Press Release

November 12, 2013

**Interim Report Q3 2013:**

## Bilfinger details outlook for 2013

- **Increased earnings in the third quarter**
- **Concessions: sales negotiations at an advanced stage**
- **Divestment of loss-making road construction in Germany**


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The engineering and services group Bilfinger developed positively in the third quarter of 2013. Output volume, orders received and order backlog had caught up with the prior-year levels by the end of September, while adjusted EBITA for the third quarter was higher than in the same period of last year.

| **Key figures fort he Group** *€ million* | 9M | | | Q3 | | | |
|---|---|---|---|---|---|---|---|
| | **2013** | **2012** | **Δ in %** | **2013** | **2012** | **Δ in %** | **FY 2012** |
| Output volume | 6,235 | 6,289 | -1 | 2,206 | 2,192 | 1 | 8,586 |
| Orders received | 6,095 | 6,037 | 1 | 2,072 | 1,881 | 10 | 8,304 |
| Order backlog | 7,291 | 7,363 | -1 | 7,291 | 7,363 | -1 | 7,388 |
| EBITA adjusted [1, 2] | 253 | 268 | -6 | 107 | 104 | 3 | 378 |
| EBITA | 241 | 313 | -23 | 95 | 104 | -9 | 423 |
| Adjusted net profit from continuing operations [3] | 151 | 169 | -11 | 70 | 66 | 6 | 231 |
| Net profit [4] | 116 | 219 | -47 | 48 | 57 | -16 | 276 |
| Adjusted earnings per share from continuing operations [2] (in €) | 3.42 | 3.83 | -11 | 1.58 | 1.50 | 5 | 5.23 |
| Investments | 248 | 438 | -43 | 69 | 198 | -65 | 521 |
| thereof in P, P & E | 111 | 88 | 26 | 35 | 35 | 0 | 143 |
| thereof in financial assets | 137 | 350 | -61 | 34 | 163 | -79 | 378 |
| Number of employees | 71,912 | 66,855 | 8 | 71,912 | 66,855 | 8 | 66,683 |

*1) Adjusted in 2013 for one-time expenses in connection with the Bilfinger Excellence efficiency-enhancing program as well as for charges from the sale of our road construction activities in Germany totaling €12 million before taxes and €9 million after taxes.*

*2) Adjusted in 2012 for contributions to earnings from the sale of shares in the Nigerian business (Q3 2012: €0 million; 9M 2012 and FY 2012: €45 million before taxes and €37 million after taxes).*

*3) Adjusted for the special effects on EBITA referred to under 1) and 2) and for the amortization of intangible assets from acquisitions (Q3 2013: €9 million after taxes (Q3 2012: €10 million after taxes); 9M 2013: €26 million (9M 2012: €24 million); FY 2012: €35 million after taxes).*

*4) Includes continuing and discontinued operations.*

However, considerable efforts will continue to be necessary in the fourth quarter in order to achieve the goals that have been set for 2013. In view of the positive tendencies in business development, Bilfinger continues to assume that the company will increase adjusted earnings compared with the previous year. This will be supported by the initiatives implemented to increase the gross margin and to reduce overheads.

**Negotiations on the sale of the concessions projects at an advanced stage**

As previously reported, Bilfinger has decided to divest the Concessions segment. Negotiations with BBGI, an infrastructure fund listed on the London Stock Exchange, for the takeover of the project portfolio available for sale are at an advanced stage. BBGI is planning a capital increase to finance the transaction. According to current assessments and depending on the approval of the parties involved, several projects can be transferred to the buyer in the current year and the remaining portfolio can be transferred in 2014. As previously reported, two Canadian projects have already been sold to BBGI and the transaction will probably take effect in the fourth quarter of 2013. In total, Bilfinger anticipates gross sale proceeds in the magnitude of €270 million from the two transactions with BBGI; the capital gain will be in excess of €50 million. Transaction costs and expenses for winding-up the discontinued operations amount to more than €10 million according to current estimates.

The Group still has the M6 Duna and M6 Tolna highways in Hungary and the A1 autobahn in Germany in its portfolio. In light of the development of traffic volumes, the A1 autobahn project is currently under review.

**Divestment of loss-making road construction in Germany**

In addition to the aforementioned transactions, a contract has been signed on the sale of Bilfinger’s road construction activities in Germany. Bilfinger Infrastructure GmbH is to be acquired by Betam GmbH in Frankfurt am Main. One reason is that the company’s competitiveness is limited in the German market for road improvements and repairs, which is dominated by small and medium-sized enterprises.

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As a result, the Construction business segment has recognized a loss of €15 million in relation to Bilfinger Infrastructure GmbH as of September 30, 2013. The sale leads to an expense of €5 million, which is presented as a special item under adjusted EBITA. Bilfinger Infrastructure GmbH employs approximately 240 people and has generated annual output volume of approximately €100 million in recent years.

**Output volume, orders received and order backlog reach prior-year levels**

The shortfalls for output volume, orders received and order backlog that occurred in the first quarter had been largely offset by the end of September and key figures reached the levels of the prior-year period. Output volume amounted to €6,235 million. In an economic situation that continued to be challenging, orders received increased slightly to €6,095 million. Order backlog at the end of the third quarter amounted to €7,291 million.

**Positive earnings trend during the course of the year**

Adjusted EBITA of €253 million for the first nine months of the year was lower than the €268 million achieved in the prior-year period; but with an ongoing positive trend, it increased to €107 million in the third quarter (Q3 2012: €104 million). This was particularly the case for the Industrial business segment, in which both output volume and earnings also grew organically in the third quarter. In the Power business segment, output volume and earnings decreased slightly in the first nine months while the profit margin remained constant. The decrease in EBITA at the Building and Facility business segment is due solely to the deconsolidation of the Nigerian activities, on a comparative basis, earnings actually increased. In the Construction business segment, the situation in the field of infrastructure had a substantially negative impact on earnings.

Net profit amounted to €116 million (9M 2012: €219 million). Net profit from continuing operations adjusted for amortization of intangible assets from acquisitions and for the special items described above amounts to €151 million (9M 2012: €169 million); adjusted earnings per share from continuing operations amount to €3.42 (9M 2012: €3.83).

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**Detailed outlook for 2013**

Bilfinger's earnings forecast relates to adjusted EBITA and adjusted net profit from continuing operations. This serves to enable comparability over time.

Despite the significant volume reduction in the Construction business segment and the effect of the deconsolidation of the Nigerian business in the Building and Facility segment, Bilfinger anticipates stable output volume of close to €8.6 billion in full-year 2013. This development is also based on the acquisitions that have already taken place.

Adjusted EBITA will increase this year to approximately €400 million (FY 2012: €378 million). For adjusted net profit from continuing operations, the company plans to achieve an increase to more than €240 million (FY 2012: €231 million). In a market environment that continues to feature investment restraint and price pressure, especially in the Industrial and the Building and Facility segments, Bilfinger intends to achieve this earnings growth through the planned increase in output volume in the area of services as well as through continuous measures taken throughout the Group to enhance efficiency and optimize costs.