



BILFINGER

Press Release

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**First quarter 2016 expectations: earnings at prior-year level
Dividend proposal: no distribution
Review of purchase offers for Building and Facility ongoing**

- FY 2015: output volume increased, orders received well above prior year, adjusted EBITA surpasses forecast
- Net profit 2015 burdened by announced one-time items, Executive Board and Supervisory Board propose suspension of dividend
- Review of purchase offers for Building and Facility ongoing
- Outlook FY 2016: significant decrease in output volume, slight increase in adjusted EBITA

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Business development 2015

Output volume of the Bilfinger Group in financial year 2015 increased within the scope of the communicated expectations to €6,482 million (+4 percent) and orders received to €6,825 million (+24 percent). Order backlog at the end of the year grew to €4,824 million (+10 percent).

Although adjusted EBITA of €186 million was, as planned, significantly below the prior-year figure, it nonetheless exceeded the level of €150 to €170 million that was forecast in August 2015.

“Bilfinger is within the scope or even slightly above the communicated expectations for all key figures. We are repositioning the company and initiating effective measures to become even more competitive. Our goal remains clear: make Bilfinger fit for the future and put it back on a path of profitable growth”, says Chairman of the Executive Board Per H. Utnegaard.

Development in Bilfinger’s business segments varied: at Industrial, it was possible to extend important framework agreements while, at the same time, parts of the business segment suffered from continued investment hesitation on the part of oil and gas customers. At Building and Facility, important service agreements were extended and new customers were won.

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 billion in its Industrial and Building and Facility business segments.

The Group's cash flow from operating activities of €124 million was well above the prior-year figure of €34 million despite lower earnings. This is attributable primarily to a lower increase in working capital.

Net profit in 2015 amounted to minus €489 million. This figure is attributable, among other things, to the following events: the non-cash goodwill impairment undertaken in the second quarter of 2015 in the amount of €330 million, operating losses in the Power business, one-time expenses for restructuring programs and the processing of past compliance cases.

Dividend proposal: no distribution

In view of the strong net loss as well as the cash outflow for current and upcoming restructuring measures, the Executive Board and the Supervisory Board will propose to the Annual General Meeting on May 11, 2016 to suspend dividend payments for financial year 2015. "In the current phase of the repositioning, the focus is on making targeted investments in the future of Bilfinger. For this reason, a dividend will not be distributed so that the funds can be kept in the company – in the interest of all stakeholders", announced Per H. Utnegaard.

Review of purchase offers for Building and Facility ongoing

Bilfinger has received offers from various interested parties for parts of the Building and Facility segment. The Executive Board is reviewing the offers in the interest of the company without bias as to the outcome. The review has not yet been completed and will take another few weeks. A decision on a possible sale would have far-reaching consequences for the future positioning and strategy of the Group. The review is therefore being conducted with tremendous care – the emphasis is on diligence over speed. As soon as the relevant decisions have been taken in the Executive Board and the Supervisory Board, Bilfinger will provide timely information and a comprehensive strategy update.

Further development of the compliance system

Bilfinger is working intensively on the development of its compliance system in order to avoid relevant risks and to increase awareness among all employees of compliance-related topics. "Integrity is the key to future success and will become part of the Group's DNA. With clear processes and structures, Bilfinger intends to position itself sustainably and thus achieve a real competitive advantage", says Per H. Utnegaard.

First quarter earnings expectations and outlook for full-year 2016

In the first quarter of 2016, Bilfinger expects Group EBITA at prior-year level, despite lower output volume.

In the Industrial business segment, as a result of the lower price of oil, Bilfinger anticipates a declining output volume, although EBITA should be above the level of the prior-year due to the efficiency enhancement measures that have been initiated. In the Building and Facility segment, the Bilfinger Executive Board continues to expect a slight weakening in the number of real-estate transactions and in investment behaviour. Bilfinger therefore anticipates a decrease in output volume and EBITA in the first quarter as compared to the previous year.

In financial year 2016, Bilfinger anticipates a significant decrease in output volume at Group level, although it expects a slight increase in adjusted EBITA as a result of the efficiency measures that have been initiated.

In the Industrial business segment, due to the weakness in demand and expiring projects, Bilfinger expects a significant decrease in output volume in 2016 as compared to 2015 (€3,650 million). With regard to adjusted EBITA, despite the significantly lower output volume, the company expects a figure at the level of the previous year (€128 million) or slightly higher due to positive effects from programs for efficiency enhancement and process optimization.

Output volume in the Building and Facility business segment, on the basis of good order backlog, will grow slightly in 2016 (comparable basis 2015: €2,627 million). Adjusted EBITA 2016 will also increase slightly (comparable basis 2015: €126 million). In this context, it will be possible to offset margin pressure in an intense competitive environment with growth and efficiency enhancements.

General statement of the Executive Board on the expected development of the Group	Output volume		EBITA adjusted	
	2015*	expected 2016	2015*	expected 2016
Industrial	3,650	significant decrease	128	at prior-year level or slight increase
Building and Facility*	2,627	slight increase	126	slight increase
Other	-77	-	-90	-
Group*	6,200	significant decrease	164	slight increase

* on a comparative basis, i.e. without Water Technologies

Definition for the qualified comparative forecast: at prior-year level: +/- 0 % slight: 1-5 % significant: > 5 %

Key figures for the Group* in € million

	2015	2014	Δ in %
Output volume	6,482	6,246	4
Orders received	6,825	5,510	24
Order backlog	4,824	4,401	10
EBITA adjusted ¹	186	262	-29
Adjusted net profit from continuing operations ¹	106	160	-34
Adjusted earnings per share from continuing operation ¹ (in €)	2.41	3.62	-33
Net profit ²	-489	-71	
Cash flow from operating activities	124	34	265
Employees	56,367	57,571	-2

* The key figures for the Power business segment and Offshore Systems, which have been put up for sale, for the sold divisions Construction and Infrastructure as well as the sold activities of the former Concessions business segment are no longer presented in the business segments, but under 'Discontinued operations'. All of the figures presented here relate, unless otherwise stated, to the Group's continuing operations; the figures for the prior-year period have been adjusted accordingly.

¹⁾ For adjustments, see Annual Report 2015, page 41: chart "Calculation of adjusted earnings per share from continuing operations"

²⁾ Includes continuing and discontinued operations.

You can find the Annual Report 2015 at: www.bilfinger.com/en/annual-report