



BILFINGER

Ad-hoc-announcement

June 30, 2014

Bilfinger lowers outlook for 2014

A current forecast for financial year 2014 has revealed that Bilfinger SE, Mannheim will not achieve the significant increase in earnings projected for 2014.

For 2014, Bilfinger now anticipates a decrease in earnings with an output volume of approximately €7.9 billion (comparable figure for 2013, without activities up for sale: €7.7 billion). An adjusted EBITA of between €380 million and €400 million is anticipated (comparable figure for 2013: €419 million); adjusted net profit will be between €230 million and €245 million (comparable figure for 2013: €255 million). In the Industrial business segment, the company expects an increase in the EBITA margin to a good 6 percent (comparable figure for 2013: 5.7 percent) with an output volume of approximately €3.7 billion (comparable figure for 2013: €3.7 billion). In the Power business segment, the EBITA margin will decline significantly to a magnitude of 6 percent (comparable figure for 2013: 8.9 percent) as a result of the currently low capacity utilization in the Piping Systems division as well as due to a number of weaker project results; an output volume of approximately €1.5 billion is expected (comparable figure for 2013: €1.7 billion). With an EBITA margin of approximately 5 percent (2013: 4.9 percent) that is at the upper end of the target corridor and an output volume of approximately €2.7 billion (comparable figure for 2013: €2.3 billion), the Building and Facility business segment will continue to develop positively. In the first half of 2014, adjusted EBITA will be significantly below the prior-year figure.

The Power business segment in particular is suffering from the effects of the energy transformation in Germany which has led to a considerable reluctance to invest on the part of energy suppliers. The extent of the negative impact on investment behaviour in other Central European countries was not foreseeable. German wind energy provided at no charge, for example, is preventing the construction of new power plants in Poland. The Piping Systems division in particular has been affected by this development. In the Industrial business segment, the oil and gas sector is feeling the impact of drastic cost-cutting among its European clients in repair and maintenance work, triggered by falling gas prices in the USA. A lack of German power plant projects has meant that

Bilfinger SE is a leading international engineering and services group. With the comprehensive technological expertise and experience of its more than 70,000 employees, the company offers customized services for industrial facilities, power plants and real estate. Bilfinger generates an annual output volume of approximately €8 billion in its Industrial, Power as well as Building and Facility business segments.

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BILFINGER

Page 2 / 2

scaffolding and other trades have shifted to other markets; this has intensified price pressure in the process industry.

All of these developments put pressure on capacity utilization and margins, which negatively impacts the company's growth plans for output volume and earnings, especially in the Power business segment.

As a result of the developments described above, Bilfinger will adjust capacities in the particularly impacted Power business segment as well as in the Industrial business segment and will initiate further near-term cost reduction programs without delay. This will lead to an additional restructuring expense in the low to middle double-digit million range in the second half of the year. In addition, implementation of the ongoing Excellence efficiency enhancement program will be accelerated.

Bilfinger will review its medium-term volume goals and describe the new goals in the interim report on the third quarter of 2014. No adjustments are necessary in the margin goals for Industrial business segment or the Building and Facility business segment. Following the restructuring phase, Bilfinger will once again target a margin above the 8 percent mark in the Power business segment from 2016.

In conformity with ad-hoc-announcement