



BILFINGER

Press Release

June 17, 2015

Bilfinger to concentrate on industry and real-estate business

- Bilfinger decides to concentrate on the Industrial business segment and the Building and Facility business segment
- Structured selling process started for Power
- Substantial losses at Power
- Sale of remaining Nigeria shares
- Chief Executive Officer Per H. Utnegaard: "We want to make Bilfinger fit for the future."

The Executive Board of Bilfinger SE decided in its meeting today to focus on the business with clients in the industrial and real-estate sectors. A structured selling process will be initiated for the Power business segment which should be completed within one year.

"With the focus on the Industrial as well as the Building and Facility business segments, we are strengthening our positioning as a leading international engineering and services group", says Per H. Utnegaard, Chief Executive Officer at Bilfinger. "At the same time, we are confident that we will be able to find a new owner with experience in the project business that can take advantage of the future potential of the segment, primarily outside of Germany."

Internationalization of Power requires additional project business

The Power business segment, which has about 11,000 employees and generated an output volume of €1.45 billion in 2014, will be presented as discontinued operations already in the interim financial statements as of June 30, 2015.

Bilfinger SE is a leading international engineering and services group. With the comprehensive technological expertise and experience of its nearly 60,000 employees, the company offers customized services for industrial facilities and real estate. Bilfinger generates an annual output volume of more than €6.0 billion in its Industrial and Building and Facility business segments.

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In view of the difficult situation in the home market, a further internationalization of Power is necessary. Such a move requires an expansion of the project business, which at about 60 percent today already makes up a significant portion of the segment's output volume, and is thus no longer in line with the strategy and risk profile of Bilfinger as an engineering and services group.

Business development in the first half of 2015 and impact on the balance sheet

A comprehensive review of all projects in the Power business segment with the support of external consultants revealed further substantial losses. This is in addition to ongoing burdens from a lack of capacity utilization. Overall, the company expects an adjusted EBITA of up to minus €100 million in this segment for financial year 2015 (previous year: plus €8 million). The results will be presented as discontinued operations. A majority of this loss will impact the first half of the year. A substantial goodwill impairment in the Power business segment will also be taken into account in the financial statements as of June 30, 2015 which, overall, will lead to a significantly negative net profit in the first half of the year. In addition to the operational losses, one-time expenses for the reduction of fixed costs will be incurred over the course of the year, measures to improve project management and execution have already been introduced.

Bilfinger anticipates an adjusted EBITA in the mid double-digit million euro range for the first half year in the continuing operations Industrial as well as Building and Facility (previous year comparable: plus €87 million). The Building and Facility business segment continues to develop positively while in the Industrial business segment, individual units are still suffering from the impact of the low oil price as well as limited demand in the power plant sector.



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Sale of remaining Nigeria shares

Bilfinger is selling its remaining 30.3 percent stake in the publicly-listed Julius Berger Nigeria plc, Abuja, to Nigerian investors. The sale of 13.8 percent of the shares is expected to take effect in the second quarter of 2015, transfer of the remaining shares will follow in the third quarter of 2015. Also in the second quarter of 2015, Bilfinger will dispose of the remaining investment of 10 percent of Julius Berger International GmbH, Wiesbaden, a subsidiary Julius Berger Nigeria. In total, Bilfinger expects net proceeds from these transactions in the amount of approximately €100 million which will flow to the company in roughly equal parts in the second and third quarters of 2015. At the end of the second quarter, a gain in the magnitude of €60 million in total will be realized from the already sold shares as well as from the revaluation of the shares that will be transferred in the third quarter.

Detailed strategic review of all business segments initiated

The Executive Board has initiated a detailed strategic review of all business segments, the results of which will be available in the fall of this year. The report for the first half of the year will be published as planned on August 12, 2015. "We want to make Bilfinger fit for the future", emphasizes Per Utnegaard.