Press Release

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Interim Report Q2 2016
Business development in line with expectations

- **Adjusted EBITA: Substantial improvement compared to weak prior year**
- **Industrial: Book-to-bill at parity, earnings at prior-year level, efficiency measures taking effect**
- **Power: Orders received and output volume decline further; earnings still negative but improved**
- **Outlook for 2016 confirmed and specified**

In the first half of 2016, adjusted EBITA and adjusted net profit from continuing operations of Bilfinger SE improved significantly. In the Industrial business segment, earnings were at prior-year level despite lower output volume; the efficiency enhancement measures that have been initiated are taking effect. In the Power business segment, positive effects from capacity adjustments and lower project losses based on improved risk management were recorded. Net profit was negative in the first six months of 2016 but significantly improved as compared to the prior-year figure.

The Group's output volume decreased by 11 percent. Both segments declined as expected: At Industrial, this is attributable to lower demand for projects as well as the market situation in the oil and gas sector. At Power, the decrease in output volume was primarily due to a significant decrease in the project business.

Orders received in the Industrial segment was approximately at the same level as output volume, at Power it decreased significantly as a result of the continued extremely low demand. Overall, orders received were 11 percent below the prior-year figure.

Key figures for the Group * € million	H1			Q2			Full-year
	2016	2015	∆ in %	2016	2015	∆ in %	2015
Output volume	2,141	2,412	-11	1,097	1,281	-14	5,002
Orders received	2,039	2,297	-11	1,026	1,184	-13	4,301
Order backlog	2,677	3,537	-24	2,677	3,537	-24	2,902
EBITA adjusted	-13	-59		2	-34		-23
Adjusted net profit from continuing operations	-15	-48		-1	-26		-30
Adjusted earnings per share from continuing operations (in €)	-0.34	-1.09		-0.04	-0.59		-0.68
Net profit [1]	-134	-439		-54	-423		-510
Cash flow from operating activities	-285	-139		-143	-69		39
Investments	31	34	-9	18	13	38	66
thereof in property, plant and equipment	29	33	-12	17	13	31	62
thereof in financial assets	2	1	100	1	0		4
Employees	38,997	44,672	-13	38,997	44,672	-13	42,150

** The key figures of the Building, Facility Services and Real Estate divisions as well as the Water Technologies division, which was sold in the first quarter of 2016, and the key figures of the former Concessions business, the former construction activities and Offshore Systems are no longer presented in the business segments, but under 'Discontinued operations'. All of the figures presented in this report relate, unless otherwise stated, to the Group's continuing operations; the figures for the prior-year period have been adjusted accordingly.*

1) Includes continuing and discontinued operations.

Industrial: Efficiency measures taking effect

In the Industrial segment, output volume was 9 percent below the prior-year figure. The reason was fewer service requests in the oil and gas sector. While the lower oil price in the first quarter resulted in reduced maintenance budgets for 2016, a slight increase was recorded in the maintenance of facilities in the chemical and pharmaceutical industries. Orders received declined by 6 percent. Despite lower output volume, adjusted EBITA was at prior-year level as the initiated efficiency enhancement measures are beginning to take effect.

Power: Earnings still negative but improved

Output volume in the Power segment declined by 17 percent against the backdrop of sustained low demand. Orders received were 28 percent below the prior-year figure. In view of competitive and price pressures, a highly-selective approach is being applied in the German and international project business. Adjusted EBITA improved significantly as a result of positive effects from capacity adjustments and reduced project losses based on improved risk management – but remained negative.

Outlook for 2016 confirmed and substantiated

Industrial: Despite the challenging environment in the North American project business, Bilfinger confirms the outlook for financial year 2016. Due to the weakness in demand in the oil and gas sector as well as expiring projects, the company anticipates a significant decrease in output volume to about €3.1 billion (previous year: €3.650 billion). With regard to adjusted EBITA, Bilfinger expects a figure at prior-year level (previous year: €128 million). The higher margin is a result of positive effects from the current efficiency enhancement and process optimization programs.

Power: As a result of the restrained orders received, Bilfinger once again anticipates a significant decrease in output volume to about €1.0 billion (previous year: €1.284 billion). Adjusted EBITA will improve significantly as a result of positive effects from capacity adjustments and reduced project losses based on improved risk management (previous year: -€69 million) – but will remain negative.

Group: At Group level, Bilfinger anticipates a significant decrease in output volume to about €4.1 billion (previous year: €5.002 billion). In terms of adjusted EBITA, the company expects significant improvement as compared to the previous year (-€23 million).

From today's perspective, Bilfinger expects the following significant special items:

- a capital gain from the sale of the Building and Facility segment in the amount of approximately €500 million
- one-time expenses in the high double-digit million euro range for the program to reduce administrative expenses. This includes, on the one hand, investments for the harmoniziation of our IT systems of over €50 million, of which a minor portion will be incurred in 2016. On the other hand, it includes restructuring expenses which will be recognized in profit and loss in the current financial year
- restructuring expenses in the Power business segment in the mid double-digit million euro range as well as non-cash impairments on property, plant and equipment in the amount of €14 million
- a substantial portion of the one-time expenses in connection with the further development of our compliance system and the conclusion of older cases in the total amount of approximately €50 million
- a burden on reported net profit due to the non-capitalization of deferred tax assets on the negative result of the holding

Business development in 2016 *€ million*	Output volume		EBITA adjusted	
	2015	expected 2016	2015	expected 2016
Industrial	3,650	significant decrease to about €3.1 billion	128	at prior-year level
Power	1,284	significant decrease to about €1.0 billion	-69	significant improvement, but still negative
Consolidation / other	68	-	-82	-
Group	5,002	significant decrease to about €4.1 billion	-23	significant improvement

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

Reclassification of the Building and Facility and Power business segments as of June 30, 2016
The Building, Facility Services and Real Estate divisions were sold in June 2016 to financial investor EQT, the transaction is expected to be completed in the third quarter of 2016. The sold units of the former Building and Facility business segment are therefore presented under discontinued operations in the interim financial statements as of June 30, 2016. The remaining unit Government Services is presented under 'Consolidation / other'.

The selling process for the Power business segment begun in mid 2015 was refocused. Instead of concentrating on a total sale, as has been the case until recently, individual sales and a value-optimized further development will now be pursued. In accordance with the International Financial Reporting Standards (IFRS), Power will be once again presented as continuing operations in the interim financial statements as of June 30, 2016.

Against the backdrop of this reclassification, the previous year figures have been adapted in the report as of June 30, 2016.