisition of the Austrian MCE Group, the Swiss Rohrbau Group and the French LTM. In 2008, the most important acquisitions were of Hydro Production Partner, Norway, and Tepsco, USA, in the Industrial Services division and of M+W Zander, Germany, in the Facility Services division. €113 million was applied for capital contributions and the granting of loans in the concessions business (2008: €59 million).

Of the positive cash flow from financing activities of €176 million (2008: €83 million), €260 million resulted from the capital increase carried out in October 2009; the cash flow in 2008 was reduced by €100 million due to the share buyback. In 2008, a cash inflow of €251 million resulted from net borrowing, in particular the placement of a promissory note loan of €250 million. In 2009, €10 million was applied for the repayment of loans. €70 million was paid out to the shareholders of Bilfinger Berger AG as dividend for the year 2008 (prior year: €64 million) and €4 million was paid out to minority interests, as in the prior year.

Exchange-rate movements led to an arithmetical increase in cash and cash equivalents of €32 million, compared to a decrease of €40 million in 2008.

Cash and cash equivalents increased to €798 million at the end of the year (2008: €720 million).

Development of the business segments

> *We are a leading international supplier of infrastructure projects, with additional expertise in foundation engineering and hydraulic engineering. We focus our activities on selected countries. In Europe, these countries are mainly Germany, Austria, Switzerland, selected Eastern European countries, the United Kingdom and Scandinavia. Outside Europe, we are active in Australia, which was once again our biggest market for civil engineering in 2009, North America, the Arabian Gulf Region and – through our affiliate Julius Berger Nigeria – also in Africa.*

Civil

Civil

- **Strong utilization of capacities**
- **Planned reduction of output volume**

The international economic crisis had no significant impact on demand in our Civil engineering business segment in 2009. Neither do we anticipate a decline in 2010, since economic stimulus packages will boost demand from the public sector. Our civil engineering capacities remain fully utilized with the execution of current major projects. Through consistent and formal project controlling procedures in place (see page 134) we select our projects by allocating them to various risk categories. Only those projects that meet our defined risk classification criteria are pursued. We plan to reduce our civil-engineering activities and to give them a more regional focus. In particular, we intend to sell our operations in Australia.

Civil's output volume decreased by 16 percent to €3,286 million in 2009, primarily due to the sale of Razel at the end of 2008. Orders received of €3,849 million were 15 percent higher than in the prior year. The order backlog increased by 13 percent to €4,886 million. A total of 54 million was utilized for investments in 2009 and the number of employees decreased to 11,161. Due to a risk provision of €80 million relating to the Doha Expressway road construction project, earnings in the Civil business fell to minus €7 million.

Germany

Work is continuing at full speed on the expansion of the A1 Autobahn between Bremen and Hamburg within the framework of a concession model managed by Bilfinger Berger. This construction work is being performed under difficult conditions with a severe lack of space and complex logistics. As of 2012, six new lanes will be available to traffic along the entire route.

In March 2009, the Cologne City Archive and some adjacent buildings collapsed next to an excavation for a new line of the city's urban railway, resulting in two deaths. Bilfinger Berger is one of three partners in a joint venture for the construction of this subway line. Investigations into the cause of the accident are being undertaken by both the authorities and the project participants. These complex investigations have not yet been completed, and no definitive findings on the cause of this accident have yet been reached.

A joint venture under the leadership of Bilfinger Berger is constructing three tunnel structures for Deutsche Bahn (German Railways) for the new ICE high-speed line between Nuremberg and Berlin with a total length of 10 kilometers. The key element of the project is the 7.5-kilometer Silberberg Tunnel running between Ebensfeld in Upper Franconia and Erfurt, the capital of the Federal State of Thuringia. The track has been designed as a *solid track* installed on a special concrete base which will allow for train speeds of up to 300 kilometers per hour.

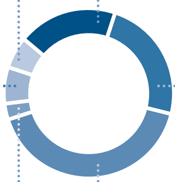
A core competence of our road construction unit is the construction of airport runways. We have been commissioned by Fraport to build the new third runway at Frankfurt Airport with a length of 2.8 kilometers and a width of 45 meters, including a taxiway link up with the existing terminal buildings.

Key figures for Civil

€ million	2009	2008	Δ in %
Output volume	3,286	3,934	–16
Orders received	3,849	3,337	+15
Order backlog	4,886	4,320	+13
Capital expenditure	54	116	–53
Depreciation	52	68	–24
EBIT	–7	+11	
Employees (number at December 31)	11,161	13,294	–16

Civil: Output volume by region

€ million	2009	2008	Δ in %
Germany	630	631	0
Rest of Europe	796	1,191	–33
Australia	1,324	1,351	–2
America	108	227	–52
Africa	234	293	–20
Asia	194	241	–20
	3,286	**3,934**	**–16**



Europe

King Harald V of Norway formally opened the E18 highway for traffic between Grimstad and Kristiansand at the end of August 2009. The E18 links the Norwegian capital of Oslo to Kristiansand in the south of the country. The new section of the highway was constructed by a joint venture under the leadership of Bilfinger Berger Civil. The project is a privately financed concession where the project company is also being led by Bilfinger Berger Project Investments. The 38-kilometer long highway, together with upgrades to associated roads, exits, service stations, bridges and tunnels, was completed within the three year contractual schedule, despite extremely challenging geological and topographical conditions.

Together with local partners, Bilfinger Berger Civil is constructing an 18-kilometer long section of the M80 motorway in Scotland, north of Glasgow. This is also part of a privately-financed concession model which is under the leadership of Bilfinger Berger Project Investments. The existing motorway, which currently runs over part of the route, will be expanded to six lanes, with new construction covering the remaining distance.

In Hungary, we are continuing our involvement in the expansion of the country's highway network. Together with an Austrian partner, we are currently delivering an additional 65-kilometer long section of the M6 south of Budapest. This project connects directly to an initial 58-kilometer long section of the M6, which was also constructed by Bilfinger Berger, and which went into operation during 2006. The new highway has a design and construct order volume of €439 million, 50 percent of which is attributable to Bilfinger Berger.

Our successes in the construction of offshore windparks continued through an order to install foundations for *London Array*, the largest offshore wind farm in Europe. Together with a Danish partner, we will construct foundations for this new wind park in the outer Thames Estuary. The 175 wind turbines and two substations will be set at a distance ranging between 20 kilometers and 35 kilometers from the UK coast. The order volume is €400 million. The foundations consist of steel pipes, each up to 60-meters long and driven into the seabed at water depths up to 25 meters. To connect the wind turbines to the foundations, they will be fitted with special steel adapter elements, each weighing 400 tons. When completed, London Array will comprise 341 turbines producing 1,000 MW of electricity – enough to meet the needs of 750,000 homes, or a quarter of Greater London.

In Poland we remain a leading provider of contracting services for roads, bridges and foundation engineering. We are participating in the substantial investments currently being made in new infrastructure for this country. These projects are strongly supported and funded by the EU, and are therefore not adversely impacted by the economic and financial crisis. In 2009 we received new orders for a railway tunnel in Warsaw and a road bypass route in Gdansk.

Australia

Against the background of the global economic crisis, demand for civil engineering services in Australia has remained robust, generating an output volume of €1.3 billion in 2009, and maintaining the continent's status as our largest single civil engineering market. Government economic stimulus programs have provided an additional boost to infrastructure projects, from which our Australian units have benefited. With partners we received an order to widen the existing Ipswich Motorway, southwest of Brisbane, from four to six lanes on the basis of an *alliance* model. Total project volume is €800 million and Bilfinger Berger accounts for €510 million.

Tunneling works for the 4.3km North-South Bypass Tunnel in Brisbane were completed at the end of May 2009. The twin-tube tunnel structure is the centerpiece of a new highway which will link the suburbs in the north and south of the city, passing under the Brisbane River. Design and construction of the project is undertaken by a joint venture which includes Bilfinger Berger Australia and the specialist tunneling division of Bilfinger Berger Civil. Bilfinger Berger's share of the construction volume exceeds €600 million. In October 2010, the first vehicles will pass through the new tunnel.

Also in Brisbane, work on the duplicate Gateway Bridge is progressing well, and the new structure will open as planned in 2010. The two sections of the new bridge across the Brisbane River have already been connected. The new bridge sits adjacent to the existing structure, which, with a total length of 1,630 meters and a free span length of 260 meters – was the longest cantilever pre-stressed concrete bridge in the world upon its completion in 1980. Once the new bridge has been opened, the older structure will then be fully renovated. When the project is completed, twelve lanes will carry traffic back and forth across the Brisbane River, and there will be a much faster connection between the airport and Brisbane's harbor.

At the beginning of 2010, we received an order in Australia in the context of a concession project to construct the 25-kilometer Peninsula Link highway. The construction work is completely in the hands of Bilfinger Berger Australia.

Africa

Bilfinger Berger provides engineering services to its affiliate, Julius Berger Nigeria, and supports it with specialist personnel and commercial expertise; thus contributing to the successful development of both the country and the company. Julius Berger Nigeria delivers complex infrastructure projects in the country's capital, Abuja, in the city of Lagos and in Akwa Ibom State. In Abuja, the company's current projects include the expansion of the city's road network, and a new motorway to improve connection to the airport. In Lagos, for a private international client, they are building a new residential area, including leisure facilities for around 12,000 residents. The company is also working on a number of projects for the expansion of the inner-city transportation network.

Gulf states

As previously reported, our client on the Doha Expressway road construction project in Qatar was unwilling to settle outstanding debts which arose from disruptions and delays for which he had been formally declared responsible. In an effort to avoid meeting his financial obligations, the Client chose to terminate the contract. We expect a lengthy legal dispute in the local courts, the outcome of which cannot be predicted with certainty, despite the clear legal situation. As a precaution, we therefore made a risk provision in the amount of €80 million which led to a negative EBIT in the Civil business segment.

Construction work on the Barwa City project in Doha, Qatar, a new residential quarter for 20,000 inhabitants, is in full production. We expect work to be completed in 2011 in accordance with the agreed schedule. It is not affected by the dispute about the Doha Expressway.

Other international projects

Construction of the Golden Ears Crossing, a 1,000 meter long bridge over the Fraser River in Vancouver, Canada, was completed ahead of schedule in the first half of 2009. Golden Ears Crossing is one of the largest public-private partnership projects in Canada. Bilfinger Berger led the design and construction group for the project and is also responsible for its long-term operation.

The Phu My Bridge over the Saigon River in Ho Chi Minh City, Vietnam was completed and formally handed over to the client ahead of schedule. In September 2009, the Vietnamese Prime Minister, Ngyen Tan Dung, officially opened this important new traffic connection.

We have reorganized our environmental technology activities and have now integrated them into our Facility Services division (see page 96).

Outlook

We are considering to execute the initial public offering of our Australian activities in 2010, and thereby to reduce the output volume for this business segment by €1.3 billion. In the medium-term, the volume of Bilfinger Berger Civil, which is headquartered in Germany, will reduce to a similar level at which it operated previously. Through this limitation and our ongoing stricter selection of future projects, we will improve both the profitability and the risk profile of our construction unit. In its future alignment, Bilfinger Berger Civil will continue to maintain its strong core technical competencies.

For the year 2010, we anticipate a decrease in output volume along with an improvement in EBIT for the continuing operations of the Civil business segment following the sale of operations in Australia.

› *We provide tailored services for real estate that encompass the buildings' entire lifecycle. With our specialized expertise, we help our clients to make long-term investment decisions for their property projects on a sound basis. Our Building and Industrial business segment is active in the markets of Germany, Australia and Nigeria.*

Building and Industrial

Building and Industrial

- **Our focus: reducing energy consumption and costs**
- **Convincing PPP solutions**

The world economic crisis led to a sharp decline in demand for industrial and commercial construction in financial year 2009. However, this had no impact on the Building and Industrial business segment's output volume because of its strong performance in Australia.

The business segment's output volume will decrease significantly as a result of the intended sale of our Australian operations. Furthermore, with the remaining Building and Industrial operations, we will deliberately reduce our output volume in order to improve our margins, and will not participate in real-estate projects awarded solely on price criteria. With our lifecycle approach, our clients are able to optimize their entire investments. We provide all of the services required during a building's lifecycle – from the development of the project to design, construction and operation, and in some cases including subsequent refurbishments.

Due to the development of business in Australia, the output volume of the Building and Industrial business segment remained constant in 2009 at €2,018 million. Orders received by this segment decreased by 4 percent to €1,847 million, whereby the volume of orders received in Australia was significantly higher than the low level of the prior year. The order backlog fell by 10 percent to €2,044 million. Investment in property, plant and equipment was lowered to €8 million. The number of employees decreased to 3,322. The business segment's earnings improved to €22 million, with a positive contribution to earnings also from our activities in Germany.

Germany

The business segment's organization was adapted to the changing market conditions in 2009. One focus was on the further streamlining of the network of branch offices. All major projects are now processed at a central unit, where our expertise in the pricing and processing of particularly challenging projects is concentrated. This ensures that the risks associated with major projects are better identified and accurately evaluated. By means of further intensified risk management (see page 128), we select the projects for execution by allocating them to various risk categories.

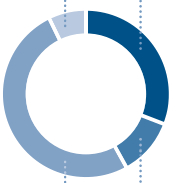
We help our clients to make sustainable investment decisions for their real estate. This is based on the networked consideration of a building's lifecycle phases at the future location and the specific planning for the building. Our specialized expertise allows us to calculate at an early stage the investment costs for the construction of the building and the operating costs incurred over its lifetime for various alternative designs, and to propose to the client an optimal solution that places the lowest demands on scarce resources. Energy-aware, sustainable construction has advantages not only in terms of ecology, but also of economy: low operating costs, a pleasant indoor climate and stable property value. Another important factor for lifecycle considerations is the desired flexibility for subsequent changes in the building's purpose.

Key figures for Building and Industrial

€ millon	2009	2008	Δ in %
Output volume	2,018	2,020	0
Orders received	1,847	1,915	–4
Order backlog	2,044	2,263	–10
Capital expenditure	8	13	–38
Depreciation	6	5	+20
EBIT	+22	+14	+57
Employees (number at December 31)	3,322	3,556	–7

Building and Industrial: Output volume by region

€ millon	2009	2008	Δ in %
Germany	635	914	–31
Africa	223	197	+13
Australia	1,027	829	+24
Other regions	133	80	+66
	2,018	**2,020**	**0**



Depending on clients' requirements, we take into consideration international and national certification standards for sustainable construction. The German Sustainable Building Council has cooperated with the Federal Ministry for Transport, Building and Urban Development on the introduction of a seal of approval for the economic, ecological, socio-cultural and technical-functional quality of public and private office buildings and administrative buildings. In January 2009, the first 16 buildings were certified, including four buildings designed and constructed by Bilfinger Berger.

We offer clients a full range of services including advice on, construction and operation of energy-efficient buildings under the i.volution brand. With this range of services, we bring together Bilfinger Berger's entire experience in the design, construction, operation and modernization of buildings. In partnership with our clients, we achieve energy-efficient and flexible real estate of lasting value.

Bilfinger Berger has been commissioned by Germany's Federal State of Thuringia to design, construct and finance eight boarding-school buildings as low-energy and passive-energy buildings for the Salzmann School using a PPP model. A sophisticated heating and climate concept reduces the buildings' operating costs substantially. Heat is provided by a CO_2-neutral, environmentally friendly woodchip burner. The use of similar construction elements for ceilings, walls and roofs reduces construction costs and execution times.

Bilfinger Berger is expanding an office building in Düsseldorf for an investment company. The contract includes the fundamental renewal and optimization of the building's facade and technical equipment as well as the entire interior fittings. The material used was selected by Bilfinger Berger according to ecological criteria, reviewed by a specialist engineering office, and documented according to the requirements of the German Sustainable Building Council.

Our specific expertise for sustainable construction and energy management means that we are ideally suited to implement public-sector PPP projects. In 2009, we completed and put into operation – on schedule – Burg Prison in Saxony-Anhalt and nine schools and day nurseries in Halle. At Burg Prison, this is the first time in Germany that most non-state services and management tasks are being provided by a private-sector operator. The Federal State employees can concentrate solely on the tasks that can only be performed by such Federal State employees. In Halle, we created substantially improved learning conditions for nearly 4,000 school students – secured over the long term due to the contractually agreed quality of the private-sector operation of the buildings.

Once again, the public sector commissioned Bilfinger Berger with the implementation of school projects in 2009. In Hof, we are modernizing and expanding three existing school buildings and constructing one new school center. We will then operate all four schools for a period of 21 years. The series of administrative buildings designed, financed, built and operated by Bilfinger Berger in partnership with the public sector is continuing with a very special property: In Pirna, we are refurbishing the palace Schloss Sonnenstein, converting it for use as the district administrative office, and we will operate it for 25 years.

Our expertise in sustainable construction is demonstrated by another major prison project. In Düsseldorf, we are constructing a modern penitentiary for 850 prisoners, which is due to go into operation in 2011. For the building's energy supply, Bilfinger Berger has developed a concept with which approximately 20 percent of energy and maintenance costs can be saved in comparison with conventional techniques. A cogeneration plant with a gas-fired condensing boiler supplies both heat and electricity. This combined heat and power generation achieves particularly high rates of energy efficiency and reduces CO_2 emissions.

Australia

In Australia, we are among the leading companies in the building construction market. The decline in demand for commercial building that started in 2008 accelerated due to the economic crisis. However, Bilfinger Berger achieved a high level of output volume in 2009 from the processing of the existing order backlog. Due to the government's economic stimulus programs, the volume of orders received was higher than in the prior year. But this lively demand from the public sector in the areas of education, health, prisons and defense is offset by the reduction in commercial construction.

In Balgowlah, a suburb in the north of Sydney, we completed work in 2009 on a real-estate project with a total value of €100 million. Bilfinger Berger built a residential complex with 240 apartments and a shopping center with 12,000 square meters of floor space. The project also features additional commercial space, a central piazza and underground parking space for more than 1,000 cars. Construction activities focused on the buildings' energy efficiency. For example, waste heat from the shopping center's air-conditioning system is used to heat water for the apartments; rainwater is collected, filtered and used as non-drinking water, for example in toilets or for watering lawns and plants. An additional factor is that resource-saving construction methods and the use of modern technology helps to minimize water consumption and CO_2 emissions.

In Newcastle, New South Wales, we were involved as a consortium partner in a public-private-partnership project for the redevelopment of Mater Hospital. The prime goal was to improve patient care. Bilfinger Berger was responsible not only for the design, construction and modernization of the hospital complex, but also for putting it into operation. The project had a volume of €100 million and was completed in July 2009.

Through the Australian economic stimulus program, we were awarded a contract by the Federal State of New South Wales to extensively modernize 177 schools in the Sydney metropolitan area. This project, which includes the refurbishment of classrooms and office buildings and the extension of existing facilities, is worth €120 million and is to be completed by the middle of 2011.

Nigeria

In the Nigerian building and industrial business, our associate Julius Berger Nigeria currently wins most of its contracts in the oil and gas industry and from public-sector clients. In the financial year, preparatory planning work was carried out for several upcoming major energy projects. Important construction sites included the new headquarters of the Central Bank in Lagos and further construction stages of the parliament building in Abuja. Julius Berger also erected complex turnkey buildings in Akwa Ibom State.

Outlook

Due to the anticipated sale of our Australian operations in 2010, output volume will be reduced by €1 billion. The volume of our building construction in Germany will be reduced in line with our planning. In order to improve the business segment's earnings and risk profile we will use detailed risk analyses to determine a very specific project selection. The focus of our building construction activities will continue to shift from general contracting to PPP and partnering projects. Increasing levels of public debt mean that growing demand for this type of contract can be anticipated in the medium term.

For the year 2010, we anticipate a decrease in output volume along with an improvement in EBIT for the continuing operations of the Building and Industrial business segment, following the sale of the operations in Australia.

Services

We are a leading provider of services for industrial plants, power plants and buildings. Industrial Services, Facility Services and Power Services provide repair and maintenance services on the basis of long-term framework contracts. The main areas of our services business are in Europe, Australia, South Africa and the United States.

Services

- **Further expansion of leading market positions**
- **Growth despite the economic crisis**

Our services business has grown once again in the difficult year 2009. Industrial Services further strengthened its leading position in Europe. Power Services also recorded a very successful financial year, once again achieving significant organic growth in output volume and result. In Facility Services, we successfully completed integration of the M + W Zander unit which was acquired in 2008.

The business segment's output volume increased by 6 percent to 5,097 million in 2009. Orders received also increased by 6 percent to €5,407 million. EBIT rose to €238 million. In 2009 €96 million was invested in property, plant and equipment. The number of employees increased primarily due to the acquisitions to 52,115.

At the end of the reporting year, and as part of the ongoing expansion of our services business, we acquired the MCE Group, headquartered in Linz, Austria. Like both Bilfinger Berger Industrial Services and Bilfinger Berger Power Services, MCE specializes in the design, construction and maintenance of facilities in the process industry and the energy sector. In financial year 2009, the MCE Group, with more than 6,000 employees, achieved an output volume of €840 million. The wide range of services delivered by the company includes industrial piping systems and plant assembly, manufacturing and installation of mechanical components, as well as electrical measurement and control technology. As part of its industrial services activities, MCE carries out comprehensive maintenance measures for its clients This includes maintenance management for entire industrial locations, also on the basis of outsourcing solutions. MCE's activities are centered in Austria and Germany. The company has long-term client relationships in the energy sector as well as in the chemical and pharmaceutical industries. This acquisition further strengthens our position as a leading provider of industrial and power services.

Industrial Services

Our Industrial Services division comprises Bilfinger Berger Industrial Services and Bilfinger Berger Services Australasia.

Industrial Services' output volume in 2009 of €2,664 million was at the same level as in the prior year; the proportion generated outside Germany also remained constant at 77 percent. Corporate acquisitions accounted for €160 million of output volume in 2009. The number of employees remained unchanged at 21,870. The sale of our activities in Australia will probably lead to an annual reduction in output volume of €400 million in Industrial Services as of 2010.

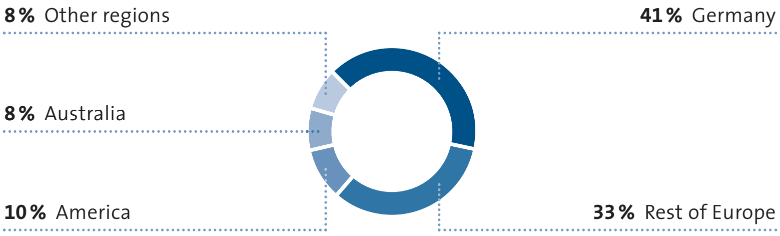
The business of Bilfinger Berger Industrial Services developed better in 2009 than expected considering the economic crisis. Business relations with our industrial clients based on partnership proved their worth also in difficult times. An important factor for success is the provision of various services from one source with our own highly qualified personnel. This covers a broad range of services specially focused on the needs of the processing industry. Due to the decentralized organization of the Group, Bilfinger Berger employees are always nearby and have good knowledge of the respective production plants. In recent years, the growing internationalization of Bilfinger Berger Industrial Services has allowed us to offer our clients this high standard at their locations all over Europe and beyond, and consequentially to develop strategic partnerships.

Key figures for Services

€ million	2009	2008	Δ in %
Output volume	5,097	4,805	+6
Orders received	5,407	5,078	+6
Order backlog	4,768	4,081	+17
Capital expenditure	96	100	–4
Depreciation	64	61	–5
EBIT	+238	+230	+3
Employees (number at December 31)	52,115	43,480	+20

Services: Output volume by region

€ million	2009	2008	Δ in %
Germany	2,085	1,894	+10
Rest of Europe	1,685	1,746	–3
America	524	472	+11
Australia	426	402	+6
Other regions	377	291	–30
	5,097	**4,805**	**+6**



With the acquisition of an 80 percent equity interest in LTM, an industrial services company domiciled in Lyon, we now have a base in the important French market. LTM has longstanding customer relations in particular in the pharmaceutical industry, and generates an annual output volume of €40 million. We are now also established in the field of industrial services in Switzerland since the acquisition of the Rohrbau Group. This company generates an annual output volume of €55 million and works primarily for regular clients in the pharmaceutical industry.

Four new maintenance agreements were concluded in 2009, with the companies AkzoNobel in Sweden and Alcoa in Norway, with a total volume of more than €80 million. They include the takeover of approximately 200 employees and cover the maintenance of Alcoa's aluminum production in Mosjøen for an initial period of three years as well as maintenance for AkzoNobel at three sites in Sweden for five years.

In addition, our contract with plastics producer Borealis in Stenungsund, Sweden, was extended for five years. With a volume of approximately €15 million per annum, it includes the full range of mechanical services as well as electrical, measuring, monitoring and control technology.

Bilfinger Berger has concluded a pioneering contract with Bayer CropScience, one of the leading makers of crop-protection products in which new maintenance models will be jointly implemented over the next five years with a total volume of more than €50 million. These include fixed prices for maintenance services in combination with measurable performance goals, relating to plant availability for example.

Two initiatives indicate the importance that large companies place on strategic partnerships when selecting their suppliers. The French nuclear group Areva has launched its *TOP Areva Supplier* seal of approval and evaluates its industrial partners according to success criteria such as expertise, innovative strengths, reliability and quality. The partner companies that received the award in 2009 include one of our subsidiaries, Peters Engineering, Ludwigshafen. This company has locations in Erlangen, Offenbach and Paris, and provides engineering services for the development of the European pressurized-water reactor. Its range of services includes the planning, design and engineering of plant, piping and steelworks.

Our subsidiary BIS Gas Turbine Systems, Bremen, one of the world's major suppliers of air-intake systems for gas turbines, won another award. In a competition for the world's best suppliers organized by Siemens AG, it took first place in the overall rankings and received the *Siemens Best Overall Supplier Award 2009*.

The high expectations placed in our corporate acquisitions in the year 2008 have been fulfilled. In Norway, we took over the repair and maintenance activities of the Norsk Hydro Group; in the United States we acquired Tepsco, domiciled in Houston, Texas. The integration of these two companies with combined output volume of more than €400 million took place quickly, smoothly and without any negative surprises. The impetus we expected from the acquisitions for our activities in Scandinavia and the United States has already been seen.

The development of the market for industrial services in Australia was generally stable in 2009, with some fluctuations in the various sectors. We continued along our growth path and strengthened our position with new orders. In Australia, we are using a new technology for measuring electricity use for the first time. In the Federal State of Victoria, more than half a million smart electricity meters have been installed in companies and households. Bilfinger Berger Services Australasia received the esteemed Infrastructure Partnerships Australia Contractor Excellence Award 2009 for its first-class performance with the design, supply and installation of components for the Uranquinty gas-fired power plant. Two other important projects were completed in 2009: the gas-fired power plants Braemar 2 and Neerabup. The work comprised construction, electrical and control systems and water supply and disposal. Our successful operations for energy suppliers continue with the Mortlake power plant, which is now being built. The integration of i.power solutions, acquired in 2008, was completed in 2009. This company specializes in the design, installation and maintenance of low and medium-voltage equipment and has already been involved in a number of major projects, complementing the range of services we provide in Australia and fulfilling our expectations.

The planned disposal of our Australian activities also includes Bilfinger Berger Services Australasia.

Power Services

Bilfinger Berger Power Services achieved strong organic growth in 2009, supported by further expansion resulting from the Group's acquisition of MCE Group and its associated power sector activities. Whilst the consequences of the financial crisis and ongoing political dialogues have both delayed the realization of new power station projects, there was a significantly increased demand for services associated with the repair and maintenance of existing power plants, which are now required to operate for longer life cycles. In 2009 output volume increased to €1,017 million. Our Power Services unit now undertakes more than 47 percent of its business outside of Germany. The number of employees increased to 7,514.

Bilfinger Berger Power Services continues to benefit from increasing global demand for energy, and from the required renewal and upgrade of existing power plants. Typical examples include our ongoing involvement in the construction of new nuclear power plants in Olkiluoto, Finland and at the KKW Flamanville plant in France. In Germany, we are installing flue-gas desulfurization units for the Boxberg and Moorburg power plants. Our specialist high-pressure piping capacities are present in the construction of nearly all new power plants within Germany, contributing to our position as market leader in Europe.

Overall, and despite the difficult economic situation, Power Services substantially expanded its maintenance and turnaround business during 2009. International business, in particular, has become an increasing focus of attention. Some of the year's key technical projects have included: the assembly of a combustion chamber in the new Duisburg-Walsum power plant, as well as a low NOx firing system near Basell in Wesseling. A flue gas heat recovery system was successfully installed in Belchatow, Poland. New coaling systems were implemented at a power plant in Belgium, and a superheater unit was successfully commissioned in Brazil.

In the United Arab Emirates we were involved in new construction projects, expanding our range of services from assembly works to also incorporate service and maintenance activities.

In the power-plant business, performance depends to a great extent on the availability of well-qualified specialists. With our acquisition of Duro Dakovic Montaza in Croatia, we have secured the potential of nearly 1,000 installation specialists.

In South Africa, our new production site for the fabrication of high-pressure piping systems will go into operation in spring 2010. This includes South Africa's first large diameter inductive bending facility.

Facility Services

Our Facility Services division consists of Bilfinger Berger Facility Services and Centennial in the United States. Output volume amounted to €1,416 million in 2009, with 34 percent generated outside Germany. The increase of €170 million is the result of acquiring M + W Zander in the prior year. The number of employees increased to 13,650.

Bilfinger Berger Facility Services successfully overcome a challenging year. As expected, the economic crisis had an impact on demand for facility management services. However, demand for outsourcing models actually increased as did in the international business, the trend towards complex and cross-border tendering. The long-standing partnerships with major clients proved their value in the economically difficult period. Framework agreements for facility management services were renewed again in 2009 with Deutsche Bank, IBM, Alstom and EADS. Orders for facility services received from the public sector increased.

The expectations placed in the acquisition of M + W Zander in 2008 have been fulfilled. Following the successful completion of the integration, we provide our clients with a full range of integrated facility services through a dense network of sites in Germany, Europe and selected international markets.

The Bilfinger Berger Facility Services Group offers the full spectrum of facility services – for all types of real estate and all types of usage. We have specialists for integrated facility management services, building equipment, asset and property management, infrastructure services, healthcare services and environmental services. This allows us to combine services into individual packages in accordance with clients' needs.

Our clients benefit from efficient and individual services. Specifically in a very versatile service business, it is essential to have a good understanding of clients' needs, as well as excellent reliability and flexibility; but this is by no means a given in the marketplace. Through our capacities we meet the highest of requirements and thereby gain valuable clients. Our expertise is especially important for a smooth startup of business with new clients.

Some of the best known of the numerous new clients gained by Facility Management in 2009, include Q-Cells and Versicherungskammer Bayern (an insurance group) in Germany, Bischoffzell Nahrungsmittel (foodstuffs) in Switzerland and Goodyear and DZ Bank in Luxembourg. We also concluded our biggest contract to date in the area of asset and property management with IVG for a period of eight years. Bilfinger Berger will manage more than 200 buildings with floor space of nearly two million square meters.

Of significant importance for our business are large clients with multinational operations, which increasingly issue international tender notices for their facility management needs. Tailored to clients' requirements, Bilfinger Berger Facility Services is therefore spreading its activities to other countries.

At the end of 2009, we sold Passavant-Roediger Anlagenbau to Drake & Scull International, domiciled in Dubai. Passavant-Roediger Anlagenbau specializes in the turnkey construction of sewage plants, which is no longer one of Bilfinger Berger's core activities. The remaining activities of Bilfinger Berger Environmental Technology have been allocated to Bilfinger Berger Facility Services.

In the United States, our subsidiary Centennial grew and once again increased its output volume last year. Centennial operates in the special market segment of job order contracting and carries out building repairs, maintenance, alterations and extensions on the basis of long-term framework agreements. Due to the high quality of its services, Centennial is a valued partner to public-sector institutions such as the US Armed Forces, schools, universities and municipal authorities, as well as private-sector clients. As can be seen from recent inquiries, clients in the public sector are increasingly placing priority on sustainability. Centennial has adapted to these needs and offers effective solutions.

Outlook

The sale of our Australian operations anticipated in 2010 will reduce the Services business segment's output volume by about €400 million. This has already been more than offset by the acquisition of MCE. Due to the strategic decision to shift the focus of our activities to services, the business segment will continue to grow. We intend to use the resources resulting from the disposal in Australia to finance this growth. With this expansion, we will enhance our leading market position in many areas and develop new markets. With a broad spectrum of high-value services, we aim to develop and strengthen the long-term partnerships we have with our clients.

For the year 2010, we expect growth in both output volume and earnings for the continuing operations of the Services business segment, following the sale of operations in Australia.

Concessions

> As a partner to public-sector clients, we design, finance, build and operate schools, hospitals, prisons, administrative buildings and roads on the basis of long-term concession agreements. The important markets for our concessions business are continental Europe, the United Kingdom, Canada and Australia.*

Concessions

- **Portfolio continues to grow despite financial crisis**
- **Seven new projects successfully transitioned into operations phase**

Whilst the global financial crisis has undoubtedly made the financing of concession projects more challenging, Bilfinger Berger Project Investments has nevertheless successfully grown its portfolio in 2009. In the period our portfolio has increased by two new projects, plus an additional tranche of new investment under our LIFT (Local Improvement Finance Trust) framework agreement in the United Kingdom. These new partnerships have a total investment volume of €418 million, with an associated equity contribution of €49 million from Bilfinger Berger. At the end of the year, our concessions portfolio comprised 26 projects with a total investment volume of €6.4 billion. Our total committed equity increased to €340 million, €140 million of which had been paid into project companies at the end of the year. The value of the portfolio increased to €202 million. The Concessions business segment's EBIT improved to €14 million.

In addition to pursuing new projects, we work intensively on the continuous optimization of our projects in construction or in operation, and have formed a special worldwide working group for this task.

Concession projects are of a long-term nature and achieve positive profit contributions only after several years. A key transition is the so-called *ramp-up* period, where construction is completed and the asset is then transitioned in to the operating phase, when operating revenues then start to flow. The maturity of our portfolio has increased substantially in the reporting year with seven projects transitioning successfully in to the operations phase:

- Northern Ireland: Motorway M1 Westlink
- Scotland: Borders Schools
- Scotland: Clackmannanshire Schools
- Canada: Golden Ears Bridge
- Canada: North East Stoney Trail
- Norway: Highway E18
- Germany: Burg Prison

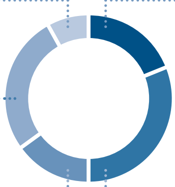
With the acceptance of the contract for a section of the M80 motorway in Scotland north of Glasgow in January 2009, we achieved financial close on a major transport infrastructure project in the middle of the financial crisis. The project company, in which Bilfinger Berger is the majority shareholder of 83 percent, will design, finance, build and operate the section of the motorway. An existing main road will be widened to six lanes over a distance of ten kilometers and an eight-kilometer stretch will be newly constructed. The project also includes the construction of seven motorway exits and approximately 60 civil engineering structures. The project's total investment volume amounts to €352 million; our equity commitment is €44 million. Following completion of the construction works, the project company will operate the highway section for a period of 30 years. During that time, it will ensure that the motorway is available for use in return for a contractually fixed fee from the public sector.

Key figures for Concessions

Number / € million	2009	2008	Δ in %
Projects in portfolio	26	24	+8
thereof under construction	8	13	–38
Committed equity	340	291	+17
thereof paid-in	140	101	+39
thereof equity bridge loans	164	90	+82
EBIT	+14	+9	+56
Employees (number at December 31)	135	136	–1

Concessions: Equity investment by region

€ million	2009	2008	Δ in %
Germany	63	63	0
United Kingdom	103	54	+91
Rest of Europe	51	51	0
Canada	95	95	0
Australia	28	28	0
	340	**291**	**100**



Discount rates

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

In the English county of Staffordshire we will provide and operate ten new fire stations on the basis of a public private partnership model. The project, with a total investment volume of €54 million, comprises the design, financing and construction of the facilities, as well as the facility operations for a period of 27 years. Bilfinger Berger holds an 85 percent share in the project company and is making an equity investment of €5 million.

Even though the financing of concession projects has become more difficult due to the financial markets crisis, our business development in 2009 shows that the realization in particular of smaller and medium-sized projects with good risk profiles is still possible in a financially difficult environment.

The core markets of our concessions business remain Europe, Canada and Australia. In the future we will continue to pursue concession projects only in those countries and regions which have a proven and stable political, legal and economic environment. In these markets we will continue to target appropriate projects in the sectors of social and transportation infrastructure. In social infrastructure we finance, design, construct and operate education and health facilities, detention facilities and public-sector administration buildings. In transportation infrastructure we focus on roads, highways and their associated infrastructure, primarily bridges and tunnels. We continue to restrict ourselves to availability models or projects with limited volume risks. Of equal importance to the pursuit of new projects is the successful management and delivery of projects through the construction phase, and the implementation of asset management techniques to optimize project returns through the long-term.

Project portfolio December 2009	Contractually committed equity		Paid-in equity		Future cash flows		Present value of future cash flows	
€ million	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Transport infrastructure	235.6	191.5	71.3	38.0	948.3	835.1	107.8	70.3
Building construction	104.1	99.4	69.1	62.5	379.3	363.8	94.1	83.7
Total	**339.7**	**290.9**	**140.4**	**100.5**	**1,327.6**	**1,198.9**	**201.9**	**154.0**

Cash flows for Bilfinger Berger 2010 - 2043 (after taxes)

€ million	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Transport infrastructure	–1.9	–73.5	–69.8	17.2	24.6	25.8	31.4	31.3	27.9
Building construction	7.3	–6.7	–9.2	11.9	11.9	10.5	11.0	9.9	10.6
Total	5.4	–80.2	–79.0	29.1	36.5	36.3	42.4	41.2	38.5

	2019	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**
Transport infrastructure	30.7	29.8	26.9	27.1	28.0	37.4	48.1	50.8	33.9
Building construction	10.4	11.7	11.8	10.4	11.3	10.6	9.6	12.7	12.6
Total	41.1	41.5	38.7	37.5	39.3	48.0	57.7	63.5	46.5

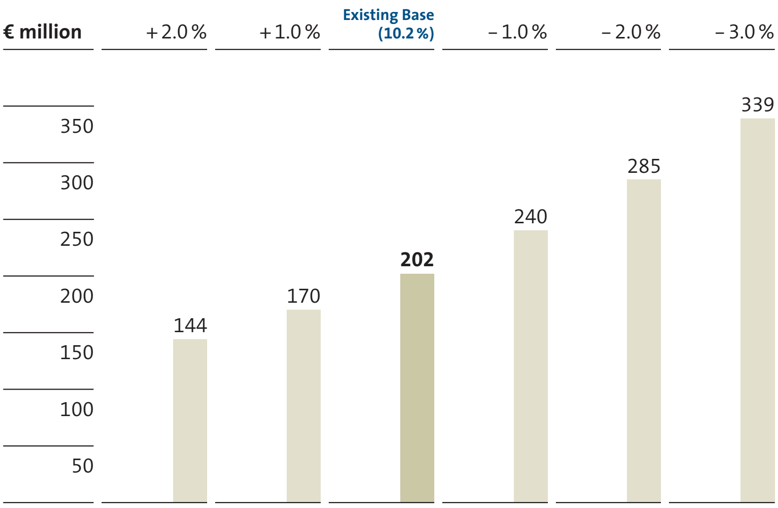
	2028	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**
Transport infrastructure	35.9	36.7	45.1	38.1	32.9	45.0	39.9	34.1	31.5
Building construction	24.7	24.7	17.2	34.0	11.5	22.8	21.7	17.4	17.0
Total	60.6	61.4	62.3	72.1	44.4	67.8	61.6	51.5	48.5

	2037	**2038**	**2039**	**2040**	**2041**	**2042**	**2043**		**Total**
Transport infrastructure	43.9	38.3	13.5	35.6	151.8	0	0		948.0
Building construction	4.7	10.0	6.0	1.7	4.0	3.8	–0.2		379.3
Total	48.6	48.3	19.5	37.3	155.8	3.8	–0.2		1,327.3

Changes in net present value
Dec. 2008 - Dec. 2009

€ million	Transport infrastructure	Building construction	Total
Present value Dec. 2008	70.3	83.7	**154.0**
Capital contributions	33.4	6.3	39.7
Exchange-rate changes	1.0	–1.8	–0.8
Present value Dec. 2008 updated to Dec. 2009	104.7	88.2	**192.9**
Increase in value	3.1	5.9	9.0
Present value Dec. 2009	107.8	94.1	**201.9**

Valuation of the portfolio with variable discount rates



Our successful series continued in 2010: A project company under the leadership of Bilfinger Berger was selected by the Australian state of Victoria as preferred bidder to plan, finance, build and operate for a period of 25 years the 25-kilometer Peninsula Link. This new highway will improve the traffic situation on the Mornington peninsula southwest of Melbourne.

The public-private-partnership project has an investment volume of €550 million; our equity commitment amounts to €26 million. Bilfinger Berger Australia has full responsibility for the construction phase. The Group has a one-third equity interest in the concession company. During the operating phase, the company will receive a contractually fixed fee from the state.

Valuation of the project portfolio

To measure our success in the concessions business, we consider not only current operating profit, but more importantly the annual change in the net present value of all future cash flows expected to accrue from the projects to us as an equity investor. These free cash flows are calculated with consideration of interest and principal payments after taxes at the project level, and of future capital contributions. As in previous years, net present value was calculated using the discounted cash-flow method (DCF). The net present value is the total of future cash flows between the project company and the investor, 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.

The following valuation principles have been applied, unchanged from recent years:

- Only projects that have reached financial close are taken into account.
- Cash flows accruing from the projects are calculated on the basis of financial models that have been approved by the external lenders.
- Future potential refinancing gains are not taken into account in the valuation.

The value of a concession project develops over its lifecycle. The initial realization phase holds not only the highest potential for value creation, but also the highest risks. These risks 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 of project and its current phase. The weighted risk-free basic interest rate is derived from long-term interest rates for government bonds in the respective countries of investment (European Monetary Union, United Kingdom, Norway, Hungary, Australia and Canada).

The premium for the type of project differentiates between

- projects whose revenue depends exclusively on the degree of availability (2 percent)
- and projects that entail limited demand risks (3 percent).

The premium for the project phase differentiates between

- projects in the construction phase, because Investments during this period are exposed to the risk of not being completed on schedule and within budget (3 percent)
- and projects in the ramp-up phase (2 percent).

The premium for the project phase ceases to apply when levels of revenue and costs are certain. This is generally the case after one year of operation for straightforward availability models, and after two years for projects involving demand risks.

The expected future cash flows are therefore discounted at rates between 8 percent (in operation) and 12 percent (in the construction phase). The weighted discount rate for our entire concessions portfolio at the end of 2009 was 10.2 percent (2008: 10.5 percent). The slight decrease resulted from the completion of seven projects in 2009; there was an opposing effect from the two new projects in 2009, which are currently in the construction phase. The expected future cash flows from the existing portfolio until the year 2043 amount to €1,327 million at the balance sheet date.

Overview of concession projects	Investment volume	Bilfinger Berger's share of project	Bilfinger Berger's share of equity	Method of consolidation	Project status	Period of concession
	€ million	%	€ million			
Transport infrastructure						
M6 Highway, Phase I, Hungary	482	40	19.2	Equity method	In operation	2006 – 2026
Kicking Horse Pass, Canada	100	100	7.3	Fully consolidated	In operation	2007 – 2030
M1 Westlink, United Kingdom	230	75	11.4	Fully consolidated	In operation	2009 – 2036
Golden Ears Bridge, Canada	800	100	33.8	Fully consolidated	In operation	2009 – 2041
E18 Highway, Norway	453	50	8.9	Equity method	In operation	2009 – 2034
Northeast Stoney Trail, Canada	293	100	9.1	Fully consolidated	In operation	2009 – 2039
M6 Highway, Phase III, Hungary	520	45	22.5	Equity method	Under construction	2010 – 2038
Northwest Anthony Henday Drive, Canada	750	100	36.0	Fully consolidated	Under construction	2011 – 2041
Autobahn A1, Germany	650	42.5	42.9	Equity method	Under construction	2013 – 2038
M80, United Kingdom	352	83.3	44.4	Fully consolidated	Under construction	2011 – 2041
Building construction						
Liverpool & Sefton Clinics, United Kingdom	20	24	1.9	Equity method	In operation	2004 – 2030
Barnet & Harringey Clinics, United Kingdom	24	24	0.5	Equity method	In operation	2005 – 2031
Gloucester Hospital, United Kingdom	60	50	2.8	Equity method	In operation	2005 – 2034
Bedford Schools, United Kingdom	41	100	4.1	Fully consolidated	In operation	2006 – 2035
Victoria Prisons, Australia	150	100	16.9	Fully consolidated	In operation	2006 – 2031
District Administration Center, Unna, Germany	24	90	2.3	Fully consolidated	In operation	2006 – 2031
Coventry Schools, United Kingdom	36	100	3.6	Fully consolidated	In operation	2007 – 2035
Kent Schools, United Kingdom	155	100	12.6	Fully consolidated	In operation	2007 – 2035
Royal Women's Hospital, Australia	198	100	10.9	Fully consolidated	In operation	2008 – 2033
Burg Correctional Facility, Germany	100	90	7.7	Fully consolidated	In operation	2009 – 2034
Borders Schools, United Kingdom	137	75	7.7	Fully consolidated	In operation	2009 – 2038
Clackmannanshire Schools, United Kingdom	136	85	5.7	Fully consolidated	In operation	2009 – 2039
East Down & Lisburn Schools, United Kingdom	91	50	3.4	Equity method	Under construction	2011 – 2039
Cancer Therapy Center, Kiel, Germany	258	50	10.5	Equity method	Under construction	2012 – 2036
Kelowna & Vernon Hospitals, Canada	260	50	8.4	Equity method	Under construction	2012 – 2042
Staffordshire Fire Service, United Kingdom	54	85	5.2	Fully consolidated	Under construction	2009 – 2036
			339.7			

Significant increase in net present value

The application of our project-specific discount rates results in a net present value of €202 million at December 31, 2009 (2008: €154 million), which is substantially higher than the paid-in equity of €140 million (2008: €101 million).

Given the conservative evaluation of the portfolio, which is currently based on an average discount rate of 10.2 percent, there is considerable potential for a higher valuation. Lower average discount rates would lead to significantly higher net present values.

The development of net present value is a combination of:

- scheduled capital contributions to existing projects of €39.7 million
- exchange-rate effects of minus €0.8 million; exchange-rate movements affect the levels of expected future cash flows in euros and thus the total net present value of the concessions portfolio in euros. Changes in value due to exchange-rate movements are eliminated in the calculation of growth in intrinsic value
- growth in original value from operating activities of €9 million

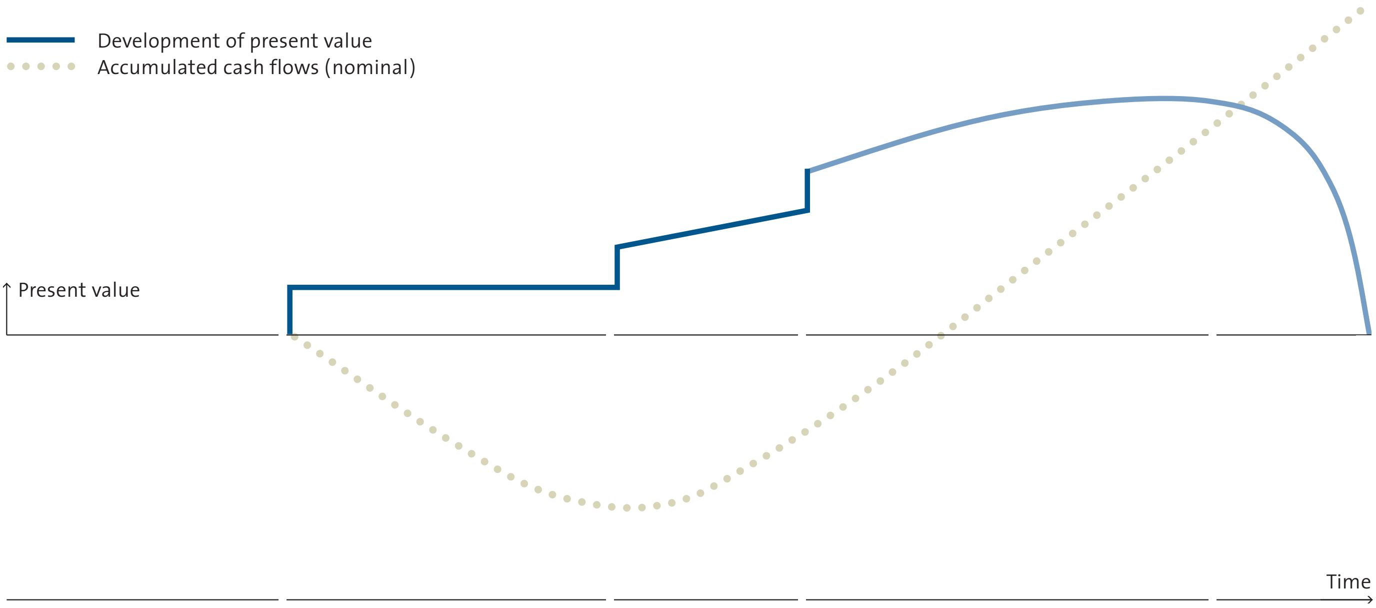
The maturing process – from financial close through the construction, ramp-up and operating phases through to the end of the contract period – constitutes the intrinsic value added of our Concessions business segment. To determine the return on capital employed (ROCE) within the framework of our return-on-capital-employed controlling, we therefore consider the growth in value of the portfolio in addition to EBIT.

Outlook

We are pursuing very promising projects, above all in Canada and Australia. As before, we will continue to concentrate solely on public-sector projects in the fields of building construction (schools, hospitals, prisons and administrative buildings) and transport infrastructure (highways, tunnels, bridges). We expect financing possibilities to improve for concession projects, enabling us to realize larger projects once again. And we will continue to make good use of the competitive advantages we enjoy from the close cooperation within the Bilfinger Berger Group on the planning, construction and operation of projects.

Our equity commitment is approaching the €400 million mark. The possible sale of mature projects and participation of a partner in our portfolio are still components of our business model. We are monitoring the markets for these options and will utilize attractive sale opportunities for our valuable projects.

Development of present value and accumulated cash flows (Dec. 2009)



Preferred bidder (1)

Peninsula Link,
Australia (January 2010)

Construction (8)

Autobahn A1,
Germany

Cancer Therapy Center, Kiel,
Germany

East Down & Lisburn Schools,
United Kingdom

M80,
United Kingdom

Staffordshire Fire Service,
United Kingdom

M6 Highway, Phase III,
Hungary

Kelowna & Vernon Hospitals,
Canada

Northwest Anthony Henday Drive,
Canada

Ramp-up (7)

Burg Correctional Facility,
Germany

Borders Schools,
United Kingdom

Clackmannanshire Schools,
United Kingdom

M1 Westlink,
United Kingdom

E18 Highway,
Norway

Golden Ears Bridge,
Canada

Northeast Stoney Trail,
Canada

Yield (11)

District Administration Center, Unna,
Germany

Barnet & Harringey Clinics,
United Kingdom

Bedford Schools,
United Kingdom

Coventry Schools,
United Kingdom

Gloucester Hospital,
United Kingdom

Kent Schools,
United Kingdom

Liverpool & Sefton Clinics,
United Kingdom

M6 Highway, Phase I,
Hungary

Kicking Horse Pass,
Canada

Royal Women's Hospital,
Australia

Victoria Prisons,
Australia

Maturity (0)

Social and environmental responsibility

Corporate

Research and development

› *Our research and development activities aim to protect the climate and to conserve scarce resources through the optimization of buildings, power plants and industrial plants. These activities focus on clients' needs and lead to practical solutions that make economic sense. We are making an important contribution to meeting the ecological challenges of our time through more than 100 different R&D projects.*

Human resources

› *Our human resources activities are systematic and ensure that talent is supported and given the opportunity to develop throughout the Group. We place particular emphasis on the recruitment of qualified employees and the development of our managers. Improving workplace safety is a constant objective to which we ascribe as much importance as we do to the health of our employees.*

social responsibility

› *Our corporate units and their employees support numerous organizations worldwide with monetary donations, contributions in kind, and personal involvement. We support humanitarian activities in many countries around the globe. We promote science and education through close cooperation with leading universities. The Bilfinger Berger Award encourages cross-border knowledge transfer in the field of urban development and provides new ideas for the discussion in Germany.*

Research and development

Our research and development activities aim to protect the climate and to conserve scarce resources through the optimization of buildings, power plants and industrial plants. Key projects include reducing energy requirements over buildings' entire lifecycles and conserving resources by achieving optimal energy generation in power plants. Our R&D activities focus on clients' needs and lead to practical solutions that make economic sense. We are making an important contribution to meeting the ecological challenges of our time through more than 100 different R&D projects.

Buildings

The German Sustainable Building Council and the Federal Ministry of Transport, Building and Urban Development have developed a certification system for sustainable construction. This means that in Germany a generally recognized benchmark is available for the economic, ecological, technical and functional quality of buildings in the public and private sectors. The first 16 buildings certified in January 2009 included four projects realized by Bilfinger Berger. We see this as confirmation of our consistent focus on a lifecycle approach to buildings.

Sustainable construction

A building can only be optimized if all costs incurred over its entire lifetime are taken into consideration in the planning phase. In addition to future operating costs, this includes the construction processes and their energy consumption as well as the materials used and their primary energy needs and potential for recycling. Making use of the knowledge and experience we have gained in the design, construction, maintenance and operation of buildings, this holistic approach has become standard practice at Bilfinger Berger. We continuously expand this specialized expertise with the results of our research and development work.

Interactive energy management

According to recent studies, buildings in the industrialized countries cause 40 percent of all CO_2 emissions, a large part of which occurs in the operating phase. From both ecological and economic points of view, the operation of buildings must be planned as efficiently as possible and CO_2 emissions must be reduced. For this purpose, we are developing an interactive energy management system with which a building's energy consumption and energy flows can be measured, analyzed and presented – in detail and continuously. Weather conditions and factors related to a building's use also flow into the calculations. On this basis, excessive energy consumption can be identified and located, and countermeasures can be taken such as initiatives to clarify users' behavior, building alterations or different equipment configurations. The effectiveness of such actions can then be measured using the new consumption data. With this system, the specialists in our Facility Services division are able to offer clients a maximum of quality with regard to energy-efficient building operation.

Resource-efficient buildings for the future

In recent years, various research projects have developed a large number of technical solutions for buildings' resource efficiency, which are rarely implemented in daily practice, however. For this reason, Bilfinger Berger and a partner company in the German construction industry have initiated a research project entitled *Resource-efficient buildings for the world of the future*, which is supported by the Federal Ministry of Transport, Building and Urban Development. The project's objective is to create new, sustainability-oriented construction standards for the future which can be applied in practice. In our research project, we investigate how innovative technologies can replace methods currently used in construction, thus reducing buildings' consumption of scarce resources.

In connection with this research project, Bilfinger Berger and external partners have developed an outer wall system that reacts to various requirements depending on the time of day or night or the time of year and which can be adapted to differing kinds of usage. In addition, research has been carried out on materials' effectiveness for storing surplus heat in combination with concrete-core-regulated systems in order to improve the user comfort of existing buildings without the need for any additional energy.

Power stations

Compared to the traditional generation of electricity in large-scale power stations, the local generation of electricity with small plants is increasingly gaining importance. Such power plants are needs-oriented and can be used flexibly; they save the expense of long power-supply lines and avoid the energy losses associated with long-distance transmission. Populations' growing awareness of environmental issues often makes it difficult to build new power plants or to replace existing ones. In the future, power will therefore be generated with a combination of large-scale plants and smaller decentralized plants primarily using regenerative energy sources.

Conserving resources with efficient energy generation

Cogeneration plants simultaneously generate electricity and heat for heating buildings or as process heat for production purposes. With this technology, high rates of primary-energy efficiency can be achieved wherever local users are available for the heat produced. Together with the Department for Combustion and Airplane Engines of Brandenburg Technical University in Cottbus, Bilfinger Berger is developing a mobile micro-gas turbine unit with an electrical output of 50-250 kW for the supply of electricity and heating for commercial properties, shopping centers, hotels, conference centers and residential complexes. This project is supported by the Federal State of Brandenburg and aims to increase plant efficiency while reducing operating costs. The turbine is being designed to run not only on natural gas or diesel, but also on gases with low calorific values such as fermentation gas and other forms of biogas. By using these renewable energy sources, the new micro-gas turbines are also making a contribution towards climate protection and the conservation of resources.

Other research projects in the field of power-plant technology aim to achieve higher efficiency in the use of primary energy, to save fuel and to reduce exhaust emissions. For example, we have developed a coal-grinding plant that fulfills the increased requirements placed on fuel preparation with the use of coal generally available on the world market.

Another research project of our power-plant specialists, which is supported by the Federal Ministry of Economics and Technology, concerns the steam fluidized bed drying of lignite for efficiency enhancements in power generation. With this process, the ground lignite is swirled in a pressurized container and then dried over heat exchangers that utilize waste heat from the turbines.

With these innovations and other leading technologies, Bilfinger Berger makes an important contribution towards achieving significant increases in the efficiency of coal-fired power plants all over the world.

Bilfinger Berger Power Services supplied the flue-gas desulfurization equipment for the pilot plant using the oxy-fuel method of burning coal in pure oxygen at the site in Schwarze Pumpe. In order to obtain CO_2 that is as pure as possible, this equipment filters the sulfur-dioxide created in combustion almost completely out of the flue gases. The pure CO_2 created in the oxy-fuel process is compressed and liquefied. If the research engineers succeed in answering the open questions with regard to storing this liquid CO_2 in old natural-gas deposits or salt mines, the technology will become a key instrument for climate protection. Bilfinger Berger Power Services is supporting the test operation of the pilot plant, which will deliver the required results and findings for the construction of a bigger power plant to develop the final oxy-fuel technology suitable for large-scale application.

Procurement

The financially optimized procurement of materials and subcontractor services is a key factor for the success of the Bilfinger Berger Group. Due to the economic crisis, the year 2009 once again featured sharp price fluctuations. The substantial decline in global demand in the first half of the year led to falling prices, some of which were quite significant. Prices then stabilized at a low level in the second half of the year.

Our total procurement volume in 2009 amounted to €5.7 billion, 67 percent of which was accounted for by subcontractor services and 33 percent by materials.

By continuously monitoring our procurement markets, we were able to recognize market developments in good time and made use of them for the Group's benefit. Markets are regularly analyzed from headquarters and the knowledge gained is passed on within the procurement organization to the purchasing departments in our operating units. Our long-term partner management in the form of collaboration with suppliers, wholesalers and subcontractors contributes towards the minimization of procurement risks. We also ensure the success of our procurement system by actively coordinating our needs and by means of efficient controlling. Additionally, the early placing of orders with suppliers, the integration of our subcontractors in bid processing, and price-adjustment clauses with our clients are important actions to protect against procurement risks.

Procurement orders are mainly placed by the Group's operating units, with the Corporate Procurement department exercising a management and coordination function with responsibility for example for procurement strategy, procurement processes and procurement controlling.

Corporate Procurement had a special task in 2009 resulting from the integration of the newly acquired M + W Zander FM in our Facility Services division. In close cooperation with the purchasing managers of the operating unit, an effective procurement organization for the newly created HSG Zander was developed from the local purchasing of the units operating in the various regions and a procurement unit with managing and coordinating functions at Group headquarters, which in turn is accountable to the Corporate Procurement department.

Given the Bilfinger Berger Group's complex structure, local purchasing managers can only be effective when they receive quick and full information about market changes and the knowledge gained by other units of the Group. The right conditions for this are secured at Bilfinger Berger by means of a constant exchange of knowledge and experience within the procurement organization. This includes regional, national and international meetings as well as an intranet procurement portal with a wide range of information on markets, master data, procedures, contracts, Group agreements with suppliers and premium partnerships.

To carry out its tasks successfully, the procurement organization needs highly qualified personnel. Because the profession of purchasing manager is not based on a specific apprenticeship or university degree program, we maintain intensive contacts with universities, we support students with their dissertations, and we offer internships to encourage talented young people to choose the career of purchasing manager at Bilfinger Berger. We support our personnel with further-training programs specially developed for the procurement function and with a special course for junior managers with high potential.

Communication and marketing

Our communication activities are primarily directed at investors, business associates and employees. We provide them with information quickly and reliably, enabling them to gain a clear picture of our dynamic development as a Multi Service Group. Via internal and external communication channels, we explain our transformation from a construction company to a services group, describing the background, goals and implementation of our strategy and supporting the integration of the newly acquired services companies.

In the year under review, a total of €8.3 million was invested in corporate communication (2008: €7.6 million). We spent €2.6 million on publications (2008: €2.8 million), €2.9 million on trade fairs and exhibitions (2008: €2.5 million), €1.0 million on new media (2008: €0.9 million) and €1.8 million on other activities (2008: €1.4 million).

Corporate branding

Our corporate brand and of all our operating brands are represented according to a corporate design with worldwide validity. The various brands are linked with each other through an overall Bilfinger Berger brand, which signals unity and strength. The details of the effective and coherent corporate design for our varied and international Multi Service Group are laid down in corporate guidelines.

Corporate website

Our corporate website at www.bilfinger.com is the main source of information on Bilfinger Berger on the Internet. Visitors can access press releases and financial data, while details of selected projects and the Bilfinger Berger Magazine provide an overview of our business activities. We make increasing use of audio-visual contents. For example, we broadcast our annual press conference live on the Internet and our online annual report includes a video interview with the Chairman of our Executive Board.

More than 50,000 users visit our website on average each month. The most visitors are registered by the career portal, which we revised in terms of graphics and content in the summer of 2009. We have tailored the careers portal even more closely to the respective target groups with a visually attractive and expanded presentation of information.

Other communication channels

We provide regular and comprehensive information on the Group's financial situation by means of quarterly and annual reports, press releases and press conferences. We have close contacts with the business editors of news agencies, newspapers, magazines and electronic media. We are thus in a position to reach the public and distribute information about Bilfinger Berger through the press, radio and television. We regularly explain key aspects of our business activities to local journalists on the spot. Discussions between members of the Executive Board and individual journalists ensure that accurate information is communicated. The analysts who follow the development of Bilfinger Berger are intensively supported in the context of our investor relations activities (see page 37).

Information for the employees

We also regularly inform our workforce about our strategy, goals and business development. This is mainly done through the Bilfinger Berger intranet, which provides our employees with the latest information on the Group as well as media reports relating to our business. The intranet is also the main channel for easy access to the Group's organizational, technical, commercial and legal knowledge via various portals. Thousands of employees make use of the information on offer, which is continually being expanded.

We have replaced our previous employee newspaper *b-intern* and adopted a new concept with the new newspaper entitled *blueprint*. The focus of b-intern was on project reports, while blueprint introduces people who contribute towards the Group's success. By means of portraits and personal reports, Bilfinger Berger employees get to know their international colleagues and gain a lively insight into the multitude of activities at the Group. Information for the workforce is supplemented by the staff magazines of the various subsidiaries, which deal with specific individual issues. Executives receive information at short notice about issues of particular relevance to the Group through a newsletter.

Media library

A special communication project is the implementation of a central media database for use throughout the Group. Digital objects such as photographs, graphics, videos, presentations and data files are to be made accessible with the use of web-based software. This instrument will allow data administration, search functions, processing, organization and distribution, while saving resources and time. The new system will first be available to the communication departments of the Group's companies; at a later date, it is also to be used for external communication – with news agencies for example.

Direct dialogue with clients

Participation in trade fairs and exhibitions is an important element of our sales and marketing activities for promoting dialogue with our clients. Our Facility Services and Building divisions presented their product ranges at *Expo Real* in Munich, the leading trade fair for commercial real estate with 35,000 participants from 73 countries.

Bilfinger Berger Power Services was present at the main trade fairs of the energy and power-plant industry: *Russia Power* in Moscow, *Power Gen Europe* in Cologne and the VGB Congress *Power Plants 2009* in Lyon. Bilfinger Berger Industrial Services took part in *Maintain* in Munich, the most important trade fair for industrial services.

The Bilfinger Berger Magazine rounds off our range of information. We send it out to business associates and decision makers in the fields of politics and business twice a year. It deals with topics of public debate and presents solutions from Bilfinger Berger. The magazine is also available online and is directly linked to the Group's website. Featuring video and audio formats as well as photo galleries, the online version is particularly attractive to young readers and potential job applicants.

Human resources

Despite the global economic crisis, Bilfinger Berger recruited new employees in 2009. Throughout the year, the Group had approximately 200 situations vacant, for which interested persons were able to apply.

Our workforce expanded again due to the acquisitions in the services business. At the end of 2009, the Bilfinger Berger Group employed a total of 67,199 people, 25,555 of whom worked in Germany. This represents a total workforce growth of 6,276 employees.

Our attractiveness as an employer

In August 2009, Germany's *Manager Magazine* listed us in its current employer ranking as the year's biggest improver in the category of the most attractive employer for engineers. As a result of this survey of 18,000 students, Bilfinger Berger climbed to 22nd position from 69th in the prior year. We attribute this to the quality of our human resources work and our intensive communication with students and trainees, and are delighted that our attractiveness as an employer is reflected in students' assessments.

Applicant management

Our careers section of the Bilfinger Berger website receives 25,000 visits each month from persons seeking information on occupational training and employment at the Bilfinger Berger Group. We have a central online applicant management system, which collates all applications for vacant positions as well as unsolicited applications via the Internet and passes them on to the various units of the Group.

University marketing

We carry out intensive university marketing activities in the competition for the best high potential candidates. The objective of our university activities is to identify talented candidates – above all civil, mechanical, process, supply and business engineers and graduates in business administration – and to encourage their interest in working for us. Many of our employees give lectures, support students with internships, excursions and dissertations, and maintain close contacts with faculties and institutes. A special feature of these activities is the Bilfinger Berger Prizes, which we award at selected focus universities for exceptional student assignments in various subjects.

Employees by business segment

	2009	2008	Δ in %
Civil	11,161	13,294	–16
Building and Industrial	3,322	3,556	–7
Services	52,115	43,480	+20
Concessions	135	136	–1
Headquarters, other units	466	457	+2
	67,199	**60,923**	**+10**

Employees by business region

	2009	2008	Δ in %
Germany	25,555	24,067	+6
Rest of Europe	25,148	19,547	+29
America	3,125	4,078	–23
Africa	2,067	1,469	+41
Asia	5,111	5,642	–9
Australia	6,193	6,120	+1
	67,199	**60,923**	**+10**

Acquisitions: number of employees

	2009
MCE Group	6,082
Duro Dakovic	1,030
LTM	158
Rohrbau Group	105
Nordiska Industrimontage	44
Other acquisitions	48
	7,467

Human resources development

Bilfinger Berger performs systematic human resources work with local and centralized elements. In addition to supporting employees in their respective units, central instruments ensure that talents are encouraged and can develop throughout the Group.

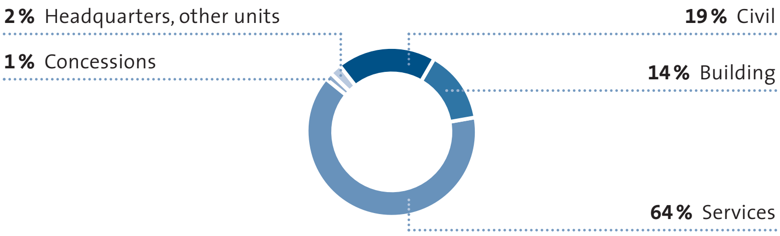
We place particular emphasis on the development of our executives. All members of the first two management levels are included in annual executive reviews which assess their medium and long-term potential and define actions to promote their individual development. The overview of the talent available at the Group that is provided by these reviews constitutes an important instrument with regard to successor planning for management positions. As a result of this effective human resources development, top positions are usually occupied from within the Group; in the first management level the ratio has been two thirds in recent years.

High-potential programs in the subgroups are another important element of executive development. They serve to identify the participants' existing talents, but also to assist their personal further development and their internal networking.

With our expansion of recent years, personnel movements between the subgroups have increased significantly. This presents our staff with additional career opportunities and allows Bilfinger Berger to react flexibly to changing human resources requirements.

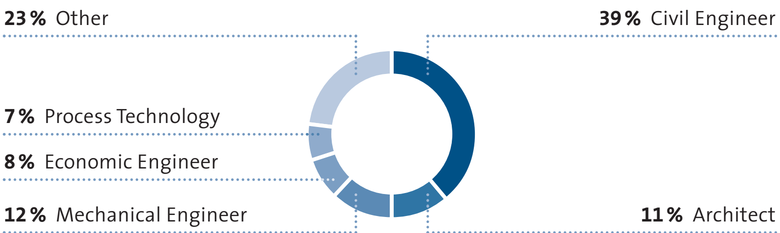
Number of engineers (Germany)

	2009	2008	Δ in %
Civil	712	773	–8
Building	517	638	–19
Services	2,422	1,759	+38
Concessions	21	18	+17
Headquarters, other units	67	56	+20
	3,739	**3,244**	**+15**



Disciplines of engineers employed

%	2009	2008	Δ in %
Civil Engineer	39	31	+8
Architect	11	15	–4
Mechanical Engineer	12	14	–2
Economic Engineer	8	11	–3
Process Technology	7	8	–1
Other	23	21	+2



Further training

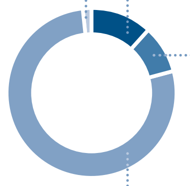
Bilfinger Berger invests in the specialist and personal further training of its workforce. During 2009, there was a focus on revising the courses of specialist training, which are the responsibility of the subgroups. Personality training for staff and management, which is managed by Corporate Human Resources, was also further developed. This primarily applies to a program for the improvement of risk awareness and risk management in management. We therefore supplemented our risk management system by enhancing the individual risk awareness of decision makers and their behavior in dealing with risks.

Introduction of lifetime working accounts

Our attractiveness as an employer is also based on flexible and fair working conditions. In order to give employees the possibility to organize their working lives flexibly and in line with their personal priorities, we developed a model of lifetime working accounts and introduced it first of all at Bilfinger Berger Industrial Services in 2009. Within the framework of this model, employees can deposit part of their salaries on a lifetime working account, which is denominated in money and earns interest via an external investment. With the accumulated credits, older employees can individually change their working time or can retire early without any financial disadvantages. Approximately 40 percent of eligible persons decided in favor of this system. Following the positive experience with the pilot project, the model will now be introduced in other areas of the Group.

Trainees (Germany)

	2009	2008	Δ in %
Civil	133	185	–28
Building	95	104	–9
Services	855	674	+27
Headquarters, other units	12	17	–29
	1,095	**980**	**+12**



Top ten job professional trainings (Germany)

	2009	%
1 Plant Mechanic	170	15
2 Industrial Clerk	96	9
3 Technical Draftsman	93	8
4 BA Degree tech. / comm.	91	8
5 Industrial Mechanic	82	7
6 Construction Mechanic	74	7
7 Insulation specialist	56	5
8 Industrial Insulation Installer	55	5
9 Scaffolding Worker	42	4
10 Mechatronic Technician	35	3
Other industrial qualifications	241	22
Other commercial qualifications	60	5
	1,095	**100**

Safety at work

Enhancing safety at work is a permanent goal upon which we place great importance. Since 2007, statistical measurements of safety at work in the individual units of the Group have been collated in a Group-wide uniform reporting system. As a result, we now have homogeneous figures on this important issue allowing objective assessments and consequential actions and targets. In the past three years, the frequency of accidents has been reduced by 32 percent and the severity of accidents has been reduced by 40 percent. On the basis of the data now available, our subgroups are carrying out campaigns and actions to make sure that the positive trend continues.

Health care

The good health of our employees is extremely important to us and is the objective of numerous sport actions initiated by the units of the Group. We encourage our employees' physical activities in numerous sports such as running, football, basketball, cycling, skiing, squash and inline skating. In 2009, Bilfinger Berger participated in the company run at the Hockenheim Ring race track with the record number of 430 employees. 24 teams took part in Bilfinger Berger's internal football cup. In addition to sporting activities, a number of other initiatives such as workplace programs, health groups and trainee workshops aim to sensitize our employees to this issue and to improve their physical fitness. On this basis, local seminars on fitness and health management were planned for the first time for various target groups and were open to our employees in the year under review.

Sustainability

Bilfinger Berger places social and ecological aspects of sustainability at the focus of its entrepreneurial activities. The Group and its employees accept responsibility for society and the environment.

Compliance system

Our Code of Conduct is a key element of our compliance system. Bilfinger Berger is aware that only responsible actions and the observance of ethical principles can effectively protect the interests of the Group and its partners. We have clearly defined these principles in our Code of Conduct. The principles of behavior that apply to all of the Group's employees include fundamental rules to combat corruption, bribery, prohibited agreements and illegal employment, as well as dealing with confidential information, donations and social behavior at work. As different legal and social conditions exist in Germany and abroad, the Code also includes country-specific behavioral guidelines.

The propagation and application of our Code of Conduct is ensured by a network consisting of the Group's Chief Compliance Officer, compliance officers in the main operating companies who report to him, and compliance executives in the Group's larger operating units. In addition to the function of internal ombudsmen, we have also appointed an external ombudsman, attorney at law Dr. Erich G. Bähr (tel.: +49 (0)69 745050), through whom misconduct can be reported not only by employees but also by persons outside the Group. Any information given to the ombudsman via the hotline (tel.: +49 (0)180 1240 843) remains anonymous because calls made to this special telephone number cannot be identified. Internal whistleblowers are protected against any reprisals; the voluntary disclosure of one's own misconduct is to the advantage of the employee concerned.

The control systems we have implemented to ensure adherence to the Code of Conduct include routine and special audits by Corporate Internal Auditing, special controls on adherence to competition regulations and employee deployment, and the regulation and monitoring of third parties' involvement in the obtaining of orders. Our Code of Conduct and the compliance system are at the focus of employee events, employee discussions and numerous training courses. With the e-learning program we launched in 2009, we are able to train a large number of employees in compliance in a short time via the intranet without them having to leave their workplaces.

The Executive Board, the Audit Committee of the Supervisory Board and the entire Supervisory Board are comprehensively informed about developments in this area through the immediate reporting of serious cases and through the Chief Compliance Officer's quarterly and annual reports.

The Chief Compliance Officer is supported in the general design and further development of the compliance system by a Compliance Committee, which convenes at least once a quarter and is composed of the heads of the corporate functions of Legal, Internal Auditing and Human Resources.

If information is received about possible compliance infringements, we take active steps with our own investigations, inform the responsible authorities, and cooperate with them wholeheartedly on the clarification of the matter. Any misconduct revealed results in organizational measures being taken as well as personnel consequences. The internal findings from reporting, comparisons with other systems and assessments by external experts facilitate the continual further development and improvement of our compliance systems.

Climate protection and conservation of resources

Our research and development activities focus on climate protection and the conservation of resources. Our goal is to reduce energy requirements over buildings' entire lifecycles and to reduce the consumption of scarce resources through the optimal generation of energy in power plants and through the high efficiency of production plants. One example of our research and development work is the interactive energy management system, with which a building's energy consumption and energy flows are continually measured, adjusted for weather effects, analyzed and presented in a transparent manner. On this basis, any excessive energy consumption can be identified and countermeasures can be taken. By collating, analyzing and evaluating the data gained from the operation of buildings and plants, we are able to extend our expertise, allowing us to supply environmentally friendly products and services.

Bilfinger Berger is a specialist for the anchoring of offshore wind turbines and thus makes an important contribution to the use of regenerative energies. Following a number of similar projects, our Civil business segment is now installing the foundations for the new London Array offshore windpark in the outer Thames estuary, which will be the biggest offshore windpark project in Europe. In its final stage, the London Array will produce 1,000 MW of electricity, enough to cover the needs of 750,000 households.

Water consumption

Supplying the world's growing population with clean water is one of the great challenges of the future. Bilfinger Berger provides a full range of services for both water supply and waste water. Through our maintenance and renewal services, not only do we contribute towards the supply of drinking water in Australia and the Gulf Region, but we also increase the efficiency of the plants involved. For example, the production of drinking water by seawater desalination plants was increased by five to ten percent as a result of our efforts. This resulted in up to 100,000 liters additional drinking water per hour from the plants in question, without making any additional demands in terms of primary energy. Two large-scale installation projects are now being undertaken: In the Emirate of Fujeirah, the construction of a seawater desalination plant with an output of 136.5 million liters a day is approaching completion. And in Dubai, we are installing the complete piping system, the pumping equipment, bar screens and band screens for a seawater desalination plant with an output of 600 million liters a day. These plants make particularly efficient use of fossil fuels, because they are able to produce drinking water and generate electricity at the same time. The method is based on the principle of power and heat cogeneration. The fossil fuels – mainly natural gas but also oil – are burnt in a gas turbine and the steam is used to generate electricity. The gas turbine's hot exhaust gas is passed through a boiler, which creates the process steam needed for desalination. Due to this sophisticated technique, up to 80 percent of the primary energy can be utilized.

In the field of waste-water engineering, we provide various solutions for collecting and treating waste water and sewage. Our vacuum sanitary technique uses air as a transport medium and needs significantly less water than conventional systems. We apply this innovative technology all over the world, in the field of municipal sewage as well as in building construction or refurbishments. For example, with the construction of a 20-square-kilometer artificial island in Bahrain, the vacuum system was used to collect waste water and sewage in a residential area for 11,000 people.

CO_2 emissions

Through the application of advanced technologies such as flue-gas heat utilization, we exploit the potential for optimization offered by power plants and thus help to reduce their CO_2 emissions. The waste heat of the flue gas is used to preheat feed water and air before the flue gas passes through the desulfurization stage. A crucial role is played by the consideration of new materials for high-performance heat exchangers.

Corrosion and wear are avoided with our newly-developed plastic heat-exchanger system. At the beginning of November, in the context of EU tendering, we received an order for two complete turnkey plants of a flue-gas-transfer system for the Belchatow power station in Poland. This retrofitting of one of Europe's biggest lignite-fired power plants will protect the environment. The utilization of waste heat will increase the plant's efficiency and reduce its fuel consumption. The Belchatow power plant will thus be upgraded to meet the strict European environmental standards.

The heating and cooling of buildings are responsible for a large proportion of CO_2 emissions in industrialized countries. Bilfinger Berger supplies and services modern and efficient building equipment. We contribute to the realization of building designs that protect the climate by integrating and implementing innovative technologies such as heat pumps, wood-pellet heating and geothermal heating.

Environmental protection

Effective measures for environmental protection play an important role in the design and execution of our worksites. Already in the stages of planning and work preparation, specific precautions are taken to reduce noise, vibrations, dust and exhaust emissions. We apply environmentally friendly methods and technology throughout all project phases. Waste is effectively separated in order to recycle the maximum possible proportion. We take the utmost precautions with polluting substances in order to protect soil and water.

We see our responsibilities with regard to environmental protection both in avoiding environmental damage in advance an in successfully remediating damage from the past. This includes the professional decontamination of waste-disposal sites, buildings and polluted areas. Our broad spectrum of services ranges from the thermal treatment of soil and mineral waste to the collection and special treatment of gases and seepage water. For example, the remediation of a former lubricant factory in northern Germany includes the dismantling of buildings containing asbestos, the collection of contaminated groundwater with a drainage system encircling the site, and finally the localization and removal of highly contaminated underground hot-spots. In performing such work, high safety standards must be fulfilled with regard to the environment as well as our own personnel. For example, during the remediation, the concentration of pollutants in the air close to residential buildings was constantly monitored with the aid of special measuring techniques, our demolition equipment was fitted with active carbon filters and pressurized cabins, and breathing apparatus was used in areas with particularly high concentrations of easily vaporized pollutants.

These examples show that for us, sustainability, climate protection and the conservation of resources are not just a matter of conviction, but are integral elements of our daily business.

Safety at work

Occupational safety and environmental protection are subject to fundamentally different conditions in our industry from those in stationary manufacturing industries. The measures to be taken have to be adapted to the changing conditions of our temporary worksites.

In line with our decentralized organizational structure, compliance with standards for the safety of our employees at work is the responsibility of the operating units. They are supported by comprehensive training programs. Staff and management are required to apply the knowledge gained from training in practice, and are also required to urge their colleagues to act safely. On the basis of a standardized global reporting system, the Executive Board regularly deals with aspects of safety at work and uses statistical analyses to identify any deficits and take action as necessary.

Corporate social responsibility

Our corporate units and their employees support numerous organizations worldwide with monetary donations, contributions in kind, and personal involvement.

In 2009, for the second time we granted the international Bilfinger Berger Award for exemplary urban-development concepts. The Award includes prize money of €50,000 and encourages cross-border knowledge transfer in the field of urban development, thus providing urban planners – particularly in Germany – with stimulating ideas and concepts that they can use in their work. Last year, the focus was on remedial concepts for former industrial sites, solutions for the revitalization of disused docklands, and model projects for inner-city transport.

With a total of 120 projects submitted and participants from 16 countries, the Bilfinger Berger Award once again met with a lively response in 2009. The Prognos Research Institute assessed the quality of the entries and prepared a shortlist. Finally, the winner was chosen by a four-man jury chaired by Professor Klaus Töpfer, German Environment Minister from 1987 to 1994: an urban renewal project in the *Holmbladsgade* district of Copenhagen, which was previously a problem suburb. Prof. Töpfer presented the prize to representatives and residents of the city together with Bilfinger Berger's Executive Board Chairman Herbert Bodner in Copenhagen on July 9, 2009.

For a long time, Holmbladsgade was one of Copenhagen's disadvantaged areas. Many of the buildings were constructed at the beginning of the twentieth century as workers' apartments and were in urgent need of modernization by the middle of the 1990's. Residents then decided to take action themselves. They were involved in all of the Kvarterloeft's planning processes as well as in important decisions on investment in the social infrastructure, the modernization of residential buildings, roads and piazzas.

Experts are agreed that this activation of residents ensures the acceptance and sustainability of urban-development projects. In a survey, more than 80 percent of Holmbladsgade's residents stated that they were aware of the renewal project in their district; more than ten percent were actively involved. As a result, the newly created public spaces, the cultural center, the sports center and the maritime youth center have become new lively focal points which are visited and used by hundreds of people every day.

Thanks to a joint effort by the state, the city, private investors and citizens, the living situation of the people on the spot has improved significantly. The residents have profited from the new urban facilities for culture, society, youth and sport. The previous social problems have been successfully solved or at least significantly alleviated.

The Group places high priority on providing support for young academics. We support renowned universities, such as RWTH Aachen, TU Darmstadt, TH Karlsruhe, TU Dresden, TU Berlin and the University of Mannheim, and make a contribution towards the sound education of engineering and business administration students.

With the *Technology is the Future* initiative, Bilfinger Berger wants to stimulate school students' interest in an engineering career at an early stage. We started the initiative in the form of a charitable company together with partner companies in German industry. The Knowledge Factory project starts even earlier: With the help of educational projects in kindergartens and schools, children get to know the exciting world of natural science, technology and economics. Bilfinger Berger supports the initiative and intends its involvement to create enthusiasm for technical occupations.

Bilfinger Berger continued its support for German Sport Aid and sponsored the Ball of Sports once again last year. The German Sport Aid foundation was established in 1967. It applies the funds it raises to support approximately 3,800 sportsmen and sportswomen each year in nearly all Olympic disciplines, traditional non-Olympic sports and sports for the disabled.

We also support numerous institutions outside Germany. In Australia for example, Bilfinger Berger donated a substantial amount to inhabitants of the state of Victoria who suffered from the severe consequences of a bush fire.

Risk report

Risk-management system

In the course of its business activities, Bilfinger Berger creates opportunities and takes risks; both must be thoroughly weighed and considered. Business success depends on the principle that the risks taken are managed and that they are outweighed by the opportunities. The task of the risk management system is to ensure that risks are controlled. For the timely identification, evaluation and responsible handling of risks, effective management, control and audit systems must be in place which together form Bilfinger Berger's risk management system. The elements of our risk management system are strategic business planning combined with a detailed and up-to-date reporting system that serves as an internal early-warning and monitoring system. Our risk management system has been designed with the strong international focus of Bilfinger Berger's business activities and the special features of the individual project business in mind. Last year, no risks were recognizable that could substantially jeopardize the Bilfinger Berger Group.

Risk management at Bilfinger Berger is a continuous and decentralized process, which is monitored and controlled from headquarters. Effectively avoiding risks requires more than just good instruments and procedures. A highly developed risk awareness among decision makers is also indispensable. For this reason, we have initiated a training program for all operational management levels to improve risk awareness.

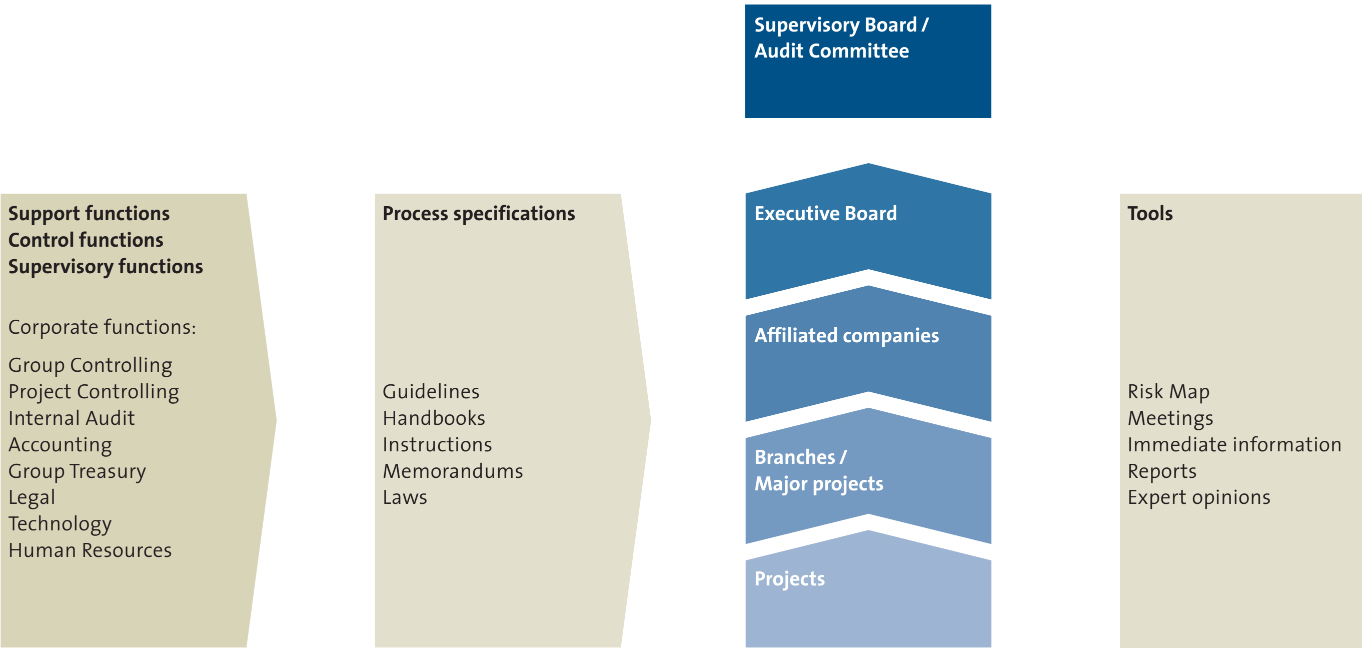
Each year, the Group sets new targets for all of its subsidiaries in terms of the performance measures EBIT and return on capital employed, as well as liquidity targets and limits. These and other key figures are monitored with the use of monthly reporting. The actual situation and the targets set are analyzed at all levels. With the use of marginal values and deviation parameters, relevant risks are identified and monitored, and their effects are limited by taking suitable measures. This provides the Executive Board and other members of the management team with detailed information on the current financial situation. In consultation with the Executive Board, the corporate functions perform a specialist monitoring function throughout the Group. They have wide-ranging rights to request and receive information, to issue individually defined guidelines, and to be actively involved with their specialist colleagues at the subsidiaries.

Headquarters are also responsible for controlling tasks of overriding importance. The corporate departments of Group Controlling, Group Treasury, Project Controlling, Internal Auditing and Legal report regularly and comprehensively to the Executive Board on possible risks from their respective specialist perspectives. In addition, the Executive Board submits a quarterly risk report to the Audit Committee and the plenum of the Supervisory Board.

Orders with large volumes or special risks can only be accepted if they are expressly approved by the Executive Board. Risks related to major projects are counteracted by clearly structuring the distribution of tasks within the corporate functions:

- Group Project Controlling supports these projects from the bidding phase until completion. The technical, financial and timeline-related development of each project – irrespective of the responsible operating unit – is analyzed continually and critically.
- Decisions on financing, internal credit lines and guaranties are made at headquarters by the Executive Board with significant support from Group Treasury.

Interaction of elements in the risk-management process



- Internal Auditing reviews the effectiveness of all working routines and processes. It also carries out audits at the level of the operating units.
- Group Controlling is responsible for the monthly recording of all performance measures as well as for the active controlling of the subsidiaries.
- The Legal department reviews contractual project risks and takes the lead with any legal disputes.

All of the processes and approval procedures that are stipulated by law, the Executive Board or the corporate functions are documented in manuals and working instructions. The Risk Map available on the Bilfinger Berger intranet provides employees throughout the Group with rapid access to the contents of the Risk Management Manual. Information on certain types of risks is arranged according to corporate processes and can be accessed via various search functions.

Our controlling and monitoring instruments are combined into a holistic system that is subject to continuous development. The effectiveness of the risk management system, the internal control system and the internal auditing system are reviewed by the Audit Committee of the Supervisory Board and the external auditor.

Internal control and risk management system as relates to the accounting process

The internal control system as relates to the accounting process consists of principles, procedures and measures to secure the effectiveness, efficiency and accuracy of the Company's accounting as well as the observance of applicable legal requirements. This also includes the internal auditing system insofar as it relates to accounting.

Under consideration of standards that are usual for the industry as well as applicable legal requirements, Bilfinger Berger has established an internal control and risk management system for Group accounting processes in order to recognize potential risks and, through the application of appropriate measures, minimize them. This system is being continuously developed.

This internal control and risk management system ensures that entrepreneurial substance is accurately recorded, processed and recognized in the balance sheet and implemented in the accounting system. Appropriate staffing and equipment, the use of adequate software as well as clear legal and internal company requirements form the basis of an orderly, standardized and consistent accounting process. The clear division of areas of responsibility as well as various control and monitoring mechanisms (especially plausibility controls, the dual control principle and audit treatments from Internal Auditing), ensure proper accounting. This guarantees that accounting at Bilfinger Berger is carried out in a standardized manner that complies with legal requirements, the principles of orderly bookkeeping, international accounting standards and internal Group guidelines and that business transactions throughout the Group are recorded and evaluated both uniformly and correctly within the scope of accounting publications and that, as a result, accurate and reliable information is made available.

The key features of the internal control and risk management system established at Bilfinger Berger with regard to the Group accounting process can be described as follows:

- The accounting departments at Board at Bilfinger Berger AG and its subsidiaries are clearly structured in terms of their areas of responsibility and their management.
- The IT systems used in the accounting areas are protected from unauthorized access through appropriate security measures.
- Standardized accounting is guaranteed in particular through Group-wide guidelines. The functional competence in the accounting area lies with Corporate Finance and Accounting.
- Those departments and areas involved in the accounting process are appropriately equipped both in terms of expertise and personnel. The employees are carefully selected, educated and receive ongoing training.
- Accounting data is randomly reviewed on a regular basis for completeness and accuracy. Programmed plausibility audits are carried out by software that is designed for that purpose.
- Appropriate controls have been implemented for all accounting-relevant processes (including the dual control principle and analytical audits).
- Accounting-relevant processes are reviewed regularly by Internal Auditing. If deficits in control or potential for improvement are noticed, adequate measures to remove the deficits or to adjust the system will be taken.

Market and industry-specific risks

The Bilfinger Berger Group depends on the general economic situation and the development of those markets in which the Company is active. Due to the international nature of our business activities, we are also exposed to political, macroeconomic and other risks. There is a tremendous amount of competition in our markets, changes in legal requirements, particularly to tax laws, could burden our earnings.

To manage these risks, we regularly analyze how countries' economies are developing and whether our business segments are competitive. 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.

Country risks

Country risks include uncertainties arising from political developments in our markets. In order to minimize such risks, we operate only in certain specified markets. We see no country risks that are relevant to the Group's earnings.

Financial risks

We monitor financial risks with proven control mechanisms that allow for a timely and transparent reporting. The Group's reporting system guarantees the regular identification, analysis, assessment and management of financial risks by Group Treasury. All of our relevant subsidiaries and joint ventures are included in this monitoring.

Liquidity risks are monitored and managed centrally at Group headquarters on the basis of rolling 12-month cash-flow planning. Within the context of the central financing, Bilfinger Berger AG is available to its subsidiaries as a lender of last resort. In Europe, the Group's internal equalization of liquidity is supported in numerous countries by cross-border cash pooling.

Investment financing is carried out under consideration of maturity of the financing. From the €250 million promissory note loan placed in 2008, there are maturities in 2011 and 2013. To finance working capital during the year, we have a €300 million pre-approved credit line at attractive conditions that is in place until 2012.

For the execution of our project business, we have sureties of more than €4 billion which are not fully utilized. More than €1.5 billion of that total is in syndicated sureties with maturities in 2010 and 2011. In case of a transfer of control of Bilfinger Berger AG, all credit commitments may become due prematurely.

The increasing long-term debt resulting from the expansion of our concessions business is solely on a non-recourse basis so that lenders have no access to Bilfinger Berger's assets or cash flows beyond the respective project companies.

As part of our strategic corporate planning, we regularly review the impact of various scenarios involving the economic and financial development of the Group on our financial risk profile. Significant key figures in this respect are the dynamic debt-to-equity ratio, cash-flow protection and gearing. Our goal is that the ratios should reflect a financial standing comparable with an investment grade rating of *BBB* or better. In 2009, these considerations led to the decision to finance a substantial portion of the purchase price for MCE AG through a capital increase of €270 million. Following this measure, we have a sound capital structure and the financial flexibility necessary for further corporate development.

Market-price risks in the finance sector primarily involve exchange rates, interest rates, raw-material prices and the market values of financial investments. As a result of our central control, cash flows and financial positions are, to a large extent, netted out. We make use of derivative financial instruments to minimize residual risks and the resulting fluctuations in earnings, valuations and cash flows. We do not undertake any financial transactions beyond the underlying business risk. Fundamental issues in risk management such as the determination or reviewing of methodology, limits or risk strategies are discussed in a steering committee with a direct line to the Executive Board.

We use forward-exchange contracts or currency options to hedge risks relating to cash flows and balance-sheet items in foreign currencies. We generally hedge against transaction risks directly following the contract award and over the entire term of the project, in some individual cases this is done as early as the bid phase. Risk management takes place with the use of explicit risk limits for outstanding foreign-exchange items, their value at risk and marked-to-market results.

Whenever possible, hedging against price fluctuations for raw materials is undertaken on the basis of fixed-price agreements for deliveries or sliding-price clauses for consumption at a physical level. If this is not possible, hedging is carried out through the application of commodity swaps, for diesel fuel or bitumen, for example.

We counteract the risks of interest-rate changes by continually reviewing and, when required, adjusting the composition of recourse liabilities subject to fixed and variable interest rates. We evaluate risks under consideration of future new or refinancing needs on the basis of a cash-flow-at-risk model. The borrowing costs budgeted within the scope of the cost-of-capital model serve as a point of reference. To manage this, we generally apply derivative financial instruments such as interest-rate swaps and swaptions. In the area of non-recourse project financing, on the other hand, a full congruent maturity hedging of the liabilities through interest-rate swaps is usually undertaken. Changes in market value occurring in this context must be reflected in the balance sheet, but they have no impact on the success of the relevant project or on the Group's cash flow.

Substantial counterparty risks can occasionally arise in connection with the investment of liquid funds and the application of derivative financial instruments. To limit such risks, we enter into financial transactions exclusively with banks that have a rating of at least *A-*. In addition, on the basis of an internal limit system, a diversification of volumes and maturities takes place. In 2009 we expanded the scope of our risk considerations to include the loss of pre-approved though not yet utilized financing in the project business.

Due to the consistent application of financing principles, there were no negative effects on the Group's earnings or financial situation as a result of the financial crisis.

Acquisition risks

We have a strict concept to counteract risks relating to acquisitions. We generally acquire either a controlling interest or 100 percent ownership of suitable companies. Companies that we regard as candidates for acquisition are valued by our experts with the help of comprehensive due diligence audits. The key criteria for this assessment are strategic relevance, profitability, management quality and future prospects. 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 latest acquisitions have also fulfilled our expectations in terms of return on capital and profits. New companies are integrated as quickly as possible into the Group and its risk management system according to clear plans and instructions.

Subsidiaries' risks

All the companies of the Group are subject to the regular financial controlling of subsidiaries and associated companies. This controlling function is carried out from headquarters as directed by the Executive Board and is outside the reporting hierarchy. By permanently monitoring business developments, especially by means of local reviews, it creates a complete picture and an independent opinion on the companies' financial situations.

The subsidiary controllers report to the Executive Board once a month and inform it of any unusual developments without delay. In addition, there is a financial controlling department in each subgroup that reports to the respective management and is subordinate to the functional supervision of Subsidiary Controlling department at Group headquarters.

Partner risks

For the execution of our business activities we maintain diverse contractual relationships with a large number of partners. For the most part, these are clients, partners in jointly-owned companies, consortiums and joint ventures, subcontractors, suppliers, financial institutions as well as service providers. If these contract partners are not able to meet their performance and/or payment obligations, if they perform poorly, behind schedule or not at all, it can lead to difficulties for our own performance and to financial losses.

We counter this risk by carefully selecting our partners in terms of reliability and performance and – when necessary – a collateralization of their contractual obligations. In the execution of projects with consortial and joint venture partners and in the assignment of important subcontractors, all potential breakdowns on the partner side are routinely included in the bid considerations. We review and monitor the liquidity of finance partners with extreme care. The effectiveness of our management has proven itself over the course of the global financial and economic crisis and we have not been impacted by any noteworthy partner risks.

A particular problem is presented by advance performance obligations, especially in the construction business. Inherent to these obligations is the risk that payments from the client are not made on time or that additional work must be carried out that has not been secured with a price agreement. The negative experience in connection with a road project in Qatar has made us act even more carefully moving forward. We systematically monitor the business conduct and financial situation of our clients.

Project risks

We face calculation and execution risks in relation to the planning and implementation of complex major projects in particular. Losses in major projects can lead to a noticeable burden on earnings.

The management of these risks is one of the main tasks of the operating unit responsible for the individual project and is supported by an improved project controlling. This includes the selection of projects and the subsequent bid preparation, project execution and processing of any guarantee claims. In the selection of projects and the processing of bids, issues that go beyond those aspects immediately affecting the project work itself such as the client's person, conditions in the region the project is to be carried out, the competence and capacity of the Group unit that will potentially do the work, execution risks, the draft contract as well as the payment plan and payment security are all analyzed, critically evaluated and divided into risk classes. Selection of the projects that are to be pursued is made on the basis of these risk classes.

Within the context of this project controlling, principal contracts are subjected to a thorough commercial and legal examination, with technical aspects analyzed separately by experts in that field. Projects above a certain volume or with a high degree of complexity are carefully monitored by a central unit with defined regulations in each phase of the business, so that any corrective measures can be taken in good time. 90 major projects were under special observation in the year 2009. With complex projects in the concessions business, we make use of the expertise available throughout the Group to assess costs and risks reliably.

Reputation risks

Accidents at our project sites, actual or alleged deficits and errors in our performance as well as compliance violations can all damage our reputation and impact our financial situation. We counteract damage to our reputation through open communication and unconditional cooperation with clients and government authorities. Our compliance system meets the highest demands and is being constantly developed. Suspicious events are actively confronted and investigated. We report any signs of legal violations to the responsible authorities and cooperate with them in full to reach a solution.

Litigation risks

We strive to avoid legal disputes wherever possible. This goal cannot always be achieved, however, with the result that German and international companies are sometimes involved in litigation or arbitration. It is naturally impossible to predict the outcome of such cases with certainty. Nonetheless, following careful analysis, we can assume that sufficient provisions have been recognized in the balance sheet for all such disputes.

Procurement risks

We intensively monitor our global procurement markets. The Group-wide monitoring of world market prices for steel, oil and petroleum products facilitates the flexible procurement of raw materials for our major projects at optimal conditions. We counteract regional procurement risks by cooperating with competitive suppliers and subcontractors. We secure quantities, qualities and prices by means of letters of intent and preliminary agreements. Whenever possible, we also protect ourselves against inflation by means of sliding-price clauses.

Human resources risks

We counteract any human-resources risks that might arise due to a shortage of junior managers, high staff turnover, lack of qualifications, low motivation or an ageing workforce through numerous human resources development programs. In this way, we ensure that highly qualified employees are recruited and retained by the Group over the long term. We therefore maintain close contacts with selected universities, organize internships for students and graduates, and organize specially designed familiarization programs at the beginning of new graduates' careers at Bilfinger Berger. An extensive range of courses and further training is available to our workforce. Career prospects are discussed regularly and individually with our employees. Management positions are mainly occupied from within the workforce. By means of our human resources controlling, we analyze structural changes within the workforce and can thus counteract any negative developments at an early stage. As a result of our far-sighted human resources development, no specific risks are recognizable in the personnel sector.

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 numerous technical installations. Our IT structures are largely standardized. We use software products from leading producers such as SAP, IBM, AAB and Microsoft. Applicable security guidelines are regularly adapted to the latest technical developments.

Overall risk

In the year under review, we did not identify any individual risks whose occurrence, either alone or in combination, would have jeopardized the continuing existence of the Group. If unpredictable, exceptional risks should arise, the possibility that they would have an impact on our output volume or earnings cannot be excluded. However, no risks can be identified that could threaten the existence of the Group.

Additional disclosure details

pursuant to Section 315 of the German Commercial Code (HGB)

The subscribed capital of €138,072,381 (2008: €111,588,306) is divided into 46,024,127 (2008: 37,196,102) bearer shares with an arithmetical value of €3 per share.

As part of a long-term incentive plan (LTI) members of the Executive Board hold a total of 22,504 Bilfinger Berger shares which cannot be sold until a two-year lockup period has expired.

The stipulations of the law for the appointment and dismissal of members of the Executive Board are laid down in Sections 84 and 85 of the German Stock Corporation Act (AktG); the stipulations of the law for amending the Articles of Incorporation are laid down in Sections 133 and 179 of the German Stock Corporation Act (AktG). To make a change in the Articles of Incorporation and pursuant to Article 20 of the Articles of Incorporation, a simple majority of the votes and shareholder's equity represented is sufficient insofar as the law does not require a larger majority. Pursuant to Article 25 of the Articles of Incorporation, the Supervisory Board is authorized to make resolutions that affect only the wording of the Articles of Incorporation.

By resolution of the Annual General Meeting of May 7, 2009, until May 6, 2014 and with the consent of the Supervisory Board, the Executive Board was authorized to increase the Company's share capital by up to €55,500,000 by the single or multiple issue of new shares (Approved Capital 2009). New shares may be issued in exchange for cash and/or non-cash contributions. The new shares must be offered for subscription by the shareholders. The Executive Board is authorized, limited to new shares with proportional amount of share capital totaling up to €22,300,000 and with the approval of the Supervisory Board, to suspend the shareholder's statutory subscription rights in certain cases.

In October 2009, the Executive Board of Bilfinger Berger AG, with the approval of the Supervisory Board, made use of this authorization to increase the Company's share capital, partially using approved capital, by €26,484,075 to €138,072,381 through the issue of 8,828,025 new bearer shares. Afterwards, approved capital amounted to €29,015,025 on the reporting date.

In February 2008, the Executive Board of Bilfinger Berger AG with the approval of the Supervisory Board and on the basis of the authorization from the Annual General Meeting of May 23, 2007, bought back 1,884,000 shares through the stock exchange. This corresponded to 5.065 percent of voting rights or to 4.094 percent of the voting rights after the capital increase in financial year 2009. In accordance with the resolution of May 23, 2007, the Executive Board can sell these shares through the stock exchange, offer them for sale to shareholders under consideration of the principle of equal treatment, use them within the scope of corporate mergers or acquisitions or for the fulfillment of conversion and option rights or recall them without any further resolution by an Annual General Meeting. The shares are now held as treasury shares. The company has no rights from these shares (Article 71b, German Stock Corporation Act).

The Executive Board is authorized, by resolution of the Annual General Meeting of May 7, 2009 and until Saturday, November 6, 2010, with the approval of the Supervisory Board, to acquire own shares of the Company up to a maximum of 10 percent of the current shareholder equity of €11,158,830 under the condition that the shares acquired on the basis of this authorization, together with other shares held by the Company or treasury shares attributable to the Company at no point exceed 10 percent of shareholder equity. Any shares acquired on the basis of this authorization can be offered for sale through the stock exchange, offered for sale to the shareholders taking into consideration the principle of equal treatment, applied in the context of corporate mergers or acquisitions, used to fulfill conversion and option rights, or recalled without any further resolution by an Annual General Meeting.

Furthermore, the Annual General Meeting of May 19, 2005 resolved to conditionally increase the Company's share capital by up to €11,023,398 by issuing up to 3,674,466 bearer shares (Conditional Capital III). The conditional capital increase will only be carried out to the extent that any holders of conversion bonds and option warrants, which were issued on the basis of an authorization of the Executive Board through a resolution of the Annual General Meeting of May 19, 2005, make use of their conversion and option rights or fulfill their obligations to exercise conversions/options, and the conditional capital is required for this purpose.

In the case of a change of control resulting from an offer to acquire the Company, as is common business practice, termination possibilities exist for the providers of credit and guaranties for our syndicated cash credit lines of €300 million, our promissory note loan of €250 million, our syndicated long-term credit agreement of €1,600 million and various bilateral credit facilities totaling over €200 million. For the syndicated long-term credit agreement, there is also an immediate prohibition of any further utilization in the case of such a change of control.

In the case of a change of control and if certain other conditions are fulfilled, the members of the Executive Board have the right to terminate their contracts of service. This regulation would give the members of the Executive Board the required independence in the case of a takeover bid so that they could direct their actions solely to benefit of the Company and its shareholders. Further details can be found in the remuneration report (see page 42).

Executive Board remuneration

The remuneration of the members of the Executive Board is comprised of a fixed salary, bonuses, fringe benefits and pension commitments. Further information including individualized details of payments can be found in the remuneration report within the corporate governance report (see page 42). The compensation report is a constituent part of the Group's management report.

Events after the balance sheet date

The irregularities that have occurred at the North-South urban rail line project in Cologne have been covered extensively in the media although – also in the estimation of the investigating authorities – there is no indication that they caused the collapse of Cologne's municipal archives. We are countering the loss of reputation that the coverage has brought with it by carrying out a complete and thorough investigation in cooperation with the client and authorities as well as through open communication. We are reviewing civil-engineering projects that have used similar technology and are taking measures to rule out any irregularities.

Our company has otherwise developed according to plan in the current financial year. In our next interim report, which we will publish on May 10, 2010, we will provide a detailed overview of the first quarter of the year.

Outlook

As reported, we decided at the end of January 2010 to divest of our business operations in Australia. Therefore, beginning with the interim report on the first quarter 2010 we will present the expected development of our continuing operations and the discontinued operations in Australia separately.

Continuing Group operations

Although the worst of the international economic crisis seems to be over, it will continue to have after effects on the world economy, particularly in those sectors that react later to economic cycles.

Bilfinger Berger is optimistic that it will be able to operate successfully in the coming years. The Group's financial structure is sound and there will be no refinancing requirements in the short term.

Due to the substantial shift in the focus of our activities toward services, we have a particular interest in the future development of those markets. For our Industrial Services division, we anticipate stabilization with a subsequent gradual recovery of demand. Delays with some power-plant projects are dampening the dynamic development of our Power Services division, but the market will at least maintain the high level it has now reached. Due to its framework agreements, our Facility Services division has a solid customer base, but no impetus for significant growth in output volume is apparent at present. With the planned downsizing of our civil-engineering business, in a situation of stable demand, we will be able to adopt an even more selective approach to the acceptance of orders. The planned reduction in our volume of building construction in Germany is taking place during a period of low demand in the market.

On the basis of this assessment, we anticipate the following developments in our divisions:

- The acquisition of MCE at the end of 2009 will strengthen our Services segment. This applies above all to Industrial Services, which will strengthen its position as a market leader in Europe. Without taking the new acquisitions into account, we expect at least a stable development for Industrial Services and Power Services. We also anticipate a stable output volume at Facility Services, while the division's contribution to Group earnings will improve. Overall, we expect our Services business segment to deliver further growth in volume and earnings.
- In the construction business, output volume will decrease as planned, accompanied by growth in earnings.
- We assume that financing possibilities for concession projects will improve, allowing larger projects to be realized once again. We are pursuing some promising projects and expect to expand our portfolio in the future. We will make use of attractive opportunities to sell some of our valuable projects.

With the further expansion of our services activities and the gradual reduction of our construction business to an annual volume of approximately €2 billion, we will achieve a sustained improvement in the Group's risk profile and profitability. We assume that the Group will achieve an EBIT yield of not less than 4 percent in the medium term.

These forecasts are subject to the continuing uncertainty concerning global economic developments.

In 2010, we anticipate the following developments for the Group's continuing operations:

- Our continuing operations generated output volume of €7.7 billion in 2009. Despite the declining construction business, this volume will increase due to the acquisition of MCE in late 2009.

- We anticipate disproportionately high increases in the EBIT and net profit of the continuing operations, from the levels of €173 million (EBIT) and €80 million (net profit) in 2009.
- We intend to create substantial value added in each segment, with a return on capital employed above our weighted average cost of capital.

We will ensure that our shareholders participate in the Group's success in the form of an attractive dividend. We will apply the proceeds of the sale of our activities in Australia to the further expansion of our services business. It is not yet clear whether this will lead to major additions to our financial assets in 2010. Also in the future, we intend to make corporate acquisitions only after thorough reviews and for reasonable prices. Capital expenditure on property, plant and equipment in 2010 is likely to be somewhat higher than last year.

Our research and development work continues to focus on climate protection and the conservation of scarce resources. Some of our key projects aim to reduce energy requirements over buildings' entire lifecycles or to conserve resources through the optimal generation of electricity in power plants.

The purchasing managers in our operating units are constantly informed about developments in our procurement markets. Some key elements of our procurement strategy are the active grouping of our demand, early placement of orders with suppliers, involvement of subcontractors in the bidding process, and flexible price clauses with our clients.

We are continuing our open communication with investors, business associates, employees and other interested parties. In this regard, we place particular importance on providing comprehensive information to the capital market on current development at the Group. Our operating units will continue to effectively focus their marketing and sales activities on the needs of our clients. We make use of new technical possibilities for the continuous improvement of our external and internal communication.

Our positive results in the employer ranking prepared by Germany's *Manager Magazine* in summer 2009 is both confirmation and incentive for our efforts to recruit career starters with high potential. Particularly important issues for our future personnel work include occupational safety and health care.

Our strategy now aims even more firmly at the further expansion of the services business and at the sustained improvement in the profitability of our reduced construction activities. The key criteria for the development of our Concessions business segment remain the return on capital employed in each individual project and the value growth of the entire portfolio. Overall, we are confident that we will continue the successful development of the Bilfinger Berger Group with our future orientation.

Activities in Australia

Our activities in Australia, which are now classified as discontinued operations as they are available for sale, generated output volume of €2.7 billion, EBIT of €77 million and net profit of €60 million in 2009. We expect the EBIT and net profit of these discontinued operations to at least remain stable while their output volume should decrease slightly. Our business in Australia will continue to contribute to the Group's output volume and earnings until the planned sale, which is expected to yield a substantial profit for Bilfinger Berger.

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

Responsibility statement

To the best of our knowledge, and in accordance with the applicable accounting principles for financial reporting, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group management report includes a fair review of the development and performance of the business and position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Mannheim, March 1, 2010

The Executive Board

Herbert Bodner

Joachim Müller

Klaus Raps

Kenneth D. Reid

Prof. Hans Helmut Schetter

Thomas Töpfer

Auditors' report

We have audited the consolidated financial statements prepared by the Bilfinger Berger AG, Mannheim, comprising the income statement, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and the notes to the consolidated financial statements, together with the group management report for the fiscal year from January 1 to December 31, 2009. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB ['Handelsgesetzbuch': 'German Commercial Code'] are the responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (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 the applicable financial reporting framework 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 those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, 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 findings of our audit, the consolidated financial statements comply with IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to Sec. 315a (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 requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Our opinion is rendered on the basis of our audit, which was carried out according to professional standards and completed on 19 February 2010, and our subsequent audit, which referred to changes to the remuneration report and the report on events after the balance sheet date, both of which are part of the group management report. The remuneration report has been amended in that the comments on the new ruling governing the remuneration of the management board from 1 January 2010 onwards have been deleted and not replaced because the supervisory board has not yet arrived at a final decision. Moreover, the report on events after the balance sheet date was changed to reflect current events in the Nord-Süd Stadtbahn Köln project. Our subsequent audit has not led to any reservations.

Mannheim, 19 February 2010
limited to the aforementioned change: 1 March 2010

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Peter Wollmert
Wirtschaftsprüfer
[German Public Auditor]

Thomas Müller
Wirtschaftsprüfer
[German Public Auditor]

Consolidated financial statements 2009

Consolidated income statement

€ million		Notes		2009	2008
Revenue		(5)		9,580.7	9,757.1
Cost of sales				–8,508.4	–8,684.5
Gross profit				**1,072.3**	**1,072.6**
Selling and administrative expenses				–868.5	–875.5
Other operating income and expense		(6)		28.5	85.9
Result of investments accounted for using the equity method		(7)		17.3	15.1
EBIT (earnings before interest and taxes)		(8)		**249.6**	**298.1**
Interest income		(9)		16.7	33.8
Interest expense		(9)		–38.9	–31.3
Other financial expense		(9)		–13.4	–17.0
Earnings before taxes				**214.0**	**283.6**
Income tax expense		(10)		–71.3	–79.2
Earnings after taxes				142.7	204.4
thereof minority interest				2.5	4.0
Net profit				**140.2**	**200.4**
Average number of shares	(in thousands)	(11)		37,005	38,728
Earnings per share [1]	(in €)	(11)		3.79	5.18

[1] Basic earnings per share are equal to diluted earnings per share.

Consolidated statement of comprehensive income

€ million	2009	2008
Earnings after taxes	**142.7**	**204.4**
Unrealized gains / losses on hedging instruments		
Changes in gains and losses recognized in equity	–2.1	–196.7
Realized gains / losses (reclassified to the income statement)	42.7	2.6
Income taxes on unrealized gains / losses	–11.6	65.3
	29.0	–128.8
Currency translation differences	95.3	–92.9
Actuarial gains / losses from pension plans		
Changes in gains and losses recognized in equity	–18.0	2.1
Income taxes on unrealized gains / losses	7.4	–2.8
	–10.6	–0.7
Other changes in equity	0.0	–2.0
Unrealized gains / losses on investments accounted for using the equity method	–19.9	–3.2
Other comprehensive income after taxes	**93.8**	**–227.6**
Total comprehensive income after taxes	**236.5**	**–23.2**
attributable to shareholders of the parent company	233.4	–27.0
attributable to minority interest	3.1	3.8

Consolidated balance sheet

	€ million	Notes	Dec 31, 09	Dec 31, 08
Assets	**Non-current assets**			
	Intangible assets	(12)	1,538.5	1,235.3
	Property, plant and equipment	(13)	795.9	599.3
	Investments accounted for using the equity method	(14)	46.0	48.9
	Receivables from concession projects	(15)	2,134.2	1,641.8
	Other financial assets	(16)	169.9	250.6
	Deferred tax assets	(10)	229.9	188.4
			4,914.4	**3,964.3**
	Current assets			
	Inventories	(17)	269.9	216.4
	Receivables and other financial assets	(18)	1,869.2	1,805.6
	Current tax assets		29.4	17.5
	Other assets	(19)	59.3	49.0
	Cash and cash equivalents	(20)	798.4	720.2
			3,026.2	**2,808.7**
			7,940.6	**6,773.0**
Equity and liabilities	**Equity**	(21)		
	Share capital		138.1	111.6
	Reserves		1,408.2	1,034.0
	Treasury shares		–100.0	–100.0
	Unappropriated retained earnings		92.1	74.4
	Equity attributable to shareholders of the parent		1,538.4	1,120.0
	Minority interest		23.0	21.0
			1,561.4	**1,141.0**
	Non-current assets			
	Retirement benefit obligation	(22)	286.7	218.8
	Provisions	(23)	84.3	68.6
	Financial debt, recourse	(24)	319.6	306.1
	Financial debt, non-recourse	(24)	1,880.3	1,488.5
	Other financial liabilities	(25)	186.5	392.7
	Deferred tax liabilities	(10)	116.0	127.3
			2,873.4	**2,602.0**
	Current liabilities			
	Current tax liabilities	(23)	132.7	120.3
	Provisions	(23)	612.8	447.7
	Financial debt, recourse	(24)	34.0	21.7
	Financial debt, non-recourse	(24)	21.9	29.6
	Other financial liabilities	(25)	2,423.3	2,188.8
	Other liabilities	(26)	281.1	221.9
			3,505.8	**3,030.0**
			7,940.6	**6,773.0**

Consolidated statement of changes in equity

€ million	Equity attributable to the shareholders of Bilfinger Berger AG									Minority interest	Equity
				Other comprehensive income							
	Share capital	Capital reserve	Retained earnings	Hedging instruments reserve	Actuarial gains/ losses	Currency translation reserve	Treasury shares	Unappropriated retained earnings	Total		
Balance at January 1, 2008	**111.6**	**522.6**	**609.6**	**3.5**	**21.0**	**–24.7**	**0.0**	**67.0**	**1,310.6**	**21.3**	**1,331.9**
Total comprehensive income	0.0	0.0	126.7	–130.6	–2.0	–92.1	0.0	71.0	–27.0	3.8	–23.2
Capital contributions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid out	0.0	0.0	0.0	0.0	0.0	0.0	0.0	–63.6	– 63.6	–4.1	–67.7
Other changes	0.0	0.0	0.0	0.0	0.0	0.0	–100.0	0.0	– 100.0	0.0	–100.0
Balance at December 31, 2008	**111.6**	**522.6**	**736.3**	**–127.1**	**19.0**	**–116.8**	**–100.0**	**74.4**	**1,120.0**	**21.0**	**1,141.0**
Balance at January 1, 2009	**111.6**	**522.6**	**736.3**	**–127.1**	**19.0**	**–116.8**	**–100.0**	**74.4**	**1,120.0**	**21.0**	**1,141.0**
Total comprehensive income	0.0	0.0	51.9	8.6	–10.3	94.9	0.0	88.3	233.4	3.1	236.5
Capital contributions	26.5	236.7	0.0	0.0	0.0	0.0	0.0	0.0	263.2	0.0	263.2
Dividends paid out	0.0	0.0	0.0	0.0	0.0	0.0	0.0	–70.6	–70.6	–3.9	–74.5
Other changes	0.0	0.0	–7.6	0.0	0.0	0.0	0.0	0.0	–7.6	2.8	–4.8
Balance at December 31, 2009	**138.1**	**759.3**	**780.6**	**–118.5**	**8.7**	**–21.9**	**–100.0**	**92.1**	**1,538.4**	**23.0**	**1,561.4**

Consolidated statement of cash flows

€ million	Notes	2009	2008
Earnings after taxes		142.7	204.4
Depreciation, amortization and impairments		150.5	169.0
Increase / decrease in non-current provisions		4.6	–14.9
Deferred tax income		–14.6	–35.7
Equity adjustment		–8.5	0.7
Other income and expenses not affecting cash		0.0	–1.7
Cash earnings		**274.7**	**321.8**
Increase in inventories		–34.9	–67.9
Decrease / increase in receivables		195.3	–135.6
Increase in current provisions		16.9	69.3
Decrease / increase in liabilities		–78.1	295.3
Change in working capital		**99.2**	**161.1**
Gains on the disposal of non-current assets		–5.7	–125.8
Cash flow from operating activities	(32)	**368.2**	**357.1**
Proceeds from the disposal of intangible assets		0.4	0.0
Proceeds from the disposal of property, plant and equipment		13.6	128.6
Proceeds from the disposal of financial assets		18.2	92.2
Investments in intangible assets		–8.1	–6.5
Investments in property, plant and equipment		–153.6	–230.5
Investments in financial assets	(32)	–368.3	–460.4
Cash flow from investing activities		**–497.8**	**–476.6**
Share buyback		0.0	–100.0
Capital increase of Bilfinger Berger AG		260.2	0.0
Dividend paid to the shareholders of the parent company		–70.6	–63.6
Dividend paid to minority interest		–3.9	–4.1
Borrowing		18.6	289.4
Repayment of loans		–28.8	–38.3
Cash flow from financing activities		**175.5**	**83.4**
Change in cash and cash equivalents		**45.9**	**–36.1**
Other adjustments to cash and cash equivalents		32.4	–39.8
Cash and cash equivalents at January 1		720.1	796.0
Cash and cash equivalents at December 31		**798.4**	**720.1**

Notes to the consolidated financial statements 2009

Segment reporting

As in the previous year, segment reporting has been prepared in accordance with IFRS 8. The reportable segments of the Bilfinger Berger Group reflect the internal reporting structure. At the beginning of 2009, Environmental Services was transferred from the Civil business segment to the Services business segment. The prior-year figures have been adjusted accordingly.

Civil

Bilfinger Berger occupies a leading position in the design and construction of major infrastructure projects. Business activities are focused on international markets.

Building and Industrial

Bilfinger Berger offers its clients a comprehensive range of services for all phases in the lifecycle of properties, both in Germany and abroad. This comprehensive approach ranges from consulting, design, turnkey construction, development and financing through to maintenance and operations.

Services

Bilfinger Berger is a leading provider of services for industrial plants, power plants and buildings. Industrial Services covers the maintenance, repair and modernization of production plants in the process industry. Power Services is focused on maintenance, repairs, efficiency enhancements and lifetime extensions at existing plants, as well as the manufacture and assembly of components for power plant construction. With the acquisition of industrial and power services provider MCE, the range of services and the client base of both Industrial Services and Power Services have been expanded. Facility Services consists of technical, commercial and infrastructural services for office buildings, sport and event centers, hospitals and correctional facilities.

Concessions

As a private partner to the public sector, Bilfinger Berger develops transport and social infrastructure on the basis of long-term concession contracts. Important markets include Canada, Australia, Germany, Great Britain and Northern Ireland, Norway and Hungary.

As in the previous year, segment earnings are reported as EBIT. Internal revenue reflects the supply of goods and services between the segments. These are invoiced at the usual market prices. In the reconciliation to the consolidated financial statements, the Group's internal expenses and income as well as intra-Group profits are eliminated. The reconciliation also includes income and expenses from the headquarters as well as other items that cannot be allocated to the individual segments according to our accounting policies. In the prior year, this applied above all to the proceeds of €90 million from the sale of our French subsidiary Razel S.A. and exceptional charges of €45 million related to the more cautious valuation of projects, in particular in early stages of development.

The reconciliation of segment assets also includes cash and cash equivalents, as well as the non-current and current assets that are not allocated to the business segments. The segment liabilities shown in the reconciliation include the liabilities of the Group's headquarters and interest-bearing liabilities such as debt and retirement benefit obligations. Accordingly, the corresponding expense and income items are not recorded in segment earnings (EBIT). Investment in property, plant and equipment also includes investment in intangible assets such as licenses or software of €8.1 million (2008: €6.5 million).

Segment reporting by business segment	Civil		Building and Industrial	
€ million	2009	2008	2009	2008
Output volume	**3,285.9**	**3,934.5**	**2,018.2**	**2,020.3**
External revenue	2,030.7	2,444.6	1,959.8	1,914.6
Internal revenue	26,9	56.9	14.0	75.9
Total revenue	**2,057.6**	**2,501.5**	**1,973.8**	**1,990.5**
EBIT (segment earnings)	**–7.4**	**11.1**	**22.0**	**14.3**
thereof amortization of intangible assets from acquisitions	0.0	0.0	0.0	0.0
thereof depreciation of property, plant and equipment and amortization of other intangible assets	52.4	68.3	5.5	4.5
thereof profit from investments accounted for using the equity method	5.0	5.2	2.3	2.5
Segment assets at December 31	**936.8**	**925.2**	**241.6**	**283.4**
thereof equity-method investments in associated companies and joint ventures	**12.5**	**10.1**	**0.0**	**0.0**
Segment liabilities at December 31	**1,007.5**	**952.1**	**490.3**	**581.9**
Investments in property, plant and equipment	**54**	**116**	**8**	**13**
Number of employees at December 31	**11,161**	**13,294**	**3,322**	**3,556**

Segment reporting by region	Germany		Europe excluding Germany	
€ million	2009	2008	2009	2008
Output volume	3,329.5	3,429.5	2,535.3	2,988.7
External revenue	2,978.9	3,245.3	2,350.8	2,698.4
Non-current assets at December 31	1,131.0	1,100.0	742.4	293.6

	Services		Concessions		Total of segments		Consolidation, other		Consolidated Group	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	5,097.4	**4,804.7**	**47.8**	**44.6**	**10,449.3**	**10,804.1**	**–46.0**	**–61.8**	**10,403.3**	**10,742.3**
	4,991.6	4,695.5	577.8	678.1	9,559.9	9,732.8	20.8	24.3	9,580.7	9,757.1
	32.4	36.9	0.0	0.0	73.3	169.7	–73.3	–169.7	0.0	0.0
	5,024.0	**4,732.4**	**577.8**	**678.1**	**9,633.2**	**9,902.5**	**–52.5**	**–145.4**	**9,580.7**	**9,757.1**
	238.1	**229.8**	**13.9**	**9.2**	**266.6**	**264.4**	**–17.0**	**33.7**	**249.6**	**298.1**
	24.9	24.2	0.0	0.0	24.9	24.2	0.0	0.0	24.9	24.2
	64.2	60.8	0.2	0.2	122.3	133.8	3.2	10.2	125.5	144.0
	3.4	3.2	6.6	4.2	17.3	15.1	0.0	0.0	17.3	15.1
	3,358.5	**2,666.3**	**2,228.6**	**1,713.7**	**6,765.5**	**5,588.6**	**1,175.2**	**1,184.4**	**7,940.7**	**6,773.0**
	9.8	**11.4**	**23.7**	**27.4**	**46.0**	**48.9**	**0.0**	**0.0**	**46.0**	**48.9**
	1,764.9	**1,366.7**	**2,034.5**	**1,594.8**	**5,297.2**	**4,495.5**	**1,082.1**	**1,136.5**	**6,379.3**	**5,632.0**
	96	**100**	**0**	**1**	**158**	**230**	**4**	**7**	**162**	**237**
	52,115	**43,480**	**135**	**136**	**66,733**	**60,466**	**466**	**457**	**67,199**	**60,923**

	America		Africa		Asia		Australia		Consolidated Group	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	638.4	683.9	622.3	633.5	502.6	431.7	2,775.2	2,575.0	10,403.3	10,742.3
	892.5	912.4	571.4	559.6	583.1	340.2	2,204.0	2,001.2	9,580.7	9,757.1
	137.1	184.4	30.1	15.6	14.7	23.0	279.1	218.0	2,334.4	1,834.6

General notes

General information

Bilfinger Berger AG is a listed stock corporation with its registered office and headquarters at Carl-Reiss-Platz 1-5, 68165 Mannheim, Germany.

The consolidated financial statements of Bilfinger Berger AG for financial year 2009 were released for publication by the Executive Board on February 18, 2010. They are to be approved by the Supervisory Board at its meeting on March 4, 2010.

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 European Union and the complementary guidelines that are applicable pursuant to Section 315a, Subsection 1 of the German Commercial Code (HGB), and are published in the electronic version of the German Federal Gazette ('Bundesanzeiger').

The consolidated financial statements have been prepared in accordance with the principles of historical cost of acquisition and production, with the exception of individual items such as available-for-sale financial assets and derivative financial instruments, which are shown at fair value. The consolidated financial statements have been prepared in euros. All amounts are shown in millions of euros (€million), unless otherwise stated.

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 to the consolidated financial statements.

The income statement is presented according to the cost-of-sales method.

Profit contributions from operating investments are entered under other operating income or other operating expenses. To the extent that amounts of income and expense relate to investments accounted for using the equity method, they are shown as separate items in the consolidated income statement as of financial year 2009. The prior-year figures have been adjusted accordingly.

Accounting policies

The significant accounting policies applied generally correspond with those applied in the prior year, with the following exceptions:

The new or amended International Financial Reporting Standards and Interpretations relevant to Bilfinger Berger and applied as of January 1, 2009 are:

- IFRS 7 *Financial Instruments: Disclosures*
- IAS 1 *Presentation of Financial Statements*
- IAS 23 *Borrowing Costs*
- *Improvements to International Financial Reporting Standards 2008*

The material effects of these changes are as follows:

IFRS 7 *Financial Instruments: Disclosures*

The amendments to IFRS 7 require additional disclosures on the measurement of fair value and on liquidity risk. For each category of financial instrument measured at fair value, information is to be disclosed on the inputs used in making the measurements with the use of a three-level hierarchy. A reconciliation from the opening balance to the closing balance for all the financial instruments allocated to the third hierarchy level as well as significant reclassifications between the hierarchy levels are to be stated. In addition, the amendments clarify the requirements for the disclosure of liquidity risk relating to derivative financial instruments. Disclosures on the measurement of fair value have been expanded accordingly. Disclosures on liquidity management have not been materially affected by the amendments.

IAS 1 *Presentation of Financial Statements*
The revision of IAS 1 regulates the basis and structure of financial statements and also contains minimum requirements for the contents of financial statements. For the consolidated statement of comprehensive income required by this revised standard, we have chosen the form of presentation with a separate consolidated income statement and a consolidated statement of comprehensive income in which earnings after taxes are reconciled to total comprehensive income. The consolidated statement of changes in equity has been adjusted accordingly.

IAS 23 *Borrowing Costs*
The revision of IAS 23 abolishes the option offered by the previous standard of immediately recognizing as an expense borrowing costs that can be directly allocated to a qualifying asset. Beginning with the current financial year, these borrowing costs must be capitalized as cost of acquisition or production. The application of these changes has not led to any material effect.

Improvements to the International Financial Reporting Standards 2008
The omnibus standard published in the context of the first annual improvement of various standards is intended to remove inconsistencies and to clarify wording. It comprises 35 amendments and is split into two parts: amendments that result in accounting changes for presentation, recognition or measurement purposes; and amendments that are terminology or editorial changes only. The application of these changes has not led to any material effect.

International Financial Reporting Standards and Interpretations already published but not yet applied:

IFRS 1 *First-time Adoption of International Financial Reporting Standards*
The amendment to IFRS 1 *Additional Exemptions for First-time Adopters* contains two additional exemptions for first-time adopters relating to oil and gas assets and to determining whether an arrangement contains a lease (first application for annual periods beginning on or after January 1, 2010).

The amendment to IFRS 1 *Limited Scope Exemptions from Comparative IFRS 7 Disclosures for First-time Adopters* ensures that first-time adopters of IFRS 7 receive the same eased transitional provisions with regard to the additional disclosures required by the amendment to IFRS 7 as early adopters (first application for annual periods beginning on or after July 1, 2010).

IFRS 2 *Share-based Payment*

The amendment to IFRS 2 clarifies the applicability of IFRS 2 and the accounting for cash-settled share-based payment transactions between companies of a group. Guidance previously included in IFRIC 8 *Scope of IFRS 2* and IFRIC 11 *Group and Treasury Share Transactions* is integrated into IFRS 2 and those interpretations have been withdrawn (first application for annual periods beginning on or after January 1, 2010).

IFRS 3 *Business Combinations*

The amendment to IFRS 3 primarily relates to the introduction of an option with the measurement of minority interest (purchased-goodwill method versus full-goodwill method), the remeasurement (with adjustments through profit and loss) of an acquired entity's assets and liabilities in the case of business combinations archieved in stages, and the recognition of contingent consideration (first application for annual periods beginning on or after July 1, 2009).

IFRS 9 *Financial Instruments*

This new standard introduces new requirements relating to the classification and measurement of financial assets. IFRS 9 will be gradually expanded during 2010 with requirements on classification and measurement of financial assets, derecognition of financial instruments, impairment and hedge accounting, and will finally replace IAS 39 *Financial Instruments:* Recognition and Measurement (first application for annual periods beginning on or after January 1, 2013).

IAS 24 *Related Party Disclosures*

The amendment to IAS 24 simplifies disclosures for entities that are state controlled, jointly controlled or significantly influenced, and clarifies the definition of related parties (first application for annual periods beginning on or after January 1, 2011).

IAS 27 *Consolidated and Separate Financial Statements*

The amendment to IAS 27 primarily relates to accounting for minority interest, which in the future will share fully in the Group's losses, and accounting for transactions that lead to a loss of control of a subsidiary (first application for annual periods beginning on or after July 1, 2009).

IAS 32 *Financial Instruments: Presentation*

The amendment to IAS 32 makes it clear that rights, options and option warrants issued for the purpose of acquiring a specified number of non-derivative equity instruments of the reporting entity in a certain currency, and which otherwise meet the definition of equity instruments, are to be classified as equity instruments provided that they are offered pro rata to all the entity's existing shareholders in the same class of non-derivative equity instruments of the reporting entity (first application for annual periods beginning on or after February 1, 2010).

IAS 39 *Financial Instruments: Recognition and Measurement – Exposures Qualifying*
The amendments to IAS 39 clarify how the principles of IAS 39 concerning the presentation of hedging instruments are to be applied to the designation of a single risk in an exposure and to the designation of inflation risk as an exposure. It is made clear that it is permissible to designate only part of the change in fair value or of the cash-flow fluctuations of a financial instrument as an exposure (first application for annual periods beginning on or after July 1, 2009).

IFRIC 14 *Prepayments of a Minimum Refunding Requirement*
The amendment to the interpretation of IAS 19 Employee Benefits allows entities to recognize as an asset the benefit arising from voluntary prepayments for minimum funding contributions (first application for annual periods beginning on or after January 1, 2011).

IFRIC 17 *Distributions of Non-cash Assets to Owners*
This interpretation deals with accounting for distributions of non-cash assets (first application for annual periods beginning on or after November 1, 2009).

IFRIC 18 *Transfers of Assets from Customers*
This interpretation deals with agreements in which an entity receives an asset from a customer that the entity must then either use to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (first application for annual periods beginning on or after November 1, 2009).

IFRIC 19 *Extinguishing Financial Liabilities with Financial Instruments*
This new interpretation clarifies the treatment of the extinguishment of financial liabilities through the issuance of equity instruments (first application for annual periods beginning on or after July 1, 2010).

Improvements to the International Financial Reporting Standards 2009
The second omnibus standard published in the context of the annual improvement of various standards includes improvements to 12 standards and interpretations, mainly to remove inconsistencies and to clarify wording (first application – unless otherwise stated – for annual periods beginning on or after January 1, 2010).

At the balance sheet date, the amendments to IFRS 1, IFRS 2, IAS 24 and IFRIC 14, the Improvements to the International Financial Reporting Standards 2009, IFRS 9 and IFRIC 19 had not yet been recognized by the EU Commission in the context of the endorsement procedure. The future application of the standards and interpretations is unlikely to have any material effect on the financial position, cash flows or profitability of the Bilfinger Berger Group, apart from the required additional disclosures in the notes to the consolidated financial statements.

1. Consolidated Group

In addition to Bilfinger Berger AG, four subgroups and 43 companies in Germany along with five subgroups and 50 companies based outside Germany have been included in the consolidated financial statements. Of these, three companies in Germany and four companies based outside Germany have been consolidated for the first time in the year under review. A further 20 companies have been 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. Information disclosed pursuant to Section 313, Subsection 2 of the German Commercial Code (HGB) is summarized in a separate list of equity interests. Included here is also a definitive list of all subsidiaries that apply the disclosure facilitation pursuant to Section 264, Subsection 3 of the HGB and Section 264b of the HGB. The list of equity interests is published as a component of the notes to the consolidated financial statements in the electronic version of the German Federal Gazette ("Bundesanzeiger").

In financial year 2009, payments of €255 million were made for equity interests in companies – after netting of €190 million in acquired cash and cash equivalents.

In the Industrial Services division, we acquired 80 percent of the shares of French company L.T.M. Industrie SAS, Toussien as of September 14, 2009 for a price of €11 million.

In addition, as of December 18, 2009, we acquired 100 percent of the shares in each of Rohrbau GmbH Grenzach, of Grenzach-Wyhlen, and Rohrbau Pratteln AG, of Pratteln, for a total price of €23 million.

Furthermore, as of December 23, 2009, we acquired 100 percent of the shares of MCE Beteiligungsverwaltungs GmbH, Linz, Austria, for a price of €350 million.

In the Power Services division, as of March 30, 2009, we acquired a further 56 percent of the shares of the Croatian assembly and installation company, Duro Dakovic Montaza d.d., Slavonski Brod, for a price of €10 million, increasing our equity interest to 81 percent.

Several smaller companies were also acquired in the Services business segment for a total purchase price of €17 million.

€34 million was applied for the settlement of purchase-price liabilities.

In financial year 2008, payments of €401 million were made for equity interests in companies – after netting of €47 million in acquired cash and cash equivalents.

In the Industrial Services division, we acquired a 100 percent equity interest in each of the Australian companies, Clough Engineering & Maintenance Pty. Ltd., Brisbane (acquired on January 24, 2008) and iPower Solutions Pty. Ltd., Brisbane (acquired on February 28, 2008), for a total purchase price of €40 million, of which €10 million was accrued as a purchase-price liability for earn-out agreements.

In addition, with effect as of April 1, 2008, we acquired an 85 percent equity interest and the right to the transfer of the remaining 15 percent of the Norwegian companies, Hydro Production Partner Holding AS, of Porsgrunn, and Produksjonstjenester AS, of Porsgrunn, for a total purchase price of €111 million. Of that total, €12 million was accrued as a purchase-price liability.

Furthermore, effective July 17, 2008, we acquired 100 percent of the shares in Tepsco L.P., a provider of services in the processing industry domiciled in Houston, Texas, for a price of €118 million, of which €45 million was accrued as a purchase-price liability for earn-out agreements.

In the Facility Services division, we acquired 100 percent of the shares in M+W Zander D.I.B. Facility Management GmbH, Nuremberg, for a price of €186 million as of July 1, 2008.

In addition, controlling interests in a number of smaller companies were acquired in the Services business segment for a total purchase price of €15 million.

€43 million was applied for the settlement of purchase-price liabilities and the acquisition of minority interests.

The newly acquired companies affected the Group's assets and liabilities at the time of acquisition as follows:

Effects at the time of acquisition	**2009**	**2008**
€ million		
Goodwill	273.4	390.3
Intangible assets from acquisitions	55.4	93.5
Non-current assets	178.0	62.8
Current assets (excluding cash and cash equivalents)	249.9	190.0
Cash and cash equivalents	189.8	46.6
Total assets	**946.5**	**783.2**
Retirement pension obligation	57.7	92.7
Provisions	158.7	18.8
Financial debt	16.6	4.7
Other liabilities	301.8	197.0
Total liabilities	**534.8**	**313.2**
Purchase price	**411.7**	**470.0**

With the exception of capitalized intangible assets from acquisitions, the capitalized values shown primarily reflect the carrying values in the balance sheets of the acquired companies.

Since the respective dates of first-time consolidation, the companies acquired in 2009 generated total revenue of €25.8 million (2008: €607.0 million) and EBIT (after amortization of intangible assets from acquisitions of €0.4 million (2008: €8.2 million) of €2.6 million (2008: €14.9 million).

In full-year 2009, companies acquired during that year generated total revenue of €985.8 million (2008: €1,005.2 million) and EBIT (after amortization of intangible assets from acquisitions of €20.2 million (2008: €13.2 million) of €46.2 million (2008: €21.8 million).

Sale of companies

On December 28, 2009, we sold 82 percent of the shares of Passavant-Roediger GmbH, Hanau. Proceeds from the sale were €10.5 million. The sale had no material effects on the Group's assets and liabilities.

On December 10, 2008, we sold 100 percent of the shares of our French civil-engineering company, Razel S.A. Proceeds from the sale were €137 million, resulting in a book gain for Bilfinger Berger of €90 million. In addition, several smaller companies were sold resulting in proceeds of €25 million and a book gain of €17 million.

The companies sold in 2008 affected the Group's assets and liabilities at the time of acquisition as follows:

Effects at the time of sale	2008
€ million	
Goodwill	–1.9
Non-current assets	–53.1
Current assets (excluding cash and cash equivalents)	–258.4
Cash and cash equivalents	–69.8
Total assets	**–383.2**
Retirement pension obligation	–3.8
Provisions	–45.2
Financial debt	–34.9
Other liabilities	–252.3
Total liabilities	**–336.2**
Net assets on disposal	**–47.0**
Sale price	**137.0**
Gain on sale	**90.0**

2. Principles of consolidation

Capital consolidation takes place by offsetting the price of acquisition against the Group's interest in the newly valued equity of the consolidated subsidiaries at the date of acquisition or first-time 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. Any goodwill ensuing from first-time 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 a corresponding negative effect on profit. At deconsolidation, the residual book values of the asset differences are taken into consideration in the calculation of income from the disposal. The same principles apply to valuations of investments accounted for 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 profit have been charged to subsequent years.

3. 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 equity.

Currency translation took place using the following key exchange rates:

		Annual average		At December 31	
1 € =		**2009**	**2008**	**2009**	**2008**
Australia	AUD	1.7746	1.7430	1.6010	2.0257
Canada	CAD	1.5855	1.5611	1.5031	1.7160
Croatia	HRK	7.3413	7.2241	7.3285	7.3520
Czech Republic	CZK	26.4528	24.9588	26.4110	26.5850
Hungary	HUF	280.4883	251.7292	270.8400	264.5050
Nigeria	NGN	208.8820	174.9118	214.4660	196.8100
Norway	NOK	8.7356	8.2381	8.3086	9.7900
Poland	PLN	4.3267	3.5152	4.1320	4.1823
Qatar	QAR	5.0750	5.3548	5.2088	5.1320
Romania	RON	4.2376	3.6834	4.2393	3.9994
South Africa	ZAR	11.6686	12.0794	10.5714	13.1698
Sweden	SEK	10.6187	9.6282	10.2628	10.9150
Switzerland	CHF	1.5096	1.5866	1.4886	1.4860
United Arab Emirates	AED	5.1200	5.4028	5.2535	5.1340
United Kingdom	GBP	0.8909	0.7972	0.8932	0.9600
United States	USD	1.3941	1.4710	1.4303	1.3977

4. Significant accounting policies

Intangible assets with a finite life are capitalized at cost of acquisition and amortized over their expected useful lives on a straight-line basis. The expected useful life is generally regarded as being between 3 and 8 years. This also includes intangible assets from service concession agreements. These are public-private-partnership (PPP) projects, for which the right to charge or receive a use-related fee has been agreed. They are measured at the fair value of the construction volumes delivered plus the borrowing costs allocable to the construction phase and less systematic depreciation during the operating phase. In accordance with IFRS 3 / IAS 36, goodwill and other intangible assets with an indefinite or unlimited useful life 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 are attributable to the production process, either directly or indirectly. Repair costs are always treated as an incurred expense.

Buildings are depreciated over a useful life of 20 to 50 years using the straight-line method. The useful life of technical equipment and machinery is generally between 3 and 10 years; other equipment including office and factory equipment is usually depreciated over 3 to 12 years.

For intangible assets and property, plant and equipment, 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 carrying value is increased again accordingly, at the most up to the amount of the amortized cost of acquisition. Impairment tests are carried out at the level of the smallest cash-generating unit.

With lease agreements where the risks and rewards of ownership of the leased asset are allocated to a company of the Bilfinger Berger Group (finance leases), the item is capitalized at the lower of its fair value or the present value of the lease payments. Systematic depreciation takes place over the useful life of the asset. The payment obligations resulting from future lease payments are recognized under financial liabilities.

Investments accounted for using the equity method – associated companies and jointly controlled entities – are valued with consideration of the prorated net asset change of the company as well as any goodwill impairments which may have been recognized.

Joint ventures are contractual agreements in which two or more parties carry out a business activity under shared management. This also includes jointly controlled operations such as construction consortiums, which, in accordance with IAS 31, are accounted for as follows. Bilfinger Berger as a partner in a joint venture or consortium recognizes in its financial statements the assets it controls and the liabilities and expenses it incurs, and its share of income from the sale of goods and services. Assets and liabilities remaining with the jointly controlled operations or consortiums lead to proportionate shares of earnings, which are accounted for using the equity method and recognized under receivables or payables due to joint ventures.

Deferred taxes are recognized for any deviations between the valuation of assets and liabilities according to IFRS and the tax valuation in the amount of the expected future tax charge or relief. In addition, deferred tax assets are recognized for future relief 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.

Inventories of merchandise and real estate held for sale, finished and unfinished goods, raw materials and supplies are measured at cost of purchase or production or at 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 carrying 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.

Non-current assets held for sale are classified as such and shown separately in the balance sheet if the related carrying value is to be mainly realized through a sale transaction and not through continued use. These assets are measured at their carrying values or at fair value less cost to sell if this is lower, and are no longer depreciated. Impairment losses are recognized if the fair value less cost to sell is lower than the carrying value. Any impairment reversals due to an increase in fair value less cost to sell are limited to the amount of the impairment loss previously recognized on an asset.

Other assets comprise non-financial assets that are not allocated to any other balance sheet item. They are measured at the lower of cost of acquisition or fair value.

The purchase, sale or withdrawal of *treasury shares* is recognized directly in equity. At the time of acquisition, treasury shares entered in equity in the amount of the acquisition costs.

Retirement benefit obligations are calculated for defined benefit pension plans using the projected unit credit method, with consideration of future salary and pension increases. As in 2008, the option has been utilized of accounting for actuarial gains and losses according to the *third option* provided by IAS 19.93A as part of the retirement benefit obligation or of the plan assets and recognizing them in other comprehensive income. As far as possible, the fair value of pension plan assets is set off. The interest component contained in the pension expense is recognized as an interest expense under financial income.

Provisions are recognized if there is a present liability resulting from a past event, its occurrence is more likely than not, and the level of the liability can be reliably estimated. Provisions are carried at settlement values and are not set off against positive profit contributions. Provisions are only recognized for legal or constructive obligations towards third parties.

Other liabilities comprise non-financial liabilities that are not allocated to any other balance sheet item. They are measured at cost of acquisition or settlement value.

Financial instruments are contracts that simultaneously give rise to a financial asset of one entity and an equity instrument or financial liability of another entity. A financial instrument is to be recognized in the balance sheet as soon as a company becomes a party to the contractual provisions of the instrument. Initial measurement is at fair value including transaction costs. Subsequent measurement of financial instruments is either at amortized cost or fair value, depending on the allocation of the instrument to the categories stipulated in IAS 39 (Financial Instruments). No use has been made of the option to designate financial instruments upon initial recognition to be measured at fair value, with value changes recognized in profit and loss.

IAS 39 divides financial assets into four *categories:*

Financial assets held for trading (financial assets at fair value through profit or loss) (FAHfT)
Held-to-maturity investments (HtM)
Loans and receivables (LaR)
Available-for-sale financial assets (AfS)

Available-for-sale financial assets are any non-derivative financial assets designated as available for sale, and those that are not classified to any of the other three categories of financial assets listed above.

Financial liabilities are divided into the following categories:

Financial liabilities held for trading (financial liabilities at fair value through profit or loss) (FLHfT)
Financial liabilities at amortized cost (FLAC)

The amortized cost of a financial asset or a financial liability is calculated using the effective interest method from the historical cost of acquisition minus capital repaid plus or minus the accumulated amortization of any difference between the original amount and the amount repayable at maturity and minus any impairments or reversals.

With current receivables and payables, amortized cost is generally equal to the nominal amount or the repayment amount.

Fair value is generally equal to the market or stock-exchange value. If no active market exists, fair value is calculated as far as possible using recognized financial-mathematical methods (discounted cash-flow method and option pricing model).

Receivables from *concession projects* are measured at amortized cost. Receivables due from concession projects relate to all services provided in connection with the performance of public-private-partnership (PPP) projects for which a fixed payment was agreed irrespective of the extent of use.

Equity interests in non-listed companies shown under *other non-current financial assets* are classified as available-for-sale financial assets. They are measured at fair value if that value can be reasonably estimated; otherwise they are measured at amortized cost. Initial measurement is at the settlement date. Unrealized gains and losses from changes in fair value are recognized other comprehensive income, with due consideration of deferred taxes.

Receivables and other financial assets are measured at amortized cost, with the exception of derivative financial instruments. Possible default risks are reflected by allowances for bad debts in separate accounts. Individual impairments are recognized if there is an indication of a loss in value such as delayed payment or if there is information on the contracting party's significant financial difficulties and the present value of the expected future payments plus any payments from the disposal of sureties or other risk-reducing agreements is lower than the carrying value. Irrecoverable receivables are written off.

Receivables from *construction contracts* are accounted for in accordance with IAS 11 using the percentage-of-completion method. Revenue is recognized in relation to the percentage of completion of each contract.

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 *trade receivables*. If the amount that has been invoiced is higher than the output produced, this excess is shown under *liabilities from percentage of completion*. *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.

Receivables from the provision of services are accounted for in accordance with IAS 18 also using the percentage of completion method – provided that the conditions for application are fulfilled – and are presented analogously to receivables from construction projects.

Construction contracts processed in consortiums are measured according to the percentage-of-completion method. Receivables from and payables to consortiums take account not only of payments received and made, but also of internal cost allocations and prorated profits on orders.

Securities are measured at fair value. Changes in the market prices of securities held for trading are recognized in profit and loss. Changes in the market prices of other securities measured at fair value are recognized in retained earnings (fair valuation of securities reserve) in other comprehensive income, with due consideration of deferred taxes. With these securities, impairment losses are recognized if there is any indication of a lasting reduction in value.

Cash and cash equivalents, primarily comprising cash at banks and cash in hand, are measured at amortized cost.

Financial liabilities primarily comprise *financial debt* and *other financial liabilities*. With the exception of derivative financial instruments, they are measured at amortized cost.

Derivative financial instruments are used solely to hedge against interest-rate and currency exchange-rate risks. Purely speculative transactions without any underlying basic transaction are not undertaken. The most important derivative financial instruments are currency futures, currency options and interest-rate and inflation swaps.

In accordance with IAS 39, derivative financial instruments are recognized at their fair values as assets (positive fair value) or liabilities (negative fair value). Initial recognition is on the trading day.

The fair values of the currency and interest derivatives used are calculated on the basis of recognized financial-mathematical methods (discounted cash-flow method and option pricing model).

With derivative financial instruments related to hedging instruments, measurement depends on changes in fair value due to the type of hedging instrument.

The goal of hedging with the use of a fair-value hedge is to offset changes in the fair values of balance sheet assets and liabilities, or of off-balance fixed obligations, through opposing changes in the market value of the hedging instrument. The carrying value of the hedged underlying transaction is adjusted to changes in market values if these changes result from the hedged risk factors. The changes in market values of the hedging instruments and the adjustments of carrying values of the hedged underlying transactions are recognized through profit or loss.

Cash-flow hedges are used to safeguard future cash flows from assets or liabilities recognized in the balance sheet or from transactions that are planned with a high degree of certainty. Changes in the effective part of the fair value of a derivative are at first recognized under equity with no effect on profit and loss, with due consideration of deferred taxes (hedging instruments reserve), and are only recognized through profit and loss when the hedged underlying transaction is realized. The ineffective part of the hedging instrument is recognized immediately through profit and loss.

Derivative financial instruments that are not related to a hedging instrument as defined by IAS 39 are deemed to be financial assets or financial liabilities held for trading. For these financial instruments, changes in fair value are immediately recognized through profit or loss.

Share-based payments as defined by IFRS 2 are measured on the basis of the share price on the balance sheet date with consideration of a discount due to the lack of dividend entitlement. Allocations to provisions are made and recognized through profit and loss for the respective periods of time. Details of the Long-Term Incentive Plan (LTI) for the Executive Board, which allows for the granting of Performance Share Units (PSU), are provided in the remuneration report, which is a component of the management report.

Revenue from construction projects is recognized in accordance with IAS 11 Construction Contracts with the use of the percentage-of-completion method – provided that the conditions for application are fulfilled. The percentage of completion is mainly calculated on the basis of the ratio on the balance sheet date of the output volume already delivered to the total output volume to be delivered. The percentage of completion is also calculated from the ratio of the actual costs already incurred on the balance sheet date to the planned total costs (cost-to-cost method). If the results of construction contracts cannot be reliably estimated, revenue is calculated using the zero profit method in the amount of the costs incurred and probably recoverable.

Revenue from the provision of services is recognized in accordance with IAS 18.20 with the use of the percentage of completion method – provided that the conditions for application are fulfilled. In the area of services, percentage of completion is mainly calculated using the cost-to-cost method.

Revenue from the sale of goods and the provision of services for which the conditions for the application of the percentage of completion method are not fulfilled is recognized according to the criteria of IAS 18.14 (revenue recognition on the transfer of ownership and economic benefits).

In the context of concession projects, construction services provided are recognized as revenue in accordance with IAS 11 using the percentage of completion method.

In the operating phase of concession projects, the recognition of revenue from operator services depends upon whether a financial or an intangible asset is to be received as consideration for the construction services provided.

If a financial asset is to be received, i.e. the operator receives a fixed payment from the client irrespective of the extent of use, revenue from the provision of operator services is recognized according to IAS 18 using the percentage of completion method. The percentage of completion is calculated using the cost-to-cost method.

If an intangible asset is to be received, i.e. the operator receives payments from the users or from the client depending on use, the payments for use are recognized as revenue according to IAS 18 generally in line with the extent of use of the infrastructure by the users.

If the operator receives both use-dependent and use-independent payments, revenue recognition is split in accordance with the ratio of the two types of payment.

Expenditures for *research and development* such as for the further development of processes and special innovative technical proposals for individual projects are generally recognized in the income statement on a project-related basis.

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 recognition and measurement of provisions, the assessment of the realization of deferred tax assets and the planning figures underlying the annual impairment tests carried out on goodwill. 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 differ from the originally anticipated estimates.

Notes to the income statement *

5. Revenue

Revenue of €5,950.6 million (2008: €6,315.5 million) includes revenue resulting from the application of the percentage-of-completion method. It also includes goods and services supplied to joint ventures and consortiums as well as shares in results of such joint ventures and consortiums.

The main joint ventures and consortiums are related to the following transport infrastructure projects:

	Bilfinger Berger's share	Share of order value	Share of output volume in 2009
North South Bypass Tunnel, Brisbane / Australia	50 %	670	159
Ipswich Motorway Dinmore – Goodna / Australia	64 %	593	60
Gateway Upgrade Project, Brisbane / Australia	50 %	479	105
Transco, Sedrun / Switzerland	28 %	296	39
A1 Hamburg – Bremen	65 %	273	77
Adelaide Desalination Plant, Adelaide / Australia	38 %	266	63
E 18 Grimstad – Kristiansand / Norway	56 %	232	50
M6 Dunaújvaros-Szekszárd / Hungary	50 %	219	159
M80 Stepps – Haggs / United Kingdom	50 %	157	46

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

	2009	2008
Business segments		
Civil	3,286	3,934
Building and Industrial	2,018	2,020
Services	5,097	4,805
Concessions	48	45
Consolidation, other	–46	–62
Total	**10,403**	**10,742**
Regions		
Germany	**3,330**	**3,430**
Rest of Europe	2,535	2,989
Africa	625	633
America	638	684
Asia	500	431
Australia	2,775	2,575
International	**7,073**	**7,312**
Total	**10,403**	**10,742**

* Amounts in € million, unless otherwise stated

6. Other operating income (expense), net

	2009	2008
Other operating income	75.9	189.1
Other operating expenses	–47.4	–103.2
Net	**28.5**	**85.9**

Other operating income

	2009	2008
Gains on the disposal of property, plant and equipment	5.7	21.6
Income from the reversal of impairments on trade receivables	6.9	1.4
Gains on currency translation	9.8	7.0
Income from operating investments	8.4	111.0
Other income	45.1	48.1
Total	**75.9**	**189.1**

Gains on the disposal of property, plant and equipment in 2008 include gains from the sale of office buildings used by the Group.

Income from the disposal of equity investments in 2008 primarily comprises the gain of €90 million realized on the sale of Razel S.A., France.

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

	2009	2008
Interest income on receivables from concession projects	118.5	87.6
Less balance of interest expenses (non-recourse financing) and interest from the investment of non-utilized-project-financing funds	–109.6	–84.4
	8.9	**3.2**

Other income is the sum of a large number of items of minor individual amounts.

Other operating expense

	2009	2008
Losses on the disposal of property, plant and equipment	2.1	2.7
Impairments of trade receivables	11.5	9.6
Losses on currency translation	7.8	9.2
Expenses from operating investments	4.4	1.4
Other expenses	21.6	80.3
Total	**47.4**	**103.2**

7. Income (expense) from investments accounted for using the equity method

Net income from investments accounted for using the equity method is comprised as follows:

	2009	2008
Expenses from investments accounted for using the equity method	17.7	15.7
Expenses from the disposal and impairment of equity investments	–0.4	–0.6
Total	**17.3**	**15.1**

8. Other information on EBIT

Material expenses

	2009	2008
Cost of raw materials, supplies and purchased goods	1,874.6	1,888.6
Cost of purchased services	3,789.4	3,927.3
Total	**5,664.0**	**5,815.9**

Personnel expenses

	2009	2008
Wages and salaries	2,320.0	2,238.6
Social-security levies and pension contributions	424.6	414.9
Total	**2,744,6**	**2,653,5**

Depreciation and amortization

	2009	2008
Intangible assets	5.2	7.4
Intangible assets from acquisitions	24.9	24.2
Property, plant and equipment	120.3	136.6
Total	**150.4**	**168.2**

Amortization of intangible assets from acquisitions relates to customer relations capitalized in accordance with IFRS 3 / IAS 38, such as order backlogs, framework agreements and customer bases.

9. Interest income (expense), net

Interest income (expense) comprises the following items of the income statement.

		2009		2008
Interest income		**16.7**		**33.8**
Interest expense		–26.4		–21.7
Interest expense from additions to retirement benefit obligation	–21.3		–16.3	
Interest income from pension plan assets	8.8	–12.5	6.7	–9.6
Interest expense		**–38.9**		**–31.3**
Gain on disposal of securities		0.0		1.0
Interest expense for minority interests		–13.4		–18.0
Other financial expense		**–13.4**		**–17.0**
Total		**–35.6**		**–14.5**

Interest income is primarily earned on cash deposits. The reduction is the result of lower average liquidity and a lower level of interest on investments. Current interest expense is mainly incurred on financial debt excluding non-recourse debt. The increase reflects the increased average level of non-recourse debt due to the promissory note loan raised in the middle of 2008.

The interest expense for minority interest of €12.7 million (2008: €11.6 million) reflects the share in profits of the minority interest, which is classified as borrowing due to contractual regulations, in particular preemption rights pursuant to IAS 32. €0.7 million of the interest expense for minority interest (2008: €6.4 million) constitutes the interest compounded on purchase-price liabilities from the acquisition of equity interests.

10. 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. Those expected tax rates are derived from the statutory regulations that are in force or planned on the balance sheet date.

	2009	2008
Actual taxes	85.9	114.9
Deferred taxes	–14.6	–35.7
Total	**71.3**	**79.2**

The actual tax expense of Bilfinger Berger AG is derived from the applicable tax rate as follows:

	2009	2008
Earnings before income taxes	214.0	283.6
Theoretical tax expense at 30.95%	66.2	87.8
Tax-rate differences	–3.9	–2.7
Tax-rate effects of non-deductible expenses and tax-free income	13.7	–17.6
Losses for which no deferred tax assets are capitalized and changes in value adjustments	–7.4	10.2
Taxes from other accounting periods	2.7	1.5
Income tax expense	**71.3**	**79.2**

The combined effective tax rate for Bilfinger Berger AG was 30.95 percent, as in the prior year, consisting of corporate income tax at a rate of 15 percent and the solidarity surcharge, which is levied at a rate of 5.5 percent of the applicable corporate income tax, as well as trade tax at an average municipal multiplier of 432 percent.

Deferred tax assets and deferred tax liabilities are distributed among the items of the balance sheet as follows:

	Deferred tax assets		Deferred tax liabilities	
	2009	2008	2009	2008
Non-current assets	22.1	2.9	72.3	89.8
Current assets	21.6	40.0	66.6	73.8
Provisions	86.3	54.8	14.6	19.7
Liabilities	74.5	104.4	1.7	2.0
Unused tax losses	64.6	44.3	0.0	0.0
Offsetting	–39.2	–58.0	–39.2	–58.0
Carried in the balance sheet	**229.9**	**188.4**	**116.0**	**127.3**

In 2009, taxes in an amount of €48.7 million (2008: €52.7 million) were set off against shareholders' equity with no effect on the income statement.

The total amount of deferred tax assets of €229.9 million (2008: €188.4 million) includes future reductions in tax payments in an amount of €64.6 million (2008: €44.3 million) that arise from the expected utilization in future years of existing tax-loss carryovers. The realization of the tax-loss carryforwards is reasonably certain. Non-capitalized tax-loss carryforwards for corporate income tax and comparable taxes outside Germany amount to €119.2 million (2008: €158 million). Thereof, €118.9 million can be utilized without any time limit (2008: €142 million). Bilfinger Berger AG also has a tax-loss carryforward of €300 million (2008: €330 million) for trade tax which is utilizable without any time limit.

Deferred tax liabilities for tax payments on possible future dividend payments out of subsidiaries' retained earnings have not been recognized if these earnings are required for the long-term financing of the respective subsidiaries.

11. Earnings per share

Earnings per share are calculated by dividing the Group's net profit by the weighted average number of shares outstanding. Earnings per share in financial year 2008 were adjusted for the subscription rights issue in October 2009.

		2009	2008
Net profit		140.2	200.4
Weighted average number of shares issued prior to the adjustment		37,005,148	35,752,666
Weighted average number of shares issued after the adjustment (divisor 0.923164)		37,005,148	38,728,401
Basic / diluted earnings per share prior to adjustment	in €	**3.79**	**5.61**
Basic / diluted earnings per share after adjustment	in €	**3.79**	**5.18**

Notes to the balance sheet *

12. Intangible assets

Cost of acquisition or production	Licenses, software and similar rights and assets	Goodwill	Intangible assets from acquisitions	Advance payments on intangible assets	Total
December 31, 2007	**50.0**	**700.0**	**92.6**	**0.6**	**843.2**
Changes in the consolidated Group	3.4	388.4	93.5	–0.7	484.6
Additions	4.9	17.0	0.1	0.9	22.9
Disposals	0.4	5.0	4.0	0.0	9.4
Reclassifications	–1.2	0.0	1.6	–0.2	0.2
Write-ups	0.0	0.0	0.0	0.0	0.0
Currency adjustments	–1.0	–17.6	–3.2	0.0	–21.8
December 31, 2008	**55.7**	**1,082.8**	**180.6**	**0.6**	**1,319.7**

Accumulated amortization and impairment	Licenses, software and similar rights and assets	Goodwill	Intangible assets from acquisitions	Advance payments on intangible assets	Total
December 31, 2007	**32.0**	**0.0**	**24.3**	**0.0**	**56.3**
Changes in the consolidated Group	2.3	0.0	1.1	0.0	3.4
Additions	7.4	0.0	24.2	0.0	31.6
Disposals	0.4	0.0	4.0	0.0	4.4
Reclassifications	0.0	0.0	0.0	0.0	0.0
Write-ups	0.0	0.0	0.0	0.0	0.0
Currency adjustments	–0.9	0.0	–1.6	0.0	–2.5
December 31, 2008	**40.4**	**0.0**	**44.0**	**0.0**	**84.4**
Carrying amount at December 31, 2008	**15.3**	**1,082.8**	**136.6**	**0.6**	**1,235.3**

* Amounts in € million, unless otherwise stated

Cost of acquisition or production	Licenses, software and similar rights and assets	Goodwill	Intangible assets from acquisitions	Advance payments on intangible assets	**Total**
December 31, 2008	**55.7**	**1,082.8**	**180.6**	**0.6**	**1,319.7**
Changes in the consolidated Group	9.8	273.4	55.4	0.0	338.6
Additions	4.5	12.2	0.0	0.5	17.2
Disposals	1.3	26.1	15.2	0.0	42.6
Reclassifications	0.5	0.0	0.0	–0.4	0.1
Write-ups	0.0	0.0	0.0	0.0	0.0
Currency adjustments	0.7	25.6	2.1	0.0	28.4
December 31, 2009	**69.9**	**1,367.9**	**222.9**	**0.7**	**1,661.4**

Accumulated amortization and impairment	Licenses, software and similar rights and assets	Goodwill	Intangible assets from acquisitions	Advance payments on intangible assets	**Total**
December 31, 2008	**40.4**	**0.0**	**44.0**	**0.0**	**84.4**
Changes in the consolidated Group	7.5	0.0	0.0	0.0	7.5
Additions	5.2	0.0	24.9	0.0	30.1
Disposals	1.0	0.0	0.0	0.0	1.0
Reclassifications	0.0	0.0	0.0	0.0	0.0
Write-ups	0.0	0.0	0.0	0.0	0.0
Currency adjustments	0.6	0.0	1.3	0.0	1.9
December 31, 2009	**52.7**	**0.0**	**70.2**	**0.0**	**122.9**
Carrying amount at December 31, 2009	**17.2**	**1,367.9**	**152.7**	**0.7**	**1,538.5**

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

	2009	2008
Civil	64	59
Building and Industrial	10	11
Services	1,294	1,013
Concessions	0	0
Total	**1,368**	**1,083**

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 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 equal to the business segments' cost-of-capital rate, as used in our system of return-on-capital-employed controlling. The discount rate used for the *construction business* units is 13 percent and for the *Services* business segment it is 9 percent.

A comparison of the fair values attributed to the units with their carrying values including goodwill did not result in any need for impairment; nor would a significant increase in the discount rate or significant negative deviations from the planning premises result in any need to impair goodwill.

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

13. 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, 2007	**293.2**	**600.4**	**418.4**	**9.1**	**1,321.1**
Changes in the consolidated Group	–23.7	–86.0	22.9	–2.0	–88.8
Additions	28.1	99.8	82.1	20.5	230.5
Disposals	11.5	36.0	29.7	0.4	77.6
Reclassifications	1.3	2.8	–0.1	–4.1	–0.1
Currency adjustments	–6.5	–30.9	–18.5	–1.3	–57.2
December 31, 2008	**280.9**	**550.1**	**475.1**	**21.8**	**1,327.9**

Accumulated depreciation and impairment	Land and buildings	Technical equipment and machinery	Other equipment, office equipment	Advance payments and assets under construction	**Total**
December 31, 2007	**107.7**	**370.9**	**261.3**	**0.0**	**739.9**
Changes in the consolidated Group	–12.6	–57.4	12.1	0.0	–57.9
Additions	15.1	68.5	52.9	0.0	136.5
Disposals	5.0	32.9	26.0	0.0	63.9
Reclassifications	–0.3	1.3	–1.0	0.0	0.0
Currency adjustments	–1.5	–13.9	–10.6	0.0	–26.0
December 31, 2008	**103.4**	**336.5**	**288.7**	**0.0**	**728.6**
Carrying amount at December 31, 2008	**177.5**	**213.6**	**186.4**	**21.8**	**599.3**
thereof, finance leases **Carrying amount at December 31, 2008**	**9.4**	**42.7**	**18.0**	**0.0**	**70.1**

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, 2008	**280.9**	**550.1**	**475.1**	**21.8**	**1,327.9**
Changes in the consolidated Group	128.0	121.9	46.9	8.6	305.4
Additions	11.8	61.5	60.5	19.8	153.6
Disposals	7.6	26.3	29.2	1.1	64.2
Reclassifications	1.3	13.4	–3.7	–11.1	–0.1
Currency adjustments	6.8	38.7	17.4	2.0	64.9
December 31, 2009	**421.2**	**759.3**	**567.0**	**40.0**	**1,787.5**

Accumulated depreciation and impairment	Land and buildings	Technical equipment and machinery	Other equipment, office equipment	Advance payments and assets under construction	Total
December 31, 2008	**103.4**	**336.5**	**288.7**	**0.0**	**728.6**
Changes in the consolidated Group	53.1	86.5	32.5	0.0	172.1
Additions	8.6	57.9	53.8	0.0	120.3
Disposals	6.2	21.3	26.7	0.0	54.2
Write-ups	–0.4	0.0	0.0	0.0	–0.4
Reclassifications	0.0	2.7	–2.7	0.0	0.0
Currency adjustments	1.2	15.7	8.3	0.0	25.2
December 31, 2009	**159.7**	**478.0**	**353.9**	**0.0**	**991.6**
Carrying amount at December 31, 2009	**261.5**	**281.3**	**213.1**	**40.0**	**795.9**
thereof, finance leases **Carrying amount at December 31, 2009**	**23.4**	**62.4**	**19.9**	**0.0**	**105.7**

Finance-lease transactions mainly involve construction machinery with a contract period usually of four to five years and office buildings with a contract period of up to 30 years.

The payment obligation resulting from finance leases is recognized in the amount of the present value of future lease payments due. The minimum lease payments, consisting of present value and interest portion, are shown in the following table:

	< 1 year	1-5 years	> 5 years	**Total**
2009				
Lease payments	23.8	63.7	24.0	111.5
Interest portion	4.8	7.8	10.5	23.1
Carrying amount / present value	**19.0**	**55.9**	**13.5**	**88.4**
2008				
Lease payments	16.1	48.7	5.6	70.4
Interest portion	4.0	5.6	0.7	10.3
Carrying amount / present value	**12.1**	**43.1**	**4.9**	**60.1**

14. Investments accounted for using the equity method

Investments accounted for using the equity method comprise associated companies and joint ventures.

In line with the proportionate equity interests held in associated companies, the following amounts are to be attributed to the Group:

Associated companies	**2009**	**2008**
Non-current assets	539.7	320.9
Current assets	326.7	247.0
Non-current liabilities	445.5	243.2
Current liabilities	392.3	292.6
Revenue	546.3	379.6
Profit for the year	13.2	10.8

The most important associated companies in 2009 are the construction company Julius Berger Nigeria PLC, Abuja, Nigeria and the concessions companies M6 Duna Autópálya Koncessziós Rt., Budapest, Hungary, M6 Tolna Autópálya Koncessziós Zrt, Szekszárd, Hungary, and A1 Mobil GmbH & Co. KG, Rotenburg, Germany.

In line with the proportionate equity interests held in joint ventures, the following amounts are to be attributed to the Group:

Joint ventures	2009	2008
Non-current assets	386.1	279.9
Current assets	39.5	13.7
Non-current liabilities	393.0	261.9
Current liabilities	21.8	33.3
Revenue	126.9	17.6
Expenses	124.0	13.3

The most important joint ventures in the reporting year include the operating companies Adger OPS Vegselskap AS, Lillesand, Norway; Partikeltherapiezentrum Kiel GmbH & Co. KG, Lübeck, Germany; and GBConsortium 1 Ltd., Northwood, United Kingdom.

15. Receivables from concession projects

Receivables due from concession projects represent all services provided in connection with the production of public-private-partnership (PPP) projects for which fixed payments have been agreed irrespective of the extent of use. Due to the length of the payment plans, receivables are entered at the present value of amortized cost. 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 have a corresponding item in liabilities. These amounts are entered under financial debt, thereof €1,880.3 million non-current (2008: €1,488.5 million) and €21.9 million current (2008: €29.6 million).

Receivables from concession projects are comprised as follows:

	2009	2008
Receivables from concession projects	2,097.3	1,557.9
Receivables from project-financing funds not yet applied	36.9	83.9
	2,134.2	**1,641.8**
Non-recourse financial liabilities	**1,902.2**	**1,518.1**

The most important fully consolidated concession projects are:

	Investment volume € million	Bilfinger Berger's share of project in %	Project status	Period of concession
Transport infrastructure				
Kicking Horse Pass, Canada	100	100	In operation	2007 – 2030
M1 Westlink, United Kingdom	230	75	In operation	2009 – 2036
Golden Ears Bridge, Canada	800	100	In operation	2009 – 2041
Northeast Stoney Trail, Canada	293	100	In operation	2009 – 2039
Northwest Anthony Henday Drive, Canada	750	100	Under construction	2011 – 2041
M80, United Kingdom	352	83.3	Under construction	2011 – 2041
Building construction				
Bedford Schools, United Kingdom	41	100	In operation	2006 – 2035
Victoria Prisons, Australia	150	100	In operation	2006 – 2031
District Administration Center Unna, Germany	24	90	In operation	2006 – 2031
Coventry Schools, United Kingdom	36	100	In operation	2007 – 2035
Kent Schools, United Kingdom	155	100	In operation	2007 – 2035
Royal Women's Hospital, Australia	198	100	In operation	2008 – 2033
Burg Correctional Facility, Germany	100	90	In operation	2009 – 2034
Borders Schools, United Kingdom	137	75	In operation	2009 – 2038
Clackmannanshire Schools, United Kingdom	136	85	In operation	2009 – 2039
Staffordshire Fire Stations, United Kingdom	54	85	Under construction	2009 – 2036

The transport infrastructure concession projects are for highways, including bridges and tunnels. The building concession projects are for schools, hospitals, prisons, public-sector administrative buildings and fire stations. Concession fees are dependent on the availability of the transport infrastructure or building, are paid by the concession client and are inflation indexed. The concession agreements are design-build-finance-operate contracts and also include the obligation to perform maintenance and major repairs. At the end of the concession period, the transport infrastructures and buildings are transferred to the concession client. There are generally no extension or termination options.

16. Other financial assets

	2009	2008
Loans	64.5	53.5
Equity interests	13.2	18.4
Derivative financial instruments in hedging relationships	4.9	102.1
Securities (available for sale)	4.7	0.0
Other financial assets	82.6	76.6
Total	**169.9**	**250.6**

Loans are primarily equity bridge loans to concession companies.

Equity interests include shares in non-listed companies, which are measured at cost of acquisition.

Derivative financial instruments include positive market values of interest-rate and inflation hedges in the concessions business.

Other assets primarily comprise amounts that serve to fulfill pension obligations.

17. Inventories

Inventories are comprised as follows:

	2009	2008
Real-estate properties held for sale	11.2	11.8
Finished goods and work in progress	9.1	8.5
Raw materials and supplies	89.1	68.2
Advance payments made	160.5	127.9
Total	**269.9**	**216.4**

18. Receivables and other financial assets

	2009	2008
Trade receivables		
including receivables from percentage of completion	1,529.6	1,446.3
Receivables from consortiums and joint ventures	164.5	186.9
Receivables from companies in which shares are held	24.9	27.7
	1,719.0	**1,660.9**
Derivatives		
in hedging relationships	0.2	0.3
not in hedging relationships	7.8	30.2
	8.0	**30.5**
Other financial, non-derivative assets	142.2	114.2
Total	**1,869.2**	**1,805.6**

Construction orders measured according to the percentage of completion but not yet finally invoiced are recognized as follows:

	2009	2008
Costs incurred plus recognized profits	8,364.0	6,784.5
Less advance billings	8,495.3	6,966.2
Balance	**–131.3**	**–181.7**
thereof costs incurred and estimated earnings in excess of billings	380.4	373.4
thereof liabilities from percentage of completion	511.7	555.1

The amount of future receivables from construction orders is included under trade receivables.

Advance payments received totaled €8,119.6 million (2008: €6,661.0 million).

Details of days overdue and impairments of trade receivables are as follows:

	2009	2008
Receivables neither overdue nor impaired	1,105.1	1,117.3
Receivables overdue but not impaired		
less than 30 days	231.4	166.1
30 to 90 days	100.6	67.6
91 to 180 days	30.6	35.7
more than 180 days	50.8	53.9
	413.4	**323.3**
Residual value of impaired receivables	11.1	5.7
Total	**1,529.6**	**1,446.3**

Impairments of trade receivables for default risks developed as follows:

	2009	2008
Opening balance	**28.0**	**27.7**
Changes in the consolidated Group, currency differences	14.7	–1.4
Allocations (impairment losses)	11.5	9.6
Utilization	7.3	6.5
Withdrawals (gains on impairment reversals)	6.9	1.4
Closing balance	**40.0**	**28.0**

All losses and gains from the impairment of trade receivables are recognized under other operating expenses and other operating income.

No default risk is recognizable for the receivables that are not impaired.

Other financial non-derivative assets comprise receivables and assets outside the field of supplying goods and services.

19. Other assets

Other assets include claims to value-added tax of €36.0 million (2008: €29.0 million) and prepaid expenses of €23.3 million (2008: €20.0 million).

20. Cash and cash equivalents

Cash and cash equivalents comprise cash deposited at banks and cash in hand. This includes €75.2 million (2008: €29.8 million) at concession project companies, to be applied in accordance with project-specific financing agreements. In 2008, cash and cash equivalents included marketable securities of €0.7 million.

The average variable interest rate for cash and cash equivalents was 1.13 percent (2008: 2.53 percent).

Most of the Group's net investment position is subject to variable interest rates, while borrowing is mainly subject to fixed interest rates. With an unchanged investment position, an interest-rate increase will lead to higher interest income.

21. Equity

The *share capital* of €138.1 million (2008: €111.6 million) is divided into 46,024,127 (2008: 37,196,102) bearer shares with an arithmetical value of €3.00 per share.

In October 2009, the Executive Board of Bilfinger Berger AG, with the approval of the Supervisory Board, made use of the authorization granted by the Annual General Meeting of May 7, 2009 to increase the Company's share capital, with partial use of the approved capital, by €26.5 million to €138.1 million through the issue of 8,828,025 new no-par-value shares.

The approved capital (Approved Capital 2009) amounts to €29.0 million (2008: €34.0 million) and its use is limited until May 6, 2014. It serves to issue new shares against cash and/or non-cash contributions.

By resolution of the Annual General Meeting of May 7, 2009, the approved capital existing at that time (Approved Capital I) in the amount of €34.0 million was cancelled and replaced with new approved capital (Approved Capital 2009) in an amount of €55.5 million. Due to utilization for the capital increase in 2009, approved capital decreased by €26.5 million to €29.0 million.

Also unchanged from the prior year, there is contingent capital of €11.0 million for granting shares upon the exercise of conversion rights or option rights from bonds.

With the approval of the Supervisory Board and on the basis of the authorization granted by the Annual General Meeting of May 23, 2007, the Executive Board of Bilfinger Berger AG resolved in February 2008 to buy back the Company's own shares in a volume of up to €100 million. During the period of February 19 to April 29, 2008, 1,884,000 shares representing 4.094 percent of the voting rights on the reference date were bought back via the stock exchange at an average price of €53.07 per share. The shares are held as treasury shares and there is currently no intention to cancel them.

We refer to the explanation given in the management report with regard to the authorization for the Executive Board to issue shares out of approved capital and out of contingent capital as well as the possibilities to buy back the Company's own shares.

The following notifications have been received pursuant to Section 21 of the German Securities Trading Act (WpHG) regarding the existence of voting rights in our company of more than 3 percent or more than 5 percent:

- DJE Investment S.A., Luxembourg, Luxembourg gave notification that on November 6, 2008 its voting rights exceeded the threshold of 5 percent and amounted to 5.03 percent. Notification was also provided that the voting rights of Dr. Jens Ehrhardt, Germany and of Dr. Jens Ehrhardt Kapital AG, Pullach, Germany exceeded the threshold of 5 percent and also amounted to 5.03 percent; the voting rights were assigned pursuant to Section 22, Subsection 1, Sentence 1, No. 6 in connection with Sentence 2 of the German Securities Trading Act (WpHG). On October 6, 2009, the voting rights fell below the threshold of 5 percent and amounted to 4.93 percent in each case.
- INVESCO Limited, Atlanta, Georgia, USA gave notification that on December 15, 2008 its voting rights exceeded the threshold of 5 percent and amounted to 5.35 percent. On April 3, 2009, its voting rights fell below the threshold of 5 percent again and amounted to 4.99 percent.
- The Bank of New York Mellon Corp., Pittsburg, USA gave notification that on October 15, 2009, its voting rights exceeded the threshold of 3 percent and amounted to 3.70 percent. At the same time, notification was given that the voting rights also exceeded the threshold of 3 percent of MBC Investments Corp., Delaware, USA (3.45 percent), Neptune LLC, Pittsburgh, USA (3.43 percent), Mellon International Holdings S.A.R.L., Luxembourg, Luxembourg (3.43 percent), BNY Mellon International Ltd., London, United Kingdom (3.43 percent), Newton Management Ltd., London, United Kingdom (3.43 percent) and Newton Investment Management Ltd., London, United Kingdom (3.43 percent).

• BlackRock Investment Management (UK) Limited, London, United Kingdom gave notification that on December 1, 2009, the voting rights of BlackRock Group Limited, London, United Kingdom exceeded the threshold of 3 percent and amounted to 4.8 percent. At the same time, notification was given that the voting rights also exceeded the threshold of 3 percent of BlackRock Jersey International Holdings L.P., St. Helier, Jersey (4.82 percent), BlackRock International Holdings Inc., New York, USA (4.82 percent) and Blackrock Advisors Holdings, Inc., New York, USA (4.82 percent). Notification was also given that the voting rights exceeded the thresholds of 3 percent and 5 percent of BlackRock Financial Management, Inc., New York, USA, (5.25 percent), BlackRock Holdco 2, Inc., New York, USA, and BlackRock, Inc., New York, USA, (5.25 percent).

On February 9, 2010, BlackRock Investment Management (UK) Limited, London / United Kingdom gave notification that on February 8, 2010 the voting rights of BlackRock Financial Management, Inc., New York / USA, (4.86 percent), BlackRock Holdco 2, Inc., Wilmington / USA, (4.86 percent) and BlackRock, Inc., New York / USA, (4.86 percent) exceeded the threshold of 5 percent.

• Allianz Global Investors Kapitalanlagegesellschaft mbH, Frankfurt / Germany, gave notification that on February 9, 2010, its voting rights exceeded the threshold of 3 percent and amounted to 3.05 percent.

Reserves

		2009		2008
I. Capital reserve		759.3		522.6
II. Retained earnings		780.6		736.3
III. Other comprehensive income				
Reserve from hedging instruments	–118.5		–127.1	
Actuarial gains / losses	8.7		19.0	
Currency translation	–21.9	–131.7	–116.8	–224.9
Total		**1,408.2**		**1,034.0**

The capital reserve increased by €236.7 million as a result of the capital increase. This includes costs of the capital increase in an amount of €7.1 million.

The *hedging instruments reserve* includes the unrealized gains and losses from hedging probable future payments, taking into consideration any deferred-tax effects, and primarily applies to interest-rate derivatives for concession projects.

Actuarial gains (losses) include the deviations between the retirement benefit obligation anticipated at the beginning of the year and the actual obligation at the end of the year, which are fully included in the retirement benefit obligation, as well as the difference between the income on plan assets anticipated at the beginning of the year and the actual income during the year.

The accumulated actuarial gains and losses recognized in equity amount to €13.7 million (2008: €32.1 million) before deferred taxes and €8.7 million (2008: €19.0 million) after consideration of deferred taxes.

The *currency translation reserve* reflects all currency differences arising from the translation of financial statements of foreign subsidiaries.

22. Retirement benefit obligation

For the employees of Bilfinger Berger AG and of a substantial part of the German construction business, defined-contribution pension commitments exist with a guaranteed minimum interest rate on contributions paid into a contractual trust arrangement (CTA). These are accounted for as defined-benefit plans in accordance with the provisions of IAS 19. There are also defined-contribution pension commitments at other companies of the Group in Germany.

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 recognize 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 biometric accounting principles – Guideline Table 2005 G by Klaus Heubeck – and are primarily based on the following assumptions:

	2009	2008
Applicable interest rates	5.50 %	6.00 %
Expected annual increase in incomes	2.50 %	2.50 %
Expected annual increase in pensions	1.50 %	1.50 %

We utilize the option of accounting for actuarial gains and losses in line with the *third option* offered by IAS 19.93A as part of the retirement benefit obligation recognized directly in equity. This means that the retirement benefit obligation is shown in the amount of the present value of the actual obligation (defined benefit obligation). The full recognition of actuarial gains and losses in the balance sheet means that the financial position is reflected more accurately in the balance sheet because hidden reserves or obligations are now revealed. In 2009, an actuarial loss of €18.0 million, and in 2008 an actuarial gain of €2.1 million were recognized in other comprehensive income. Accumulated over time, the net actuarial gain recognized in other comprehensive income amounts to €14.6 million (2008: €32.6 million).

To the extent that claims to pension benefits are covered by plan assets, the value of the plan assets is deducted from the obligation for the balance sheet value. The market value of the plan assets amounted to €224 million on the balance sheet date (2008: €167 million). It mainly comprises cash and cash equivalents, as well as real estate of €4 million (2008: €5 million).

Pension plans	2009		2008	
	Funded by plan assets	Unfunded	Funded by plan assets	Unfunded
Provisions on January 1 (before deduction of plan assets)	**145.1**	**217.7**	**147.7**	**163.6**
Defined benefit obligations on January 1	**145.2**	**217.7**	**135.4**	**135.4**
Service costs	8.7	3.9	2.1	3.5
Past service cost	0.8	0.0	0.0	0.1
Interest expense	10.4	10.9	7.3	9.0
Pension payments	–17.3	–8.8	–8.8	–9.0
Settlements	–0.8	–5.3	0.0	0.0
Changes in the consolidated Group / other	75.5	40.8	10.9	84.4
Actuarial gains (–) / losses (+)	1.5	11.0	–1.8	–5.7
Service costs to be added in the future	0.0	0.0	0.1	0.0
Defined benefit obligations on December 31	**224.0**	**270.2**	**145.2**	**217.7**
Past service cost	0.0	0.0	–0.1	0.0
Provisions on December 31 (before deduction of plan assets)	**224.0**	**270.2**	**145.1**	**217.7**
Fair value of plan assets on January 1	**167.0**		**159.8**	
Expected income from plan assets	8.8		6.7	
Pension payments	–17.0		–8.8	
Allocated to fund from employee contributions	3.9		1.7	
Allocated to fund from company contributions	5.9		2.3	
Settlements	–0.6		0.0	
Changes in the consolidated Group / other	61.0		10.7	
Actuarial gains (–) / losses (+)	–5.5		–5.4	
Fair value of plan assets on December 31	**223.5**		**167.0**	

Pension plans	2009		2008	
	Funded by plan assets	Unfunded	Funded by plan assets	Unfunded
Defined benefit obligations on December 31	224.0	270.2	145.2	217.7
Plan assets on December 31	223.5		167.0	
Funded status on December 31	**–0.5**	**–270.2**	**21.8**	**–217.7**
Amount capitalized on December 31	**16.0**		**23.0**	
Provision recognized on December 31	**16.5**	**270.2**	**1.1**	**217.7**
Past service cost	**0.0**	**0.0**	**0.1**	**0.0**

Pension plans	**2007**		**2006**		**2005**	
	Funded by plan assets	Un-funded	Funded by assets	Un-funded	Funded by plan assets	Un-funded
Defined benefit obligations on December 31	135.4	135.4	147.7	163.7	164.3	140.9
Plan assets on December 31	159.8		161.0		167.0	
Funded status on December 31	**24.4**	**–135.4**	**13.3**	**–163.7**	**2.7**	**–140.9**
Amount capitalized on December 31	**24.6**		**13.3**		**2.7**	
Provision recognized on December 31	**0.0**	**135.4**	**0.0**	**163.6**	**0.0**	**–140.9**
Past service costs	**0.2**	**0.0**	**0.0**	**0.1**	**0.0**	**0.0**

The net pension benefit expense for (funded and unfunded pension plans) is comprised as follows:

	2009	**2008**
Current service cost	12.6	5.6
Interest expense	21.3	16.3
Expected income from plan assets	–8.8	–6.7
Past service costs	0.8	0.1
Net pension benefit expense	**25.9**	**15.3**

The defined contribution and other pension expense amounted to €16.0 million (2008: €14.0 million).

In the income statement, service costs are posted in EBIT and the interest expense from the addition to the defined benefit obligation is posted under net interest result. Expected income from plan assets of €8.8 million (2008: €6.7 million) was posted in the net interest result. Based on a long-term investment strategy, this represents a return on plan assets of 3.9 percent (2008: 4.1 percent). The income actually achieved from plan assets in 2009 amounted to €7.4 million (2008: €1.3 million). As a result of experience-based adjustments, the defined benefit obligation is reduced by €3.4 million (2008: €3.5 million).

The pension payments expected in subsequent years are as follows:

Expected pension payments	2010	2011	2012	2013	2014	2015-2019
	24	23	26	28	28	152

Plan assets of approximately €224 million are available for future payments (Funded pension plans) (2008: 167 million).

23. Current tax provision, deferred tax liabilities and other provisions

	Deferred tax liabilities	Provisions	Total
Balance at January 1, 2008	**80.7**	**523.8**	**604.5**
Utilization	31.1	255.2	286.3
Release	3.2	22.6	25.8
Additions	75.1	313.6	388.7
Currency differences	–9.0	–13.4	–22.4
Changes in the consolidated Group	7.8	–29.9	–22.1
Balance at January 1, 2009	**120.3**	**516.3**	**636.6**
Utilization	27.1	162.1	189.2
Release	7.4	43.9	51.3
Additions	30.6	225.2	255.8
Currency differences	9.7	9.5	19.2
Changes in the consolidated Group	6.6	152.1	158.7
Balance at December 31, 2009	**132.7**	**697.1**	**829.8**

Maturities of current tax provision, deferred tax liabilities and other provisions

	Non-current		Current		Total	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**
Deferred tax liabilities	**0.0**	**0.0**	**132.7**	**120.3**	**132.7**	**120.3**
Provisions	**84.3**	**68.6**	**612.8**	**447.7**	**697.1**	**516.3**
Risks relating to contracts, warranties and litigation	41.3	41.6	340.0	194.5	381.3	236.1
Personnel-related obligations	22.8	13.0	122.7	86.1	145.5	99.1
Other uncertain liabilities	20.2	14.0	150.1	167.1	170.3	181.1
Total	**84.3**	**68.6**	**745.5**	**568.0**	**829.8**	**636.6**

89.8 percent of the total cash flow for the current tax provision, deferred tax liabilities and other provisions is expected to be in the following year (2008: 89.2 percent), 5.5 percent in the years 2011 through 2014 (2008: 5.9 percent) and 4.7 percent thereafter (2008: 4.9 percent).

24. Financial debt

	Non-current		Current		Total	
	2009	2008	2009	2008	2009	2008
Project-financing debt (non-recourse)	701.7	563.0	9.5	1.3	711.2	564.3
Bank debt (non-recourse)	1,178.6	925.5	12.4	28.3	1,191.0	953.8
Financial debt, non-recourse	**1,880.3**	**1,488.5**	**21.9**	**29.6**	**1,902.2**	**1,518.1**
Bank debt (recourse)	250.3	258.1	14.9	9.6	265.2	267.7
Finance leases	69.3	48.0	19.1	12.1	88.4	60.1
Financial debt, recourse	**319.6**	**306.1**	**34.0**	**21.7**	**353.6**	**327.8**

Project-related non-recourse financing is solely taken out on the respective financed project, without any recourse to Bilfinger Berger.

Recourse financing in 2009 includes a promissory-note loan in an amount of €250 million placed in the privious year. The loan consists of the following four tranches, each due in its entirety upon maturity:

Amount of loan	Due date	Interest	Interest rates
9.5	July 1, 2011	fixed	6.044 %
18.5	July 1, 2013	fixed	6.169 %
74.5	July 1, 2011	variable	3-month EURIBOR + 80 basis points
147.5	July 1, 2013	variable	3-month EURIBOR + 105 basis points
250.0			

Classified according to its fixed-interest terms, financial debt is comprised as follows:

	Variable interest rate		Fixed interest rate						Total	
			< 1 year		1-5 years		> 5 years			
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Non-recourse financing	**28.3**	**15.4**	**2.8**	**21.7**	**11.4**	**7.5**	**1,859.7**	**1,473.5**	**1,902.2**	**1,518.1**
Other financing	75.9	86.4	10.1	4.4	179.2	176.9	0,0	0.0	265.2	267.7
Finance leases	0.0	0.0	19.2	12.1	55.8	42.7	13.4	5.3	88.4	60.1
Recourse financing	**75.9**	**86.4**	**29.3**	**16.5**	**235.0**	**219.6**	**13.4**	**5.3**	**353.6**	**327.8**

For financial liabilities with fixed interest rates, the average interest rate on the balance sheet date for non-recourse debt was 5.82 percent (2008: 5.74 percent), for other debt it was 5.93 percent (2008: 5.95 percent) and for finance leasing it was 6.90 percent (2008: 6.95 percent). Financing with variable interest rates is shown as fixed-interest financial debt to the extent that interest-rate swaps have been concluded.

25. Other financial liabilities

	2009	2008
Liabilities		
from trade	1,160.7	1,038.7
from percentage of completion	511.7	555.1
to joint ventures and consortiums	251.5	192.9
to companies in which equity is held	75.9	45.0
	1,999.8	**1,831.7**
Liabilities from derivatives, current		
in hedging relationships	0.0	1.9
not in hedging relationships	22.5	39.1
	22.5	**41.0**
Other current financial, non-derivative liabilities	401.0	316.1
Total current financial liabilities	**2,423.3**	**2,188.8**
Liabilities from derivatives, non-current		
in hedging relationships	155.9	290.2
not in hedging relationships	0.3	2.4
	156.2	**292.6**
Other non-current financial, non-derivative liabilities	30.3	100.1
Total non-current financial liabilities	**186.5**	**392.7**

The increase in current liabilities and the decrease in non-current other financial non-derivative liabilities primarily relate to purchase-price obligations from the acquisition of companies as well as liabilities from put options connected with minority equity interests in companies.

26. Other liabilities

Other liabilities primarily relate to value-added tax in an amount of €113.2 million (2008: €110.6 million), personnel obligations of €104.5 million (2008: €75.5 million), social-security levies of €37.1 million (2008: €27.5 million) and deferred income and/or accrued expense of €26.3 million (2008: €8.3 million).

27. Additional information on financial instruments

The *carrying values and fair values* of financial assets and financial liabilities, classified according to IAS 39 categories, are as follows:

		2009		2008	
Assets	IAS 39-category	Carrying value	Fair value	Carrying value	Fair value
Receivables from concession projects	LaR	2,134.2	2,429.0	1,641.8	1,860.0
Equity interests	AfS-aC	13.2	–	18.4	–
Receivables	LaR	1,719.0	1,719.0	1,660.9	1,660.9
Other financial, non-derivative assets	LaR	289.3	289.3	244.4	244.4
Securities	AfS	4.7	4.7	0.7	0.7
Cash and cash equivalents	LaR	798.4	798.4	719.5	719.5
Derivative financial instruments					
used for hedging	(Hedge)	5.1	5.1	102.4	102.4
not used for hedging	FAHfT	7.8	7.8	30.2	30.2
Liabilities					
Financial debt, non-recourse	FLAC	1,902.2	2,012.3	1,518.1	1,577.5
Financial debt, recourse, excluding finance leases	FLAC	265.2	267.4	267.7	272.6
Finance leases, recourse	(IAS 17)	88.4	88.9	60.1	61.1
Liabilities	FLAC	1,999.8	1,999.8	1,831.7	1,831.7
Other financial, non-derivative liabilities	FLAC	431.3	431.4	416.2	415.6
Derivative financial instruments					
used for hedging	(Hedge)	155.9	155.9	292.1	292.1
not used for hedging	FLHfT	22.8	22.8	41.5	41.5
Aggregated according to valuation categories					
Loans and receivables	LaR	4,940.9	5,235.7	4,266.6	4,484.8
Available-for-sale financial assets	AfS	4.7	4.7	0.7	0.7
Available-for-sale financial assets at cost	AfS-aC	13.2	–	18.4	–
Financial assets held-for-trading	FAHfT	7.8	7.8	30.2	30.2
Financial liabilities held-for-trading	FLHfT	22.8	22.8	41.5	41.5
Financial liabilities at amortized cost	FLAC	4,598.5	4,710.9	4,033.7	4,097.4

For cash and cash equivalents, current receivables and liabilities and current other financial non-derivative assets and liabilities, carrying values are approximately equal to fair values due to the short residual terms.

The fair values of non-current financial assets and financial liabilities, which include the valuation categories *loans and receivables* and *financial liabilities at amortized cost*, correspond with the fair values calculated using current market-based interest-rate parameters.

Equity interests are measured at cost of acquisition, as fair values cannot be reliably determined.

Hierarchy of fair values by valuation method:
The fair values of financial instruments are measured with the use of one of the three methods described in the following three levels, whereby Level 3 is not currently relevant for Bilfinger Berger:

Level 1: quoted prices in active markets for identical assets or liabilities
Level 2: other methods by which all inputs that have a material influence on the determined fair value are based on direct or indirect market data
Level 3: methods that use inputs with a material influence on the determined fair value that are not based on observable market data

As of December 31, 2009, the financial instruments measured at fair value are allocated to the following levels:

Assets	IAS 39 category	**2009**	**Level 1**	**Level 2**
Securities	AfS	4.7	4.7	0.0
Derivatives in hedging relationships	(Hedge)	5.1	0.0	5.1
Derivatives in non-hedging relationships	FAHfT	7.8	0.0	7.8
		17.6	**4.7**	**12.9**
Liabilities				
Derivatives in hedging relationships	(Hedge)	155.9	0.0	155.9
Derivatives in non-hedging relationships	FAHfT	22.8	0.0	22.8
		178.7	**0.0**	**178.7**

The *net earnings from financial instruments* classified according to IAS 39 valuation categories are as follows:

Valuation category	IAS 39 category	2009	2008
Loans and receivables	LaR	–8.3	4.9
Available-for-sale financial assets	AfS	–0.3	1.1
Financial instruments held for trading	FAHfT & FLHfT	29.1	–40.5
Financial liabilities at amortized cost	FLAC	–3.2	7.8

Interest and dividends are not components of the net earnings shown.

The net earnings of the valuation category *loans and receivables* include impairments, reversals and earnings from currency translation.

The net earnings of the valuation category *available-for-sale financial assets* include gains/losses realized on disposals and impairments.

The net earnings of the valuation category *financial instruments held for trading* include gains/losses on measurement at fair value as well as gains/losses realized on disposals.

The net earnings of the valuation category *financial liabilities at amortized cost* primarily comprise gains/losses realized on currency translation.

With regard to *impairment losses*, see also the development of the account for allowances for non-collection of trade receivables.

28. Risks related to financial instruments, financial risk management and hedging instruments

We monitor financial risks (default risks, liquidity risks and market-price risks) with proven control mechanisms that allow for timely and transparent reporting. The Group's reporting system guarantees the regular identification, analysis, assessment and management of financial risks by Group Treasury. All relevant equity interests and joint ventures are included in this monitoring. There is no extraordinary concentration of risks.

Default risk is the risk that a contracting party of a financial instrument does not fulfill its payment obligations. Substantial counterparty risks can arise in connection with the investment of liquid funds and the application of derivative financial instruments. To limit such risks, we enter into financial transactions exclusively with banks that have a rating of at least "A-." In addition, on the basis of an internal limit system, a diversification of volumes and maturities takes place.

In 2009, we expanded the scope of our risk considerations to include the loss of pre-approved but not yet utilized financing in the project business.

The risk of default on receivables in our business operations is regularly monitored and controlled by the companies of the Group. In this context, use is made for example of guarantees and sureties.

In connection with receivables and other financial non-derivative assets, possible default risks are reflected by impairments.

The maximum default risk connected with financial assets (e.g. cash and cash equivalents, loans, receivables, derivative financial instruments) is equal to their carrying amounts in the balance sheet.

Liquidity risk is the risk that a company will have difficulties fulfilling the payment obligations arising from its financial liabilities.

Liquidity risks are monitored and managed centrally at Group headquarters on the basis of rolling 12-month cash-flow planning.

Within the context of central financing, Bilfinger Berger AG is available to its subsidiaries as a lender of last resort. In Europe, the Group's internal equalization of liquidity is supported in numerous countries by cross-border cash pooling.

Investment financing is carried out with consideration of matching maturities. The €250 million promissory note loan placed for this purpose in 2008 has maturities in 2011 and 2013. To finance working capital, we have a €300 million pre-approved credit line at attractive conditions that is in place until 2012.

For the execution of our project business, we have sureties of more than €4 billion which are not fully utilized. More than €1.5 billion of that total is in syndicated sureties with maturities in 2010 and 2011. In the case of a transfer of control of Bilfinger Berger AG, all credit commitments may be called due prematurely. The increasing long-term debt resulting from the expansion of our concessions business is solely on a non-recourse basis, so lenders have no access to Bilfinger Berger's assets or cash flows beyond the respective project companies.

As part of our strategic corporate planning, we regularly examine the impact on our financial risk profile of various scenarios for the economic and financial development of the Group. Significant key figures in this respect are the dynamic debt-to-equity ratio, cash-flow protection and gearing. Our goal is that the ratios should reflect a financial standing comparable with an investment grade rating of "BBB-" or better. In 2009, these considerations led to the decision to finance a substantial portion of the purchase price for MCE AG through a capital increase of €270 million. Following this measure, we have a sound capital structure and the financial flexibility necessary for further corporate development.

The following chart shows the future contractual undiscounted payments on financial liabilities as of December 31, 2009 and December 31, 2008 (repayments, capital repayments, interest, derivatives with negative fair values). With derivative financial liabilities to be fulfilled on a gross basis (currency derivatives), payments received and payments made are shown; with derivative financial liabilities to be fulfilled on a net basis (interest-rate and commodity derivatives), net payments are shown, whereby the cash flows on the variable side are calculated via the respective forward interest rates.

2009	Market value	**Total**	2010	2011	2012	2013-2016	> 2016
Financial debt, non-recourse	1,902.2	**3,915.0**	158.2	137.3	130.1	613.5	2,875.9
Financial debt, recourse, excluding finance leases	265.2	**293.1**	21.4	91.6	6.7	173.4	0.0
Finance leases, recourse	88.4	**107.5**	26.1	23.3	17.5	20.2	20.4
Liabilities	1,999.8	**1,999.8**	1,996.2	0.7	0.3	2.3	0.3
Other financial, non-derivative liabilities	431.3	**431.8**	405.2	16.2	1.0	0.3	9.1
Derivative financial liabilities to be fulfilled on a net basis	160.7	**265.4**	55.0	40.0	25.6	21.3	123.5
Derivative financial liabilities to be fulfilled on a gross basis	18.0						
Payments received		**466.5**	430.7	35.1	0.7	0.0	0.0
Payments made		**484.8**	448.0	36.1	0.7	0.0	0.0
		18.3	17.3	1.0	0.0	0.0	0.0

2008	Market value	**Total**	2009	2010	2011	2012-2015	> 2015
Financial debt, non-recourse	1,518.1	**3,237.8**	164.7	103.4	106.9	430.9	2,431.9
Financial debt, recourse, excluding finance leases	267.7	**317.7**	30.2	12.7	94.7	180.1	0.0
Finance leases, recourse	60.1	**80.1**	26.2	20.4	15.2	14.9	3.4
Liabilities	1,831.7	**1,831.7**	1,804.3	24.4	0.9	2.0	0.1
Other financial, non-derivative liabilities	416.2	**424.4**	318.7	85.5	8.5	4.4	7.3
Derivative financial liabilities to be fulfilled on a net basis	295.8	**376.3**	37.1	40.1	32.9	106.8	159.4
Derivative financial liabilities to be fulfilled on a gross basis	37.8						
Payments received		**562.3**	480.4	81.9	0.0	0.0	0.0
Payments made		**594.1**	506.0	88.1	0.0	0.0	0.0
		31.8	25.6	6.2	0.0	0.0	0.0

With its international operations, the Bilfinger Berger Group is subject to various *market-price risks*, relating in particular to currency exchange rates, interest rates, raw-materials prices and the market values of financial investments. Our central risk management allows us to net out cash flows and financial positions to a large extent. We make use of derivative financial instruments to minimize residual risks and the resulting fluctuations in earnings, valuations and cash flows. We do not undertake any financial transactions beyond the underlying business risk.

Currency risk is the risk that the fair values or future payments of financial instruments might change due to exchange-rate movements. We use currency futures or currency options to hedge risks relating to foreign-currency cash flows and balance sheet items denominated in foreign currencies. We generally hedge against transaction risks in the project business for the entire project period immediately after a contract is received, in some cases already during the bidding phase. Risk management takes place with the use of specified risk limits for outstanding foreign-exchange items, their value at risk and marked-to-market results. All future cash flows that are not denominated in the functional currency of the respective company of the Group are subject to currency risk.

Interest-rate risk is the risk that the fair values or future payments of financial instruments might change due to movements in market interest rates. We counteract the risks of interest-rate changes by continually reviewing and, when required, adjusting the composition of recourse liabilities subject to fixed and variable interest rates. We assess risks with consideration of future needs for new financing or refinancing on the basis of a cash-flow-at-risk model. The borrowing costs budgeted within the scope of the cost-of-capital model serve as a point of reference. To manage this, we generally apply derivative financial instruments such as interest-rate swaps and swaptions.

In the area of non-recourse project financing, however, liabilities are hedged with full maturity-matching with the use of interest-rate swaps. Changes in market value occurring in this context must be reflected in the balance sheet, but they have no impact on the success of the relevant project or on the Group's cash flows. Inflation risks are subsumed under interest-rate risk. Inflation risk is the risk that the fair values or future payments of financial instruments might change due to movements in inflation rates or price indices.

Raw-material price risk is the risk of changes in the market prices of those raw materials that the Group purchases. Whenever possible, hedging against price fluctuations of raw materials is undertaken on the basis of fixed-price agreements for deliveries or sliding-price clauses for consumption at a physical level. If this is not possible, hedging is carried out with the use of commodity swaps, for diesel fuel or bitumen, for example.

Bilfinger Berger uses the value-at-risk method to quantify market-price risks. The value at risk is the potential loss of a particular risk position that with a probability of 95 percent will not be exceeded during the next five days. The calculation takes place on the basis of the variance-covariance approach. The value at risk is the maximum possible loss on the basis of the specified parameters, but does not make a statement on the distribution of loss or expected extent of loss if it is actually exceeded.

When calculating the value at risk for currency risks, potential changes are taken into consideration in the valuation of the monetary financial instruments (cash and cash equivalents, receivables, interest-bearing debt, liabilities) that are not denominated in the functional currency. The value at risk for the risk of changes in interest rates takes into consideration potential changes in the valuation of financial instruments that are measured at fair value. As this mainly involves interest-rate swaps designated as hedging instruments in the context of cash-flow hedges, the risk of a change in interest rates mainly relates to income and expense recognized directly in equity (unrealized gains/losses on hedging instruments) and not to profit and loss.

The periodic effects are determined by relating the hypothetical changes in the risk variables to the volume of financial instruments held on the balance sheet date. It is assumed that the volume at the balance sheet date is representative for the whole year.

Value-at-Risk	**2009**	**2008**
Currency risk	2.4	5.9
Interest-rate risk	27.0	20.9

Due to the consistent application of this risk policy, the financial crisis did not result in any negative effects on the Group's financial position or earnings.

Hedging instruments

IAS 39 includes special accounting regulations that are intended to avoid a presentation of hedging instruments that does not properly reflect the financial situation by synchronizing or compensating for changes in the values of the underlying hedged items and hedging instruments *(hedge accounting)*. Hedge accounting is applied if there are permissible hedged items and hedging instruments and a permissible hedging relationship, documentation of the hedging relationship, and evidence of an effective hedging context. An effective hedging relationship exists if the changes in value of hedged items are largely compensated for by changes in the value of the hedging instrument.

Cash-flow hedges serve to hedge future cash flows against exposure to changes in currency exchange rates and interest rates.

Bilfinger Berger uses cash-flow hedges to hedge exposure to interest-rate risks and inflation risks primarily in connection with the financing of private-sector concession projects. Variable-interest payments are transformed into fixed-interest payments with the use of interest swaps and variable inflation-indexed payments are transformed into payments with fixed price increases with the use of inflation swaps. In addition, cash-flows hedges are used to hedge against currency risks for fixed obligations off the balance sheet.

During the year 2009, unrealized gains on the valuation of derivative financial instruments of €1.3 million after taxes were recognized in other comprehensive income (2008: losses of €130.1 million). In this period, losses of €27.7 million after taxes were reclassified into interest result on concession projects and net interest result (2008: losses of €1.3 million). In addition, net profit for the year 2009 includes a loss of €1.1 million on the valuation of derivative financial instruments that were hedge-ineffective pursuant to IAS 39 (2008: gain of €1.1 million).

The following overview shows when the hedged interest payments to be made (variable interest-bearing non-recourse financial debt from concession projects and variable interest-bearing components of the recourse promissory-note loan) and when the hedged inflation-indexed payments to be received from concession projects actually flow and are recognized in profit and loss.

Expected interest payments to be made	2010	2011	2012	2013-2016	> 2016
2009	18.2	37.7	52.5	264.4	1,043.5

	2009	2010	2011	2012-2015	> 2015
2008	17.7	28.1	33.7	154.2	723.9

Expected inflation-indexed payments to be received	2010	2011	2012	2013-2016	> 2016
2009	10.0	23.9	24.1	102.5	1,041.6

	2009	2010	2011	2012-2015	> 2015
2008	0.8	9.5	20.9	83.1	775.1

The payments to be made for fixed obligations hedged against currency risks amount to €9.3 million in 2010.

The following table shows the *fair values* of the various types of derivative financial instruments that Bilfinger Berger uses to hedge market-price risks. A difference is made depending on whether they are hedge-effective or hedge-ineffective pursuant to IAS 39.

	2009	2008
Derivatives with positive fair values		
hedge effective		
Interest and inflation swaps	4.9	102.1
Currency derivates	0.2	0.3
	5.1	**102.4**
hedge ineffective		
Interest-rate swaps	0.2	0.3
Forward exchange contracts and options	7.6	29.9
	7.8	**30.2**
Total derivatives with positive fair values	**12.9**	**132.6**
Derivatives with negative fair values		
hedge effective		
Interest and inflation swaps	155.9	290.2
Currency derivates	0.0	1.9
	155.9	**292.1**
hedge ineffective		
Interest-rate swaps	3.5	2.9
Forward exchange contracts and options	18.0	35.9
Commodity derivatives	1.3	2.7
	22.8	**41.5**
Total derivatives with negative fair values	**178.7**	**333.6**

29. Additional information on capital management

The goal of capital management at Bilfinger Berger is to maintain a strong financial profile. In particular, it aims to secure appropriate dividend payments for shareholders and debt servicing for creditors. Bilfinger Berger's long-term capital management is based on considerations for the optimization of total cost of capital while safeguarding financial flexibility. From this perspective, equity and borrowed capital (excluding non-recourse financial debt) are taken into account. The optimal capital structure reflects a financial standing comparable to a rating at the lower end of investment grade.

On the basis of mid-term corporate planning and with a view to various acquisition and development scenarios, the financial scope for action is regularly analyzed in terms of any action that might need to be taken.

In addition to dynamic debt-equity ratio and cash-flow protection, gearing is another important management tool. It is calculated as the quotient of net debt (excluding non-recourse financial debt) and equity (including minority interest).

At December 31, 2009 and December 31, 2008, it is comprised as follows:

	2009	2008
Equity	1,561.4	1,141.0
Net liabilities	–158.1	–173.6
Financial debt (excluding non-recourse)	353.6	327.8
Retirement benefit obligation	286.7	218.8
Cash and cash equivalents	–798.4	–720.2
Gearing (adjusted debt-equity ratio)	–0.1	–0.2

There are no external minimum capital requirements.

30. Secured liabilities

No liabilities were secured at December 31, 2009. At December 31, 2008, financial debt was secured in an amount of €1.2 million.

31. Contingent liabilities and other financial obligations

	2009	2008
Liabilities from guarantees	33.2	107.7

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, 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.

Other financial obligations relate to operating leases and long-term rental and lease agreements.

	Minimum lease payments on operating leases		Other financial obligations (rents)	
	2009	2008	2009	2008
< 1 year	34.6	28.2	64.4	48.2
1-5 years	50.4	44.7	124.2	103.4
> 5 years	11.4	9.8	37.4	32.4

The expenses of operating leases and long-term rental and lease agreements recognized in profit and loss amounted to €118.7 million in 2009 (2008: €63.0 million).

32. Notes to the statement of cash flows

The cash flow from operating activities includes the following items in 2009:

	2009	2008
Interest payments	26.0	21.6
Interest received	16.7	33.8
Income tax payments	76.4	89.6
Tax refunds	2.8	3.0

Payments made for investments in financial assets include €255.7 million for the acquisition of equity interests (2008: €401.8 million) and €112.6 million for capital contributions or loans to concession companies (2008: €58.6 million).

33. Events after the balance sheet date

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

Other disclosures

34. Supervisory Board and Executive Board

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

The total remuneration of the members of the Executive Board comprised the following components:

- Fixed salaries of €3,175 thousand (2008: €2,782 thousand)
- Bonuses of €3,887 thousand (2008: €3,235 thousand)
- Remuneration with a long-tem incentive effect in an arithmetical amount when granted of €770 thousand (2008: €894 thousand)
- Non-cash benefits of €280 thousand (2008: €233 thousand)
- Pension commitments; for 2009, payments of €1,495 thousand were made to external pension institutions (2008: €1,534 thousand), with return flows to the Company of €119 thousand (2008: €188 thousand).

Additional details including individualized remuneration are provided in the remuneration report, which is a part of the management report.

The total remuneration paid to former members of the Executive Board or their surviving dependents amounted to €2,535 thousand (2008: €2,481 thousand). The present value of future pension obligations for those persons calculated according to IAS 19 amounted to €28,003 thousand at the balance sheet date (2008: €27,036 thousand).

The total remuneration paid to members of the Supervisory Board amounted to €1,769 thousand (2008: €1,651 thousand), including expenses of €40 thousand (2008: €43 thousand). These payments are shown in individualized form in the remuneration report.

35. Related-party disclosures

Related parties as defined by IAS 24 are persons or entities that can be significantly influenced by the reporting company or that can exert a significant influence on the reporting company.

The significant transactions between fully consolidated companies of the Group and related parties mainly involved associated companies and joint ventures. They are shown in the table below. Business relations with related parties are carried out under the same conditions as with unrelated parties (at arm's length).

€ million	2009	2008
Revenues	415	364
Services received	42	29
Receivables	87	62
Liabilities	76	40
Guarantees granted	23	80

36. Auditors' fees

The amounts listed below cover all of the services provided to the companies of the Bilfinger Berger Group by our external auditors, Ernst & Young, in the 2009 financial year. The amounts of these services provided in Germany are shown as such in the following table.

€ thousand	2009	2008
Audit fees	6,229	4,948
thereof in Germany	3,142	2,460
Other assurance fees	2,060	1,185
thereof in Germany	1,944	898
Tax-consulting services	2,242	348
thereof in Germany	1,192	112
Other services	334	358
thereof in Germany	236	304
Total	**10,865**	**6,839**

37. Average number of employees

	2009	2008[1]
Office staff		
Germany	11,443	10,246
International	13,968	13,740
Manual workers		
Germany	11,629	11,211
International	22,908	25,041
Total workforce	**59,948**	**60,238**

[1] Previous year's figures adjusted due to reclassification of foremen.

38. Declaration of compliance

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

As prescribed 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 8, 2009, and on that date was made permanently available to the shareholders on the Company's Internet website.

39. Proposal on the appropriation of earnings

It is proposed that the unappropriated retained earnings in the amount of €92.1 million as shown in the annual financial statements of Bilfinger Berger AG for the year 2009 be applied as follows:

€ million	
Distribution of a dividend at €2.00 to each dividend-entitled share	88.3
Amount carried forward to new account	3.8
Unappropriated retained earnings	92.1

This proposal on the appropriation of earnings is based on the dividend-entitled share capital at February 18, 2010 of €132.4 million (divided into 44,140,127 no-par-value shares). Due to a change in the number of treasury shares held by the Company, the number of shares entitled to a dividend may change by the time of the resolution by the Annual General Meeting on the appropriation of earnings. In that case, the Supervisory Board and the Executive Board will submit to the Annual General Meeting an adjusted proposal on an appropriation of earnings with an unchanged dividend of €2.00 per share.

Return-on-capital-employed controlling

€ million	Civil		Building and Industrial	
	2009	**2008**	**2009**	**2008**
Goodwill	56.7	60.3	10.4	10.4
Property, plant and equipment	218.3	247.0	23.6	25.6
Other non-current assets	15.8	14.4	17.4	44.1
Current assets	733.3	847.8	242.1	263.5
Segment assets	**1,024,1**	**1,169.5**	**293.5**	**343.6**
Segment liabilities	960.0	1,162.5	566.3	510.7
Interest-bearing liabilities	0.0	0.0	16.9	47.7
Non-interest-bearing liabilities	**960.0**	**1,162.5**	**583.2**	**558.4**
Balance	**64.1**	**7.0**	**–289.7**	**–214.8**
Financial assets, project-related	0.0	0.0	289.7	214.8
Financial assets, division-related	321.1	373.8	110.4	111.9
Operating financial assets	**321.1**	**373.8**	**400.1**	**326.7**
Capital employed	**385.2**	**380.8**	**110.4**	**111.9**
EBIT (earnings before interest and taxes)	**–7.4**	**11.1**	**22.0**	**14.3**
Amortization of intangible assets from acquisitions	0.0	0.0	0.0	0.0
Interest income including dividends	0.0	0.0	0.0	0.0
Increase in value of concessions portfolio	0.0	0.0	0.0	0.0
Interest income, project-specific (4.5% p.a.)	0.0	0.0	13.0	9.7
Interest income, division-specific (4.5% p.a.)	14.4	16.8	5.0	5.0
Return	**7.0**	**27.9**	**40.0**	**29.0**
ROCE (return on capital employed)	**1.8%**	**7.3%**	**36.3%**	**25.9%**
WACC (weighted average cost of capital)	**13.0%**	**13.0%**	**13.0%**	**13.0%**
Value added, relative	**–11.2%**	**–5.7%**	**23.3%**	**12.9%**
Value added, absolute	**–43.0**	**–21.6**	**25.7**	**14.5**

	Services		Concessions		Total of segments		Consolidation, other		Consolidated Group	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	1,192.0	911.0	0.2	0.2	1,259.3	981.9	0.0	0.0	1,259.3	981.9
	342.9	283.9	1.4	1.1	586.2	557.6	73.8	75.8	660.0	633.4
	48.3	28.3	1,957.6	1,632.3	2,039.1	1,719.1	53.8	61.4	2,092.9	1,780.5
	1,247.2	1,101.4	30.1	30.0	2,252.7	2,242.7	548.1	739.5	2,800.8	2,982.2
	2,830.4	2,324.6	1,989.3	1,663.6	6,137.3	5,501.3	675.7	876.7	6,813.0	6,378.0
	1,403.6	1,250.6	117.7	105.2	3,047.6	3,029.0	2,472.7	2,149.9	5,520.3	5,178.9
	0.0	0.0	1,679.3	1,434.7	1,696.2	1,482.4	−2,328.2	−1,877.1	−632.0	−394.7
	1,403.6	1,250.6	1,797.0	1,539.9	4,743.8	4,511.4	144.5	272.8	4,888.3	4,784.2
	1,426.8	1,074.0	192.3	123.7	1,393.5	989.9	531.2	603.9	1,924.7	1,593.8
	0.0	0.0	0.0	0.0	289.7	214.8	−289.7	−214.8	0.0	0.0
	0.0	0.0	0.0	0.0	431.5	485.7	−431.5	−485.7	0.0	0.0
	0.0	0.0	0.0	0.0	721.2	700.5	−721.2	−700.5	0.0	0.0
	1,426.8	1,074.0	192.3	123.7	2,114.7	1,690.4	−190.0	−96.6	1,924.7	1,593.8
	238.1	229.8	13.9	9.1	266.6	264.3	−17.0	33.7	249.6	298.0
	24.9	24.2	0.0	0.0	24.9	24.2	0.0	0.0	24.9	24.2
	0.0	0.0	0.0	0.0	0.0	0.0	16.7	34.8	16.7	34.8
	0.0	0.0	9.0	12.4	9.0	12.4	0.0	0.0	9.0	12.4
	0.0	0.0	0.0	0.0	13.0	9.7	−13.0	−9.7	0.0	0.0
	0.0	0.0	0.0	0.0	19.4	21.8	−19.4	−21.8	0.0	0.0
	263.0	254.0	22.9	21.5	332.9	332.4	−32.7	37.0	300.2	369.4
	18.4%	23.7%	11.9%	17.4%	15.7%	19.7%	–	–	15.6%	23.2%
	9.0%	9.0%	9.8%	9.8%	10.5%	10.5%	–	–	10.5%	10.5%
	9.4%	14.7%	2.1%	7.6%	5.2%	9.2%	–	–	5.1%	12.7%
	134.5	157.3	4.1	9.4	121.3	159.6	−23.2	42.5	98.1	202.1

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; other non-current assets (with the exception of deferred tax assets); and current assets. The segment assets shown under consolidation/other include securities and cash and cash equivalents, as well as non-current and current assets not allocated to the business segments.

The *segment liabilities* are deducted from the segment assets. They include liabilities (with the exception of deferred tax liabilities) and provisions that are available to the company free of interest. Financial liabilities and retirement benefit obligations are not included.

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 – particularly in the Concessions business segment – solely on the basis of a project's cash flow and not on the basis of the Group's creditworthiness. The deduction of this item from the interest-bearing segment assets is taken into account by entering appropriate interest expenses against the business segment's return.

Segment liabilities and so-called non-recourse project 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 segments.

Project-related and business-unit-related financial assets are allocated to the business segments in the context of return-on-capital controlling so that adequate capital resources are taken into consideration. As so-called *operating 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 controlling concept is derived from *EBIT (earnings before interest and taxes)* as shown in the income statement.

This is adjusted for the *amortization and impairment of intangible assets from acquisitions*.

Net interest income including dividends comprises not only the balance of the Group's interest income and interest expense, but also income from the sale of securities as well as impairments 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 expense of non-recourse financing and the interest income from receivables from concession projects are included in EBIT.

In addition to regular earnings, the calculation of return for the Concessions business segment also takes into account the *increase in value of the concessions portfolios*. It is adjusted by any value increases realized in prior years on projects sold or impaired in the current year.

Project-related and business-unit-related interest income relates to credit entries on operating financial assets made by headquarters to the benefit of the business segments.

Return as defined by our return-on-capital-employed controlling is the sum of EBIT and the described additional financial 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 business segments and for the entire Group.

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 consolidated companies

At December 31, 2009	Equity holding %	Output volume € million	Employees at year-end
Bilfinger Berger AG, Mannheim		–	270
Germany			
bebit Informationstechnik GmbH, Mannheim	100	26	159
Bilfinger Berger Facility Services GmbH, Mannheim (subgroup)	100	1,241	13,368
Bilfinger Berger Hochbau GmbH, Frankfurt am Main (subgroup)	100	672	1,677
Bilfinger Berger Industrial Services AG, Munich (subgroup)	100	2,199	27,120
Bilfinger Berger Ingenieurbau GmbH, Wiesbaden (subgroup)	100	1,735	6,689
Bilfinger Berger Nigeria GmbH, Wiesbaden (subgroup)	100	447	972
Bilfinger Berger PI Corporate Services GmbH, Wiesbaden (subgroup)	100	48	135
Bilfinger Berger Power Services GmbH, Oberhausen (subgroup)	100	1,017	7,298
Rest of Europe			
Bilfinger Berger Budownictwo S.A., Warsaw, Poland (subgroup)	100	126	1,238
America			
Fru-Con Holding Corporation, Woodbridge, Virginia, USA (subgroup)	100	234	490
Africa			
Julius Berger Nigeria PLC., Abuja, Nigeria [1]	49	624 [2]	17,240
Australia			
Bilfinger Berger Australia Pty. Limited, Sydney, Australia (subgroup)	100	2,676	6,012

[1] Included in the consolidated group as an associated company
[2] Financial year 2008

Boards of the Company

Supervisory Board

Honorary Chairman:
Gert Becker

Dr. h.c. Bernhard Walter, Chairman
Formerly Speaker of the Executive Board of Dresdner Bank AG, Frankfurt am Main

Membership of statutory supervisory boards of other German companies:
Daimler AG, Stuttgart;
Deutsche Telekom AG, Bonn;
Henkel AG & Co. KGaA, Düsseldorf

Stephan Brückner, Deputy Chairman
Employee of BIS HIMA GmbH, Heinsberg

Membership of statutory supervisory boards of other German companies:
Bilfinger Berger Industrial Services GmbH, Munich*

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

Volker Böhme
Employee of BIS Industrieservice Nordwest GmbH, Dortmund

Membership of statutory supervisory boards of other German companies:
Bilfinger Berger Industrial Services GmbH, Munich*

Dr. Horst Dietz
CEO of DIETZ Unternehmensberatungsgesellschaft mbH, Berlin

Membership of statutory supervisory boards of other German companies:
ABB AG, Mannheim;
Solon SE, Berlin

Membership of comparable monitoring boards of other German and foreign companies:
E & Z Industrie-Lösungen GmbH, Duisburg (Chairman)

Britta Ehrbrecht
Employee of Bilfinger Berger AG, Mannheim

Information on the mandates relate to December 31, 2009, unless otherwise indicated.

* Group mandate

Dr. John Feldmann
Member of the Executive Board of BASF SE, Ludwigshafen am Rhein

Membership of statutory supervisory boards of other German companies:
BASF Coatings AG, Münster*

Membership of comparable monitoring boards of other German and foreign companies:
COFACE Holding AG, Mainz

Andreas Harnack
Head of the Main Construction Trade department of Industriegewerkschaft Bauen-Agrar-Umwelt (Construction, Agriculture and Environment Trade Union), Frankfurt am Main

Membership of statutory supervisory boards of other German companies:
Bilfinger Berger Industrial Services GmbH, Munich

Reinhard Heller
Employee of Franz Kassecker GmbH, Waldsassen

Rainer Knerler
Regional Manager Berlin-Brandenburg, Industriegewerkschaft Bauen-Agrar-Umwelt (Construction, Agriculture and Environment Trade Union), Berlin

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

Membership of statutory supervisory boards of other German companies:
Robert Bosch GmbH, Stuttgart;
Berthold Leibinger GmbH, Ditzingen;
Osb international Consulting AG, Berlin (Chairman);
SMS Siemag AG, Düsseldorf;
Universitätsklinikum Ulm AöR, Ulm

Membership of statutory supervisory boards of other German companies:
Carl Edelmann GmbH, Heidenheim;
Lazard & Co. GmbH, Frankfurt am Main (Deputy Chairman);
Trumpf GmbH & Co. KG, Ditzingen

Harald Möller
Employee of Bilfinger Berger AG,
Mannheim

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, Munich

Membership of statutory supervisory boards of other German companies:
DEKRA AG, Stuttgart

Dr.-Ing. E.h. Rudolf Rupprecht
Formerly Chairman of the Executive Board of MAN Aktiengesellschaft, Munich

Membership of statutory supervisory boards of other German companies:
Bayerische Staatsforsten AöR, Regensburg;
Demag Cranes AG, Düsseldorf;
MAN SE, Munich;
Salzgitter AG, Salzgitter

Dietmar Schäfers
Deputy Federal Chairman of the Industriegewerkschaft Bauen-Agrar-Umwelt (Construction, Agriculture and Environment Trade Union), Frankfurt am Main

Membership of statutory supervisory boards of other German companies:
ThyssenKrupp Xervon GmbH, Düsseldorf (Deputy Chairman);
Zentrales Versorgungswerk für das Dachdeckerhandwerk VVaG, Wiesbaden;
Zusatzversorgungskasse des Baugewerbes AG, Wiesbaden (Deputy Chairman);
Zusatzversorgungskasse des Dachdeckerhandwerks VVaG, Wiesbaden

Rainer Schilling
Employee of Babcock Borsig Service GmbH,
Oberhausen

Bernhard Schreier
Chairman of the Executive Board of Heidelberger Druckmaschinen AG, Heidelberg

Membership of statutory supervisory boards of other German companies:
ABB AG, Mannheim;
Heidelberger Druckmaschinen Vertrieb Deutschland GmbH, Heidelberg (Chairman)*;
Universitätsklinikum Heidelberg AöR, Heidelberg

Membership of comparable monitoring boards of other German and foreign companies:
Gallus Holding AG, St. Gallen / Switzerland

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

Membership of statutory supervisory boards of other German companies:
Cognis GmbH, Monheim;
MTU Aero Engines Holding AG, Munich

Membership of comparable monitoring boards of other German and foreign companies:
Prysmian S.p.A., Milan / Italy

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

Membership of statutory supervisory boards of other German companies:
Celesio AG, Stuttgart*;
TAKKT AG, Stuttgart (Chairman)*

Membership of comparable monitoring boards of other German and foreign companies:
Wilh. Wehrhahn KG, Neuss

Presiding Committee:

Dr. h.c. Bernhard Walter
Stephan Brückner
Udo Stark

Audit Committee:

Udo Stark
Dr. h.c. Bernhard Walter
Klaus Obermierbach

Nomination Committee:

Dr. h.c. Bernhard Walter
Udo Stark

Committee to be formed pursuant to
Section 31, Subsection 3 of the
German Industrial Codetermination Act:

Dr. h.c. Bernhard Walter
Stephan Brückner
Udo Stark
Reinhard Heller

Executive Board

Herbert Bodner, Chairman
Corporate Development, Communications, Legal Affairs

Membership of statutory supervisory boards of other German companies:
Bilfinger Berger Industrial Services GmbH, Munich (Chairman)*

Joachim Müller
Accounting, Finance, Controlling, Investor Relations, IT Management

Membership of statutory supervisory boards of other German companies:
Bilfinger Berger Industrial Services GmbH, Munich*

Membership of comparable monitoring boards of other German and foreign companies:
Bilfinger Berger Australia Pty Limited, Sydney*;
Bilfinger Berger Budownictwo S.A., Warsaw*;
Fru-Con Holding Corporation, Woodbridge / Virginia*;
Hydrobudowa-6 S.A., Warsaw*

Dr. Joachim Ott (until March 31, 2009)

Membership of statutory supervisory boards of other German companies:
HSG Zander GmbH, Nürnberg (Chairman)*
(Status March 31, 2009)

Klaus Raps
Building Construction, Facility Services, International Subsidiaries, Corporate Real Estate

Membership of comparable monitoring boards of other German and foreign companies:
Bilfinger Berger Australia Pty. Limited, Sydney*

Kenneth D. Reid
Concessions, Civil Engineering, Power Services

Membership of comparable monitoring boards of other German and foreign companies:
Bilfinger Berger Projects S.à.r.l., Luxembourg (Chairman)*

Prof. Hans Helmut Schetter
Human Resources, Technology, European and International Subsidiaries

Membership of comparable monitoring boards of other German and foreign companies:
Bilfinger Berger Budownictwo S.A., Warsaw (Chairman)*;
Fru-Con Holding Corporation, Woodbridge / Virginia (Chairman)*;
Hydrobudowa-6 S.A., Warsaw (Chairman)*

Dr. Jürgen M. Schneider (until July 31, 2009)

Membership of comparable monitoring boards of other German and foreign companies:
Dachser GmbH & Co., Kempten
(Deputy Chairman) (Status July 31, 2009)

Thomas Töpfer (since April 1, 2009)
Industrial Services

Membership of comparable monitoring boards of other German and foreign companies:
Bilfinger Berger Australia Pty. Limited, Sydney*;
BIS Production Partner AS, Norway (Chairman)*

Unless otherwise indicated, all details correct at December 31, 2009.

* 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%.

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
A metric for the assessment of a company's financial strength and profitability in terms of its flows of cash. The statement of cash flows presents the changes in levels of cash and cash equivalents over the year, showing the cash inflows and outflows for operating, investing and financing activities.

Corporate governance
The internationally common term for a responsible system of corporate management and monitoring with a focus on long-term value creation.

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.

Discounted cash-flow method

Valuation model for projects and ventures. All future free cash flows are discounted to their present values and added up. Key factors are the cost of capital (discount), the future free cash flows and the period of time involved.

EBIT

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

Equity consolidation

A method of including minority interests in associated companies and joint ventures in the consolidated financial statements. The investment is initially recognized at cost and adjusted thereafter for the investor's share of changes in the investee's equity. These changes are generally shown in the Group's income statement.

Equity ratio

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

Fair value

The amount for which an asset could be sold or a liability could be settled between knowledgeable, willing and independent parties.

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

Acronym of International Accounting Standards Board. This institution was established in London in 1973 with the task of creating the International Financial Reporting Standards (IFRS).

IFRIC

Acronym of the International Financial Reporting Interpretations Committee. IFRIC is based in London and is responsible for specifying the details of how IFRSs should be interpreted.

IFRS

Acronym of the International Financial Reporting Standards, which were created to facilitate the international comparison of companies' accounts and financial reporting. Since 2005, pursuant to the European Union's so-called IAS Directive, application of the IFRS is mandatory for the consolidated financial statements of listed companies domiciled in the European Union. The IFRS also include those standards of the International Accounting Standards (IAS) which have not yet been superseded.

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.

Long-term incentive plan (LTI)

Components of Executive Board compensation with a long-term incentive effect, related both to internal measures of success as well as the performance of the Bilfinger Berger share price.

Non-recourse financing

Debt 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.

Performance share units (PSU)

Phantom shares that are granted to the members of the Executive Board as a part of their compensation within the framework of our long-term incentive plans depending on the development of value added.

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)

Public-private partnerships, are private-sector solutions to real estate or infrastructure tasks in the public sector, with design, financing, construction and long-term operation from one source. Refinancing of the entire investment takes place during the operational phase by means of user fees.

Return

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

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 EBIT 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).

Syndicated credit lines

Credit lines that are agreed upon with a group of banks (syndicate) under uniform conditions.

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.

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 current liabilities.

Ten-year overview

Group

€ million	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Assets										
Non-current assets	**846.4**	**898.8**	**1,257.8**	**1,117.4**	**1,364.8**	**1,951.9**	**2,451.2**	**3,139.0**	**3,964.3**	**4,914.4**
Intangible assets	8.0	8.4	212.4	299.9	349.3	592.4	738.4	786.9	1,235.3	1,538.5
Property, plant and equipment	475.4	502.4	553.6	539.7	475.3	512.0	607.3	581.2	599.3	795.9
Receivables from concession projects	0.0	0.0	0.0	0.0	139.1	525.3	893.2	1,499.5	1,641.8	2,134.2
Other non-current assets	308.4	335.6	419.5	172.7	288.7	187.0	84.2	167.3	299.5	215.9
Deferred tax assets	54.6	52.4	72.3	105.1	112.4	135.2	128.1	104.1	188.4	229.9
Current assets	**2,230.1**	**2,411.8**	**2,375.0**	**2,365.9**	**2,355.6**	**2,404.7**	**2,678.2**	**2,988.8**	**2,808.7**	**3,026.2**
Inventories, receivables, other	1,353.0	1,609.7	1,602.6	1,465.4	1,441.9	1,572.8	1,895.5	2,192.8	2,088.5	2,227.8
Cash and cash equivalents	877.1	802.1	772.4	900.5	913.7	831.9	782.7	796.0	720.2	798.4
Equity and liabilities										
Shareholders' equity	**903.4**	**1,113.0**	**1,032.3**	**1,136.1**	**1,130.5**	**1,188.8**	**1,206.2**	**1,331.9**	**1,141.0**	**1,561.4**
Share capital	108.8	108.9	109.1	110.2	110.2	111.6	111.6	111.6	111.6	138.1
Reserves	776.8	980.9	866.0	953.3	963.1	1,012.3	1,031.3	1,132.0	1,034.0	1,408.2
Treasury shares	–	–	–	–	–	–	–	–	–100.0	–100.0
Unappropriated retained earnings	14.8	20.0	36.4	47.7	36.7	37.2	46.5	67.0	74.4	92.1
Minority interest	3.0	3.2	20.8	24.9	20.5	27.7	16.8	21.3	21.0	23.0
Non-current liabilities	**517.3**	**532.3**	**541.8**	**436.2**	**471.1**	**898.8**	**1,319.7**	**1,817.1**	**2,602.0**	**2,873.4**
Pension provisions	129.4	119.9	187.6	90.5	97.2	130.2	159.7	135.4	218.8	286.7
Other provisions	112.2	109.2	106.2	106.1	107.7	105.3	99.5	89.0	68.6	84.3
Financial debt, recourse	197.9	155.4	87.2	68.3	85.5	86.6	90.9	70.0	306.1	319.6
Financial debt, non-recourse	31.0	101.7	113.3	110.3	114.2	485.1	808.3	1,313.9	1,488.5	1,880.3
Other liabilities	20.1	1.1	6.3	4.6	13.9	17.2	67.3	79.0	392.7	186.5
Deferred tax liabilities	26.7	45.0	41.2	56.4	52.6	74.4	94.0	129.8	127.3	116.0
Current liabilities	**1,655.8**	**1,665.3**	**2,058.7**	**1,911.0**	**2,118.8**	**2,269.0**	**2,603.5**	**2,978.8**	**3,030.0**	**3,505.8**
Tax provisions	33.5	32.6	47.3	44.8	55.4	50.2	71.5	80.7	120.3	132.7
Other provisions	314.2	274.3	302.7	302.7	343.3	419.9	424.5	434.8	447.7	612.8
Financial debt, recourse	93.5	94.2	225.4	113.6	48.7	40.9	47.8	40.6	21.7	34.0
Financial debt, non-recourse	0.0	0.0	30.3	51.3	90.7	10.1	18.9	48.0	29.6	21.9
Other liabilities	1,214.6	1,264.2	1,453.0	1,398.6	1,580.7	1,747.9	2,040.8	2,374.7	2,410.7	2,704.4
Balance-sheet total	**3,076.5**	**3,310.6**	**3,632.8**	**3,483.3**	**3,720.4**	**4,356.6**	**5,129.4**	**6,127.8**	**6,773.0**	**7,940.6**
Proportion of balance-sheet total										
Non-current assets	28 %	27 %	35 %	32 %	37 %	45 %	48 %	51 %	59 %	62 %
Current assets	72 %	73 %	65 %	68 %	63 %	55 %	52 %	49 %	41 %	38 %
Shareholders' equity	29 %	34 %	28 %	33 %	30 %	27 %	24 %	22 %	17 %	20 %
Non-current liabilities	17 %	16 %	15 %	12 %	13 %	21 %	26 %	30 %	38 %	36 %
Current liabilities	54 %	50 %	57 %	55 %	57 %	52 %	50 %	48 %	45 %	44 %

Business developments

€ million	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Output volume	**4,437**	**4,607**	**4,912**	**5,586**	**6,111**	**7,061**	**7,936**	**9,222**	**10,742**	**10,403**
Orders received	**4,591**	**4,680**	**5,216**	**5,605**	**6,139**	**7,545**	**10,000**	**11,275**	**10,314**	**11,129**
Order backlog	**4,200**	**4,272**	**5,168**	**6,277**	**6,339**	**7,001**	**8,747**	**10,759**	**10,649**	**11,704**
Capital expenditure	**80**	**111**	**324**	**271**	**165**	**330**	**370**	**268**	**697**	**530**
Property, plant and equipment	66	73	71	88	70	102	136	204	237	162
Financial assets	14	38	253	183	95	228	234	64	460	368
Employees (at year-end)	**40,653**	**43,471**	**50,277**	**50,460**	**49,852**	**55,346**	**49,141**	**52,723**	**60,923**	**67,199**
Group earnings										
EBIT	10	35	69	89	81	110	170	229	298	250
Earnings before taxes (EBT)	62	71	85[1]	86[1]	91	115	173	228	283	214
Net profit	43	52	60[2]	50[2]	51	66	92	134	200	140
Cash flow from operating activities	43	35	74	30	198	188	207	325	357	368
Cash flow per share	1.08	0.89	1.88	0.76	4.98	4.70	5.14	8.07	9.22	9.94
Earnings per share	1.11	1.33	1.53	1.26	1.28	1.66	2.29	3.32	5.18	3.79
Bilfinger Berger AG										
Dividend distribution	14.8	20.0	36.4	47.7	36.7	37.2	46.5	63.6	70.6	88.3
Dividend per share	0.38	0.51	0.51	0.60	0.92	0.92	1.15	1.66	1.85	2.00
Dividend bonus			0.45	0.65						
Share price at year-end	**12.99**	**25.00**	**14.60**	**27.00**	**30.25**	**40.30**	**55.52**	**52.78**	**37.32**	**53.92**

[1] Adjusted for exceptional items totaling € 48 million in 2003 and € 36 million in 2002
[2] Adjusted for exceptional items totaling € 76 million in 2003 and € 54 million in 2002

Financial calendar

2010

April 15	Annual General Meeting*
May 10	Interim Report Q1 2010
August 12	Interim Report Q2 2010
November 10	Interim Report Q3 2010

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Investor Relations

Andreas Müller
Phone +49-6 21-4 59-23 12
Fax +49-6 21-4 59-27 61
E-mail: sabine.klein@bilfinger.de

Corporate Communications

Martin Büllesbach
Phone +49-6 21-4 59-24 75
Fax +49-6 21-4 59-25 00
E-mail: martin.buellesbach@bilfinger.de

Headquarters

Carl-Reiß-Platz 1-5
68165 Mannheim, Germany
Phone +49-6 21-4 59-0
Fax +49-6 21-4 59-23 66

You will find the addresses
of our branches and affiliates
in Germany and abroad
in the Internet at
www.bilfinger.com

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