

# INTERIM REPORT

Q2 2014



ENGINEERING  
AND SERVICES

	Interim group management report
3	Significant events
4	Output volume, orders received, order backlog
5	Earnings situation
5	Financial position
5	Workforce
6	Opportunities and risks
6	Outlook
<hr/>	
7	Developments in the business segments
8	Industrial
9	Power
10	Building and Facility
11	Discontinued operations: Construction
<hr/>	
	Interim consolidated financial statements
13	Consolidated income statement
14	Consolidated statement of comprehensive income
15	Consolidated balance sheet
16	Consolidated statement of changes in equity
17	Consolidated statement of cash flows
<hr/>	
18	Notes to the interim consolidated financial statements
<hr/>	
26	Responsibility statement
27	Review report
<hr/>	
28	Bilfinger shares
30	Financial calendar

# Interim group management report

First half of 2014 did not meet expectations

Special items in Power business segment require forecast adjustment

Measures initiated to adjust capacities and further reduce costs

Positive development anticipated for the second half of the year

The military conflicts in Ukraine and the Middle East are dampening expectations for economic development. This has caused the World Bank to downgrade its global growth forecast for 2014, despite the good economy in the United States. In Germany, the energy transformation is leading to considerable reticence to invest on the part of energy providers. German energy policy is having an unexpectedly strong negative impact on the investment climate in other countries of Central Europe. Furthermore, companies in the European oil and gas sector are taking measures to achieve substantial savings, with a negative impact on the repair and maintenance of their facilities, triggered by falling gas prices in the United States. Another factor is that the lack of power plant projects in Germany is causing scaffolding companies and other specialists

to seek work in other markets. This is putting increasing pressure on prices in the European industrial business.

Against this backdrop and as a result of additional project burdens, Bilfinger's business development did not meet expectations in the first half of 2014, as previously announced at the end of June. While output volume was at the prior-year level, adjusted EBITA for the first six months of the year was significantly lower than in the first half of 2013. We promptly initiated measures to adjust capacities and to further reduce costs, and we anticipate a significantly stronger second half of the year 2014. Nevertheless, the repeated reduction in earnings expectations in the Power business segment necessitates an adjustment to the forecast of June 30 for financial year 2014.

KEY FIGURES FOR THE GROUP € million	H1			Q2			1-12/2013
	2014	2013	Δ in %	2014	2013	Δ in %	
Output volume	3,628	3,637	0	1,907	1,961	-3	7,684
Orders received	3,516	3,728	-6	1,639	1,929	-15	7,543
Order backlog	6,392	6,539	-2	6,392	6,539	-2	6,506
EBITA adjusted <sup>1,2</sup>	111	150	-26	65	93	-30	419
EBITA	80	150	-47	63	93	-32	353
Adjusted net profit from continuing operations <sup>3</sup>	71	84	-15	47	55	-15	255
Net profit <sup>4</sup>	55	68	-19	47	47	0	173
Adjusted earnings per share from continuing operation <sup>2</sup> (in €)	1.61	1.90	-15	1.06	1.25	-15	5.78
Investments	89	169	-47	49	76	-36	401
thereof in property, plant and equipment	81	66	+23	44	46	-4	150
thereof in financial assets	8	103	-92	5	30	-83	251
Employees	70,016	66,359	5	70,016	66,359	5	71,256

<sup>1</sup> Adjusted in H1 2014 for one-time expenses in connection with the Bilfinger Excellence efficiency-enhancing program of €31 million before taxes (H1 2013: €0 million) and €21 million after taxes (H1 2013: €0 million).

<sup>2</sup> Adjusted in FY 2013 for one-time expenses in connection with the Bilfinger Excellence efficiency-enhancing program and for the capital gain on the reduction of our investment in Julius Berger Nigeria totaling €66 million before taxes and €40 million after taxes.

<sup>3</sup> Adjusted for the special effects on EBITA referred to under 1) and 2) and for the amortization of intangible assets from acquisitions (H1 2014: €15 million after taxes (H1 2013: €17 million after taxes); FY 2013: €35 million after taxes).

<sup>4</sup> Includes continuing and discontinued operations.

### Change in Executive Board Chairmanship

Roland Koch, Chairman of the Executive Board at Bilfinger SE since 2011, has offered the Supervisory Board of the company to step down on mutually agreeable terms. The Supervisory Board will make a decision in this regard at its meeting on August 7, 2014. In addition, the Supervisory Board will also make a decision on the appointment of Herbert Bodner, Member of the Supervisory Board and former Chairman of the Executive Board, as Chairman of the Executive Board of Bilfinger SE with effect from August 11, 2014 to May 31, 2015 on an interim basis.

### Further cost reductions and faster implementation of Bilfinger Excellence

Due to the developments described above, Bilfinger will adjust its capacities at Power, the business segment particularly affected, and also in some areas of the Industrial business segment. This will lead to an additional restructuring expense in a probable magnitude of €30 million in the second half of the year. Furthermore, additional short-term cost-reduction programs were initiated immediately and measures were introduced to sustainably improve the profitability of the operating units.

Moreover, we will accelerate the implementation of Excellence, the efficiency-enhancing program already in place. The restructuring will lead to a reduction of approximately 1,250 employees in administrative areas worldwide in the years 2014 and 2015. The new shared service center in which standardized administrative tasks will be centrally concentrated will start operation in late summer 2014. As a first step, services that until now have been performed in Germany separately by the operating entities such as accounting, payroll processing and human resources management will be concentrated at two sites. Similar changes are being planned for our sites outside Germany. In addition, internal IT services will be largely centralized.

With an amount of approximately €115 million, most of the expenditure for Excellence has already been incurred; this amount primarily comprises costs for personnel reductions. Full implementation of the measures will lead to annual savings in personnel costs of €80-90 million and in non-personnel costs in the low to mid double-digit million range as of 2016. The savings effects will reach a magnitude of €50 million already this year and will contribute pro-rata to increased earnings in the second half of the year.

### Acquisition of market leader for real-estate consulting in the United Kingdom

We acquired GVA, a British company, in early July 2014. GVA is market leader for real-estate consulting services in the United Kingdom; it aims to achieve an output volume of around €190 million this year. With the acquisition of GVA, we are adding to the range of services we offer in the important British market.

### Sale process of major portions of the civil-engineering business running as planned

The structured process for the sale of major portions of our civil-engineering business with an output volume of approximately €800 million is running as planned. We assume that the sale process we started in May 2014 can be concluded within one year.

### Four concession projects transferred to buyers

Already last year, Bilfinger sold most of its concession activities to the listed infrastructure fund BBGI. In this context, four more projects were transferred to the investment fund in the first half of 2014. The remaining sold concession project will be transferred in the second half of the year. In full-year 2014, we anticipate proceeds of approximately €100 million and a capital gain of about €15 million. In addition, we placed the shares we had held in the BBGI infrastructure fund with institutional investors in April 2014. The net proceeds from the sale of the 8.74 percent equity interest amounted to approximately €50 million and the capital gain was about €6 million.

### Construction and Concessions: discontinued operations

The key figures of the activities of the former Construction and Concessions business segments that are now in the process of sale are no longer presented in our business segments, but under *discontinued operations*. All of the figures presented in this interim management report relate, unless otherwise stated, to the Group's continuing operations; the figures for the prior-year period have been adjusted accordingly.

### Stable output volume

Output volume for the first six months of this year was stable at €3,628 million. Orders received decreased due to the developments in the Industrial business segment by 6 percent to €3,516 million. The order backlog of €6,392 million was 2 percent lower than a year earlier.

### Earnings significantly below prior-year period

Adjusted EBITA for the first half of the year of €111 million was significantly lower than the figure of €150 million achieved in the prior-year period. This was primarily the result of the negative development at the Power business segment due to considerable reticence to invest on the part of the European energy providers and some weak project earnings. Also at Industrial, earnings decreased due to the lack of German power-plant projects and the situation in the European oil and gas sector. In the Building and Facility segment, however, EBITA increased as a result of acquisitions and organic growth. After considering further one-time expenses of €31 million relating to our Bilfinger Excellence efficiency-enhancing program, the Group's EBITA amounts to €80 million (H1 2013: €150 million).

After deducting amortization of intangible assets from acquisitions of €21 million (H1 2013: €25 million), EBIT amounts to €59 million (H1 2013: €125 million). Gross profit amounts to €446 million (H1 2014: €455 million) and the gross margin is 12.3 percent (H1 2013: 12.5 percent). Selling and administrative expenses increased to €397 million (H1 2013: €367 million). They include one-time expenses for Bilfinger Excellence of €12 million in the first half of this year; the rest of the increase is the result of first-time consolidation. Due to a lower organic output volume, the share of selling and administrative expenses adjusted for the one-time expenses was 10.6 percent (H1 2013: 10.1 percent).

Net interest expense decreased to €14 million (H1 2013: €24 million). This includes a gain of €6 million on the sale of our shares in the BBGI investment fund. An additional factor is that interest expenses fell due to the repayment of a promissory-note loan in the middle of last year. This results in earnings from continuing operations of €45 million before taxes (H1 2013: €101 million) and of €33 million after taxes (H1 2013: €70 million).

Earnings after taxes from discontinued operations of the former Concessions business segment and from the activities held for sale of the former Construction business segment amount to €20 million (H1 2013: €1 million). Earnings for the reporting period include a gain of €14 million from the sale of four more concession projects.

After taking into consideration the profit attributable to minority interest, net profit amounts to €55 million (H1 2013: €68 million). Net profit from continuing operations adjusted for amortization of intangible assets from acquisitions and for the one-time expenses for Bilfinger Excellence amounts to €71 million (H1 2013: €84 million); adjusted earnings per share from continuing operations amount to €1.61 (H1 2013: €1.90).

### Sound financial position and cash flows

The net cash outflow from operating activities of €184 million (H1 2013: €169 million) was affected by the increase in working capital during the year, which is typical of our business. Working capital increased to plus €5 million at the end of June (end of 2013 for comparison: minus €285 million). This development reflects an increase in receivables accompanied by a decrease in provisions and payables.

Investing activities resulted in a net cash inflow of €42 million, compared with a net cash outflow of €162 million in the first half of last year. The cash inflow resulted from proceeds of €92 million from the disposal of concession projects (H1 2013: €0 million) and proceeds of €50 million from the sale of our interest in BBGI. Only €8 million was applied for the acquisition of companies and other financial assets in the first half of this year (H1 2013: €103 million). Investments in property, plant and equipment totaled €81 million (H1 2013: €66 million) while proceeds from disposals of property, plant and equipment amounted to €12 million (H1 2013: €6 million).

The net cash outflow from financing activities of €135 million (H1 2013: €141 million) primarily reflects the dividend payment for the previous year.

Discontinued operations resulted in a net cash outflow of €102 million (H1 2013: €92 million).

Cash and cash equivalents amounted to €299 million at June 30 (June 30, 2013: €493 million). Financial debt – excluding project credit on a non-recourse basis, for which Bilfinger is not liable – amounted to €540 million (June 30, 2013: €703 million). Net liquidity at June 30, 2014 was minus €241 million (June 30, 2013: minus €210 million).

### Decrease in workforce in first half of 2014

At the end of June 2014, 70,016 people were employed at the Bilfinger Group (June 30, 2013: 66,359). This figure includes the newly-acquired company Europa Support Services with 3,300 employees. The number of people employed abroad increased to 45,231 (June 30, 2013: 43,219) while the number of people employed in countries outside Europe was 12,677 (June 30, 2013: 13,775). The Bilfinger Group employed 24,785 people in Germany at the end of June 2014 (June 30, 2013: 23,140). Compared with December 31, 2013, the Group's total workforce decreased by 1,240 people.

### Opportunities and risks

No significant changes have occurred with regard to opportunities and risks compared with the situation as described on pages 110 ff of the 2013 Annual Report. Provisions have been recognized for all discernible risks; in our assessment, no risks exist that would jeopardize the continuing existence of the Bilfinger Group.

Our company has continued to develop according to plan since the end of the interim reporting period. No events have occurred that are of particular significance for the Group's profitability, cash flows or financial position. The exceptions to this are the negative special items in the Power business segment. Our business and economic environment has not changed substantially.

### Outlook: expectations for financial year 2014 adjusted

For the second half of 2014, we anticipate unchanged difficult conditions in the European energy market and a rather worsening environment in parts of the European oil and gas sector, otherwise a generally stable development of economic conditions. Provided that our assessments are accurate and the global economy does not display any recessionary tendencies, we anticipate the following developments in 2014, without taking future acquisitions into consideration.

For 2014, Bilfinger anticipates output volume of approximately €7.8 billion (2013 for comparison, excluding discontinued operations: €7.7 billion). Due to the additional project burdens in the Power business segment – from a power plant project in South Africa among other things – and the continuing strained situation in the energy market, Bilfinger now anticipates an adjusted EBITA of between €340-360 million (2013 for comparison: €419 million). Adjusted net profit will likely amount to between €205-220 million (2013 for comparison: €255 million). The cost-reducing measures that have now been initiated will have a positive impact on earnings in the second half of this year.

# Developments in the business segments

OVERVIEW OF OUTPUT VOLUME AND ORDER SITUATION* € million	Output volume		Orders received		Order backlog		Output volume
	H1 2014	Δ in %	H1 2014	Δ in %	6/2014	Δ in %	FY 2013
	Industrial	1,764	-2	1,631	-16	2,693	-1
Power	695	-15	806	15	1,547	-1	1,709
Building and Facility	1,220	15	1,104	-2	2,166	-6	2,346
Consolidation, other	-51		-25		-14		-92
<b>Continuing operations</b>	<b>3,628</b>	<b>0</b>	<b>3,516</b>	<b>-6</b>	<b>6,392</b>	<b>-2</b>	<b>7,684</b>

OVERVIEW OF OUTPUT VOLUME AND ORDER SITUATION* € million	Output volume		Orders received	
	Q2 2014	Δ in %	Q2 2014	Δ in %
	Industrial	931	-5	797
Power	368	-14	377	12
Building and Facility	636	11	468	-23
Consolidation, other	-28		-3	
<b>Continuing operations</b>	<b>1,907</b>	<b>-3</b>	<b>1,639</b>	<b>-15</b>

ADJUSTED EBITA BY BUSINESS SEGMENT* € million	H1			Q2			FY 2013
	2014	2013	Δ in %	2014	2013	Δ in %	
	Industrial	76	87	-13	45	54	
Power	24	60	-60	9	34	-74	152
Building and Facility	41	32	28	29	22	32	116
Consolidation, other	-30	-29		-18	-17		-63
<b>Continuing operations</b>	<b>111</b>	<b>150</b>	<b>-26</b>	<b>65</b>	<b>93</b>	<b>-30</b>	<b>419</b>

\* With the introduction of the new organizational structure, the allocation of some operational Group companies to the business segments has changed. As a result, output volume from the year 2013 of €310 million, orders received of €331 million and order backlog of €221 million that were previously allocated to the Industrial business segment are allocated to the Power business segment as of the year 2014. Accordingly, EBITA of €24 million from the year 2013 that was previously allocated to the Industrial business segment is allocated to the Power business segment as of the year 2014. In addition, the units of the former Construction business segment that are not held for sale have been allocated to the Industrial and Power business segments. This increases output volume for 2013 at Industrial by €69 million and at Power by €143 million; EBITA increases at Industrial by €6 million and at Power by €5 million. The prior-year figures have been adjusted accordingly.

## Industrial

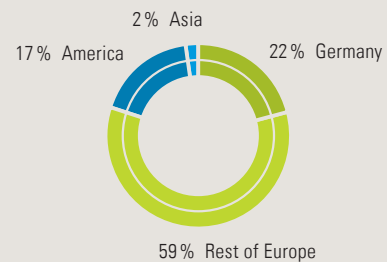
Oil and gas companies reduce investment and maintenance budgets in Europe

Unchanged strong demand in the United States

EBITA margin to improve as a result of efficiency enhancements

KEY FIGURES € million	H1			Q2			FY 2013
	2014	2013	Δ in %	2014	2013	Δ in %	
Output volume	1,764	1,806	-2	931	978	-5	3,721
Orders received	1,631	1,942	-16	797	1,004	-21	3,986
Order backlog	2,693	2,709	-1	2,693	2,709	-1	2,791
Capital expenditure on P, P & E	33	34	-3	16	19	-16	74
EBITA / EBITA adjusted	76	87	-13	45	54	-17	214

### TARGET OUTPUT VOLUME BY REGION IN 2014



### Performance

Output volume of €1,764 million in the Industrial business segment in the first half of the year was slightly lower than in the prior-year period. Orders received in the reporting period decreased significantly to €1,631 million. New business was impacted by the reticence of parts of the European oil and gas industry to invest as well as reductions in those companies' maintenance budgets, especially in Scandinavia. Another negative factor was the lack of follow-up orders in the German power-plant business. Furthermore, the lower orders received in the current year is also a consequence of typical volatility in the project business and in the inclusion of long-term framework agreements. This also impacts our activities in the oil and gas sector in the United States despite continued positive demand. In the previous year, these effects resulted in a very high orders received. Therefore, orders received are unlikely to reach the very high level of the previous year also in the full year.

The order backlog of €2,693 million at the end of June was at the level of a year earlier.

EBITA amounted to €76 million (H1 2013: €87 million). We are counteracting the partially challenging market environment and the ongoing pressure on prices by taking numerous measures to further enhance our efficiency.

### Outlook

In the Industrial business segment, we anticipate output volume of approximately €3.7 billion (2013 for comparison: €3.7 billion) and an increase in the EBITA margin to a good 6 percent (2013 for comparison: 5.7 percent). The cost-reducing programs that have now been initiated will make a significant contribution to those results.

### Major events

In Norway, we concluded a full-service agreement with our longstanding client Yara, Scandinavia's biggest producer of fertilizer. At the company's sites in Porsgrunn and Glomfjord, we will be responsible for engineering, technical consulting and maintenance of the production plants. We will also provide logistical services and carry out various projects. The framework agreement has a volume of more than €60 million and runs for a period of five years.

We are increasingly expanding our range of industrial services to selected international markets where we see good development prospects. We were commissioned by plant engineers Rafako with the design of the new power plant block in Jaworzno, Poland. Bilfinger assumes responsibility for complete systems design, basic and detailed engineering, project management and the tendering of systems technology. The order has a volume of about €20 million. In the United Kingdom we recently received an order for insulation work at a power plant in Buckinghamshire. And our Spanish unit started work in July on the insulation of equipment at the solar-thermal power plant in Ouarzazate, Morocco.

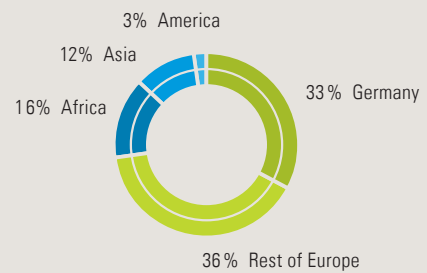


Forecast restated

Weak demand requires capacity adjustments

KEY FIGURES € million	H1			Q2			FY 2013
	2014	2013	Δ in %	2014	2013	Δ in %	
Output volume	695	815	-15	368	429	-14	1,709
Orders received	806	703	15	377	336	12	1,461
Order backlog	1,547	1,560	-1	1,547	1,560	-1	1,435
Capital expenditure on P, P & E	22	22	0	14	19	-26	43
EBITA / EBITA adjusted	24	60	-60	9	34	-74	152

TARGET OUTPUT VOLUME BY REGION IN 2014



Performance

As previously reported, the Power business segment is especially suffering from the consequences of the energy transformation in Germany and from the negative impact arising from the investment behavior in other Central European countries. Our Piping Systems division is primarily affected by these developments.

Output volume in the business segment declined significantly in the first half of the year to €695 million. Orders received rose to €806 million on the basis of development in the offshore business – formerly a component of the Construction business segment and now allocated to the Power business segment. Order backlog remained nearly unchanged at €1,547 million.

EBITA was at just €24 million (H1 2013: €60 million) due to currently lower utilization of capacities primarily in the Piping Systems division as well as burdens from projects – especially from a major project in South Africa.

Outlook

The burdens mentioned above necessitate an adjustment of the forecast for financial year 2014. The EBITA margin in the Power business segment will decline considerably to the region of 4 to 5 percent (2013 for comparison: 8.9 percent). We anticipate an output volume of approximately €1.5 billion (2013 for comparison: €1.7 billion).

Major events

Bilfinger will adjust its capacities in piping construction to declining demand and will cut up to 300 jobs in this area. In addition, further cost reduction measures will be initiated in the short term.

Our broad range of services continues to open up strong prospects in many international markets. The need for clean and efficient power plants is unchanged in Europe. This places undiminished high demands on ongoing maintenance work and means that the tremendous need for modernization will continue. Our focus will also be on new markets when a decision is made on the future alignment of activities in the Power business segment.

We have taken an important step forward in the expansion of our position on the French power plant market: Bilfinger has won an order from French utility Electricité de France SA (EDF) for the modernization of the piping systems in a number of nuclear power plants. The framework agreement concluded after the balance sheet date has a term of five years and the total volume amounts to €50 million. The basis for this success is the close internal collaboration among the divisions in our Industrial and Power business segments. The Engineering, Automation and Control division supported contract negotiations with EDF and will also contribute design services to the project. The Piping Systems division is responsible for engineering, delivery, prefabrication, assembly and maintenance works for the piping systems.

## Building and Facility

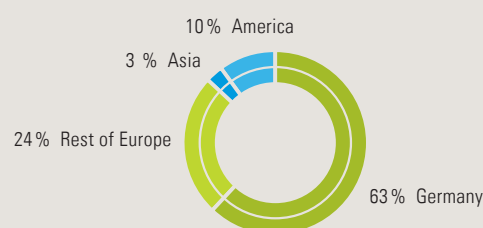
Output volume and EBITA increased significantly

Acquisition in the important British real-estate market

Continuing successful development expected

KEY FIGURES € million	H1			Q2			FY 2013
	2014	2013	Δ in %	2014	2013	Δ in %	
Output volume	1,220	1,057	15	636	574	11	2,346
Orders received	1,104	1,126	-2	468	606	-23	2,181
Order backlog	2,166	2,297	-6	2,166	2,297	-6	2,304
Capital expenditure on P, P & E	12	8	50	3	6	-50	21
EBITA / EBITA adjusted	41	32	28	29	22	32	116

### TARGET OUTPUT VOLUME BY REGION IN 2014



### Performance

The Building and Facility business segment continues to develop well. Output volume increased substantially to €1,220 million with a significant contribution coming from the acquisition of British real-estate services provider Europa Support Services at the end of 2013. Although development in the Facility division was positive, orders received nonetheless declined slightly to €1,104 million. The reasons behind this development lie in the Building division and the volatility that is typical in this business. Order backlog amounted to €2,166 million on the balance sheet date.

EBITA increased significantly to €41 million (H1 2013: €32 million).

### Outlook

Output volume in the business segment will grow organically and – particularly as a result of the acquisitions made – will increase substantially to approximately €2.7 billion (2013: €2.3 billion). The EBITA margin of approximately 5 percent (2013: 4.9 percent) will be at the upper end of the target corridor of 4.5 to 5 percent.

### Major events

The situation on our markets in the Building and Facility business segment is stable. In Germany, demand is shaped by the continuously growing importance of energy efficiency in real estate – an area in which Bilfinger has an especially extensive range of services through the combination of its building construction and facility services competence.

In water technologies, which was significantly expanded in the prior year as a result of the acquisition of specialist supplier Johnson Screens, positive development of demand is being recorded in the Asian markets in particular.

With the acquisition of GVA in June 2014, we added complex consulting services for investors, companies and the public sector to our range of services in British markets. The focus of the company's business operations is in London. GVA is also represented throughout the country with a network of regional offices. GVA will be merged with asset and property management specialists Bilfinger Real Estate which is primarily active in Germany and in the Benelux countries and which is part of our Real Estate division. As a result of the acquisition of GVA, the output volume in this division will more than double from the current level of roughly €160 million.

In December 2013, Bilfinger acquired facility services provider Europa Support Services, a company specialized in technical and infrastructural services. With the two acquisitions we increase the annual output volume in our Building and Facility business segment in the United Kingdom from €35 million in financial year 2013 to approximately €400 million in the future.

# Discontinued operations

## Construction

KEY FIGURES € million	H1			Q2			FY 2013
	2014	2013	Δ in %	2014	2013	Δ in %	
Output volume	342	392	-13	180	211	-15	826
Orders received	418	295	42	309	114	171	753
Order backlog	982	890	10	982	890	10	905
Capital expenditure on P, P & E	7	11	-36	3	4	-25	20
EBITA / EBITA adjusted	12	-4		7	4	75	-10

Output volume in the first six months of 2014 decreased due to the sharp decline in orders received in the previous year. Orders received in the reporting period increased significantly as a result of the major order for the construction of the Eiganes Tunnel in the Norwegian town of Stavanger. Earnings also improved considerably.

### Outlook

After a sharp decrease in output volume in the previous year to €826 million, we anticipate a similar result in 2014. Earnings will improve substantially due to the sale in 2013 of the loss-making road-construction activities in Germany and the turnaround in Poland.

	Interim consolidated financial statements
13	Consolidated income statement
14	Consolidated statement of comprehensive income
15	Consolidated balance sheet
16	Consolidated statement of changes in equity
17	Consolidated statement of cash flows
<hr/>	
18	Notes to the interim consolidated financial statements
<hr/>	
26	Responsibility statement
27	Review report
<hr/>	
28	Bilfinger shares
30	Financial calendar

# Interim consolidated financial statements

CONSOLIDATED INCOME STATEMENT € million	Jan. 1 - June 30		Apr. 1 - June 30	
	2014	2013	2014	2013
Output volume (for information only)	3,628	3,637	1,907	1,961
<b>Revenue</b>	<b>3,645</b>	<b>3,584</b>	<b>1,930</b>	<b>1,945</b>
Cost of sales	-3,199	-3,129	-1,689	-1,689
<b>Gross profit</b>	<b>446</b>	<b>455</b>	<b>241</b>	<b>256</b>
Selling and administrative expenses	-397	-367	-201	-196
Other operating income and expense	-10	8	0	3
Income from investments accounted for using the equity method	20	29	13	17
<b>Earnings before interest and taxes (EBIT)</b>	<b>59</b>	<b>125</b>	<b>53</b>	<b>80</b>
Net interest result	-14	-24	-3	-11
<b>Earnings before taxes</b>	<b>45</b>	<b>101</b>	<b>50</b>	<b>69</b>
Income tax expense	-12	-31	-14	-22
<b>Earnings after taxes from continuing operations</b>	<b>33</b>	<b>70</b>	<b>36</b>	<b>47</b>
<b>Earnings after taxes from discontinued operations</b>	<b>20</b>	<b>1</b>	<b>9</b>	<b>2</b>
<b>Earnings after taxes</b>	<b>53</b>	<b>71</b>	<b>45</b>	<b>49</b>
thereof minority interest	-2	3	-2	2
<b>Net profit</b>	<b>55</b>	<b>68</b>	<b>47</b>	<b>47</b>
Average number of shares (in thousands)	44,158	44,140	44,158	44,140
Earnings per share (in €) <sup>1</sup>	1.25	1.54	1.06	1.06
thereof from continuing operations	0.80	1.52	0.86	1.02
thereof from discontinued operations	0.45	0.02	0.20	0.04

<sup>1</sup> Basic earnings per share are equal to diluted earnings per share.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

€ million

	Jan. 1 - June 30		Apr. 1 - June 30	
	2014	2013	2014	2013
<b>Earnings after taxes</b>	<b>53</b>	71	<b>45</b>	49
<b>Items that will not be reclassified to the income statement</b>				
Gains / losses from remeasurement of net defined benefit liability (asset)				
Unrealized gains / losses	-41	-4	-20	-3
Income taxes on unrealized gains / losses	11	1	6	1
	<b>-30</b>	-3	<b>-14</b>	-2
<b>Items that may subsequently be reclassified to the income statement</b>				
Gains / losses on fair-value measurement of securities				
Unrealized gains / losses	-2	0	-2	-1
Reclassifications to the income statement	-6	0	-6	0
	<b>-8</b>	0	<b>-8</b>	-1
Gains / losses on hedging instruments				
Unrealized gains / losses	-2	33	-1	26
Reclassifications to the income statement	-2	2	0	-1
Income taxes on unrealized gains / losses	1	-9	0	-6
	<b>-3</b>	26	<b>-1</b>	19
Currency translation differences				
Unrealized gains / losses	12	-25	11	-49
Reclassifications to the income statement	4	0	0	0
	<b>16</b>	-25	<b>11</b>	-49
Gains / losses on investments accounted for using the equity method				
Gains / losses on hedging instruments				
Unrealized gains / losses	-2	27	-1	-1
Reclassifications to the income statement	23	0	-1	0
	<b>21</b>	27	<b>-2</b>	-1
Currency translation differences				
Unrealized gains / losses	1	0	1	0
	<b>22</b>	27	<b>-1</b>	-1
	<b>27</b>	28	<b>1</b>	-32
<b>Other comprehensive income after taxes</b>	<b>-3</b>	25	<b>-13</b>	-34
<b>Total comprehensive income after taxes</b>	<b>50</b>	96	<b>32</b>	15
attributable to shareholders of Bilfinger SE	<b>51</b>	93	<b>33</b>	13
attributable to minority interest	-1	3	-1	2

**CONSOLIDATED BALANCE SHEET**

€ million

	June 30, 2014	Dec. 31, 2013	June 30, 2013
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	1,999	2,023	1,948
Property, plant and equipment	666	712	717
Investments accounted for using the equity method	68	75	85
Other financial assets	82	137	128
Deferred taxes	168	187	167
	<b>2,983</b>	<b>3,134</b>	<b>3,045</b>
<b>Current assets</b>			
Inventories	206	224	216
Receivables and other financial assets	1,933	2,008	2,078
Current tax assets	52	52	29
Other assets	112	89	107
Cash and cash equivalents	299	669	493
Assets classified as held for sale	426	356	688
	<b>3,028</b>	<b>3,398</b>	<b>3,611</b>
	<b>6,011</b>	<b>6,532</b>	<b>6,656</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity attributable to shareholders of Bilfinger SE	2,068	2,149	1,991
Minority interest	9	16	12
	<b>2,077</b>	<b>2,165</b>	<b>2,003</b>
<b>Non-current liabilities</b>			
Provisions for pensions and similar obligations	455	423	431
Other provisions	53	61	57
Financial debt, recourse	516	517	521
Financial debt, non-recourse	13	13	24
Other liabilities	53	49	61
Deferred taxes	60	150	143
	<b>1,150</b>	<b>1,213</b>	<b>1,237</b>
<b>Current liabilities</b>			
Current tax liabilities	84	117	113
Other provisions	454	552	535
Financial debt, recourse	24	28	182
Financial debt, non-recourse	27	28	0
Trade and other payables	1,451	1,749	1,689
Other liabilities	309	365	326
Liabilities classified as held for sale	435	315	571
	<b>2,784</b>	<b>3,154</b>	<b>3,416</b>
	<b>6,011</b>	<b>6,532</b>	<b>6,656</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ million

	Equity attributable to the shareholders of Bilfinger SE							Minority interest	Equity	
	Share capital	Capital reserve	Retained and distributable earnings	Other reserves			Total			
				Fair-value measurement of securities reserve	Hedging instruments reserve	Currency translation reserve				Treasury shares
<b>Balance at January 1, 2013</b>	138	759	1,415	5	-211	23	-100	2,029	8	<b>2,037</b>
Earnings after taxes	0	0	68	0	0	0	0	68	3	71
Other comprehensive income after taxes	0	0	-3	0	53	-25	0	25	0	25
<b>Total comprehensive income after taxes</b>	<b>0</b>	<b>0</b>	<b>65</b>	<b>0</b>	<b>53</b>	<b>-25</b>	<b>0</b>	<b>93</b>	<b>3</b>	<b>96</b>
Dividends paid out	0	0	-132	0	0	0	0	-132	-3	-135
Employee share program	0	0	1	0	0	0	0	1	0	1
Changes in ownership interest without change in control	0	0	0	0	0	0	0	0	0	0
Other changes	0	0	0	0	0	0	0	0	4	4
<b>Balance at June 30, 2013</b>	<b>138</b>	<b>759</b>	<b>1,349</b>	<b>5</b>	<b>-158</b>	<b>-2</b>	<b>-100</b>	<b>1,991</b>	<b>12</b>	<b>2,003</b>
<b>Balance at January 1, 2014</b>	<b>138</b>	<b>760</b>	<b>1,455</b>	<b>8</b>	<b>-61</b>	<b>-52</b>	<b>-99</b>	<b>2,149</b>	<b>16</b>	<b>2,165</b>
Earnings after taxes	0	0	55	0	0	0	0	55	-2	53
Other comprehensive income after taxes	0	0	-30	-8	18	16	0	-4	1	-3
<b>Total comprehensive income after taxes</b>	<b>0</b>	<b>0</b>	<b>25</b>	<b>-8</b>	<b>18</b>	<b>16</b>	<b>0</b>	<b>51</b>	<b>-1</b>	<b>50</b>
Dividends paid out	0	0	-132	0	0	0	0	-132	-4	-136
Employee share program	0	0	0	0	0	0	0	0	0	0
Changes in ownership interest without change in control	0	0	0	0	0	0	0	0	0	0
Other changes	0	0	0	0	0	0	0	0	-2	-2
<b>Balance at June 30, 2014</b>	<b>138</b>	<b>760</b>	<b>1,348</b>	<b>0</b>	<b>-43</b>	<b>-36</b>	<b>-99</b>	<b>2,068</b>	<b>9</b>	<b>2,077</b>



**CONSOLIDATED STATEMENT OF CASH FLOWS**

€ million

	Jan. 1 - June 30		Apr. 1 - June 30	
	2014	2013	2014	2013
Earnings after taxes from continuing operations	33	70	36	47
Depreciation, amortization and impairments	77	79	41	42
Decrease in non-current provisions and liabilities	-6	-3	-1	-5
Deferred tax benefit	-19	-17	-8	-9
Adjustment for non-cash income from equity-method investments	-10	-11	-9	-8
<b>Cash earnings from continuing operations</b>	<b>75</b>	<b>118</b>	<b>59</b>	<b>67</b>
Increase in inventories	-9	-10	-2	-4
Increase in receivables	-81	-120	1	-106
Decrease in current provisions	-48	-41	-33	-12
Decrease / increase in liabilities	-114	-114	-7	59
<b>Change in working capital</b>	<b>-252</b>	<b>-285</b>	<b>-41</b>	<b>-63</b>
Gains on disposals of non-current assets	-7	-2	-6	-1
<b>Cash flow from operating activities of continuing operations</b>	<b>-184</b>	<b>-169</b>	<b>12</b>	<b>3</b>
Proceeds from the disposal of property, plant and equipment	12	6	3	4
Proceeds from the disposal of subsidiaries net of cash and cash equivalents disposed of	0	1	0	0
Proceeds from the disposal of concession projects	92	0	28	0
Disposal of cash and cash equivalents classified as assets held for sale	-23	0	-23	0
Investments in property, plant and equipment and intangible assets	-81	-66	-44	-46
Acquisition of subsidiaries net of cash and cash equivalents acquired	-4	-101	-3	-30
Investments in other financial assets	-4	-2	-2	0
Changes in marketable securities	50	0	50	0
<b>Cash flow from investing activities of continuing operations</b>	<b>42</b>	<b>-162</b>	<b>9</b>	<b>-72</b>
Dividends paid to the shareholders of Bilfinger SE	-132	-132	-132	-132
Dividends paid to minority interest	-7	-3	-6	-3
Borrowing	17	20	11	16
Repayment of financial debt	-13	-26	-1	-16
<b>Cash flow from financing activities of continuing operations</b>	<b>-135</b>	<b>-141</b>	<b>-128</b>	<b>-135</b>
<b>Change in cash and cash equivalents of continuing operations</b>	<b>-277</b>	<b>-472</b>	<b>-107</b>	<b>-204</b>
Cash flow from operating activities of discontinued operations	-98	-59	-49	-4
Cash flow from investing activities of discontinued operations	-4	-33	-3	-4
<b>Change in cash and cash equivalents of discontinued operations</b>	<b>-102</b>	<b>-92</b>	<b>-52</b>	<b>-8</b>
Change in value of cash and cash equivalents due to changes in foreign exchange rates	3	-2	2	-2
Cash and cash equivalents at January 1 / April 1	669	1,087	451	735
Cash and cash equivalents classified as assets held for sale (Concessions) at January 1 / April 1 (+)	22	0	21	0
Cash and cash equivalents classified as assets held for sale (Concessions / Construction) at June 30 (-)	16	28	16	28
<b>Cash and cash equivalents at June 30</b>	<b>299</b>	<b>493</b>	<b>299</b>	<b>493</b>

# Notes to the interim consolidated financial statements

## 1. Segment reporting

Segment reporting is prepared in accordance with IFRS 8. The reportable segments of the Bilfinger Group reflect the internal reporting structure. The definition of the segments is based on products and services.

In the context of the Bilfinger Excellence efficiency-enhancing program, the previous subgroup organization was discontinued and has been replaced with a divisional structure since January 1, 2014. The 13 divisions are allocated to the three existing business segments. The number of divisions declined from 14 as of March 31, 2014 by two as result of the classification of the activities of the former Construction business segment as discontinued operations and at the same time increased by one as a result of the newly-created *Offshore Systems and Grids* division. With the implementation of the new organizational structure, the allocation of some operational Group companies to the business segments has changed. This means that from financial year 2014, output volume of approximately €310 million from 2013 with an EBITA of €24 million will be shifted from the Industrial business segment and presented in the Power business segment.

In the course of the planned sale of significant portions of the Construction business segment, the activities that have been put up for sale will be classified as discontinued operations. The Construction business segment is no longer presented in segment reporting. The activities that will remain with Bilfinger, including port construction, offshore and overhead power lines with an output volume in financial year 2013 of approximately €140 million and an EBITA of €5 million will be allocated to the newly-created *Offshore Systems and Grids* division in the Power business segment, the remaining steel construction activities with an output volume in financial year 2013 of approximately €70 million and an EBITA of €6 million will be reported in the *Industrial Fabrication and Installation* division in the Industrial business segment.

The prior-year figures have been adjusted accordingly.

*Earnings before interest, taxes and amortization of intangible assets from acquisitions* (EBITA) is the key performance indicator for the business units and the Group, and thus the metric for earnings in our segment reporting. EBIT is also reported. The reconciliation of EBIT to earnings before taxes from continuing operations is derived from the consolidated income statement.

SEGMENT REPORTING JANUARY 1 - JUNE 30 € million	Output volume		External revenue		Internal revenue		EBITA		Amortization of intangible assets from acquisitions		EBIT	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Industrial	1,764	1,807	1,765	1,781	40	36	76	87	-11	-14	65	73
Power	695	815	690	756	3	2	24	60	-2	-4	22	56
Building and Facility	1,220	1,057	1,190	1,034	12	15	41	32	-8	-7	33	25
Consolidation, other	-51	-42	0	13	-55	-53	-61	-29	0	0	-61	-29
<b>Continuing operations</b>	<b>3,628</b>	<b>3,637</b>	<b>3,645</b>	<b>3,584</b>	<b>0</b>	<b>0</b>	<b>80</b>	<b>150</b>	<b>-21</b>	<b>-25</b>	<b>59</b>	<b>125</b>

SEGMENT REPORTING APRIL 1 - JUNE 30 € million	Output volume		External revenue		Internal revenue		EBITA		Amortization of intangible assets from acquisitions		EBIT	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Industrial	931	979	926	964	25	18	45	54	-5	-8	40	46
Power	368	429	369	405	2	2	9	34	-1	-1	8	33
Building and Facility	636	574	625	567	6	7	29	22	-4	-4	25	18
Consolidation, other	-28	-21	10	9	-33	-27	-20	-17	0	0	-20	-17
<b>Continuing operations</b>	<b>1,907</b>	<b>1,961</b>	<b>1,930</b>	<b>1,945</b>	<b>0</b>	<b>0</b>	<b>63</b>	<b>93</b>	<b>-10</b>	<b>-13</b>	<b>53</b>	<b>80</b>

## 2. Significant accounting policies

The interim consolidated financial statements as of June 30, 2014 have been prepared in accordance with the International Financial Reporting Standards (IFRSs) as they are to be applied in the EU, as were the consolidated financial statements for the year 2013, and comply with the require-

ments of IAS 34. They do not provide all of the information and disclosures included in complete consolidated financial statements and are therefore to be read in conjunction with the consolidated financial statements as of December 31, 2013. The accounting policies explained in the notes to the consolidated financial statements for the year 2013 have been applied unchanged – with the exception of the changes mentioned below.

As of January 1, 2014 the following new or amended IFRSs with relevance for Bilfinger are applied for the first time:

- \_\_\_ IFRS 10 *Consolidated Financial Statements*
- \_\_\_ IFRS 11 *Joint Arrangements*
- \_\_\_ IFRS 12 *Disclosure of Interests in Other Entities*

IFRS 10 harmonizes the currently valid consolidation principles of IAS 27 and SIC-12. The uniform consolidation model includes all entities that are controlled by the parent by means of voting rights or other contractual arrangements. The subsidiaries of Bilfinger are generally companies for which the voting-rights majority is the most important indicator of control and no other contractual arrangements exist. The new regulations therefore did not lead to any changes in Bilfinger's consolidated group and thus will have no significant impact on the Group's financial position, cash flows or profitability.

IFRS 11 replaces the currently valid principles on accounting for jointly controlled entities, jointly controlled assets and operations of IAS 31. The focus of IFRS 11 is no longer on the legal form of the joint arrangement, but on the way in which rights and obligations are shared among the parties to the arrangement on the basis of contracts, articles of incorporation and other agreements. Joint ventures were accounted for using the equity method, in accordance with IAS 31. In accordance with IFRS 11, consortia are classified as joint ventures and accounted for using the equity method. To date, earnings from joint ventures were disclosed under revenue. Earnings from consortia in the amount of €5 million (previous year: €12 million) will now be reported under income from investments accounted for using the equity method. The prior-year figures have been adjusted accordingly.

IFRS 12 brings the disclosure requirements concerning all interests in subsidiaries, joint arrangements and associates as well as unconsolidated structured entities into one standard, and extends the disclosures required in the notes to the consolidated financial statements.

### 3. Acquisitions, disposals, discontinued operations

#### Acquisitions

No acquisitions were made during the interim reporting period.

The significant acquisitions during the prior-year period were Helmut Mauell GmbH in Velbert, Wuppertal, Germany, a company specializing in power-plant control systems; Johnson Screens Inc. in New Brighton, Minnesota, USA, a company that specializes in water technology; and GreyLogix GmbH in Flensburg, Germany, which specializes in automation equipment.

In the first half of 2013, the companies mentioned above as well as further smaller acquisitions affected the Group's assets and liabilities at the time of acquisition as follows:

€ million	June 30, 2013
Goodwill	43
Intangible assets from acquisitions	15
Property, plant and equipment and other intangible assets	43
Other non-current assets	9
Receivables	69
Other current assets	43
Cash and cash equivalents	33
<b>Total assets</b>	<b>255</b>
Retirement benefit obligation	36
Provisions	27
Financial debt	9
Other liabilities	66
<b>Total liabilities</b>	<b>138</b>
<b>Total purchase price</b>	<b>117</b>

## Disposals

Within the context of discontinuing the Concessions business segment, two concession projects accounted for using the equity method as well as two fully-consolidated concession projects were sold during the reporting period to the listed infrastructure investment fund BBGI.

The overall effects of the sale were as follows:

<b>EFFECTS AT THE TIME OF SALE</b>	<b>June 30, 2014</b>
€ million	
Disposal of assets classified as held for sale	-289
Disposal of liabilities classified as held for sale	244
<b>Disposal of net assets</b>	<b>-45</b>
Derecognition of minority interest	1
Reclassification of other comprehensive income into the income statement	-26
<b>Other changes</b>	<b>-25</b>
<b>Sale price</b>	<b>84</b>
<b>Capital gain</b>	<b>14</b>

No divestments took place during the prior-year period.

## Discontinued operations

Discontinued operations comprise

- \_\_\_ the equity interests of the former business segment Concessions, which were made available for sale on May 15, 2013 and December 20, 2013,
- \_\_\_ the significant portions of the former Construction business segment put up for sale on May 8, 2014 as well as
- \_\_\_ the sold company Valemus Australia and abandoned construction activities.

On May 15, 2013, the Executive Board of Bilfinger SE decided to discontinue the activities in the Concessions business segment.

In addition, the Executive Board of Bilfinger SE decided on May 8, 2014 to sell significant portions of the former Construction business segment. The offshore wind business, power grids and steel construction are not affected.

In accordance with the provisions of IFRS 5, the investments held for sale were presented as discontinued operations as of the time of reclassification:

- \_\_\_ In the consolidated balance sheet the affected assets and liabilities (disposal group) are presented separately under *Assets classified as held for sale* and *Liabilities classified as held for sale*.
- \_\_\_ In the consolidated income statement, the income and expenses of discontinued operations are presented separately from the income and expenses of continuing operations, and are summarized separately in one item as earnings after taxes from discontinued operations.
- \_\_\_ In the consolidated statement of cash flows, cash flows from discontinued operations are also presented separately from the cash flows from continuing operations.

Since the dates of their respective reclassification, non-current assets classified as held for sale have no longer been subject to systematic depreciation or amortization and subsequent measurement according to the equity method was ceased for the investments accounted for using the equity method.

The amounts in the consolidated income statement and the consolidated statement of cash flows for the prior-year period have been adjusted accordingly.

Earnings from discontinued operations are comprised as follows:

€ million	Jan. 1 - June 30		Apr. 1 - June 30	
	2014	2013	2014	2013
Concessions	11	4	4	-1
Construction	9	-3	5	3
<b>Earnings after taxes from discontinued operations</b>	<b>20</b>	<b>1</b>	<b>9</b>	<b>2</b>

Earnings after taxes from discontinued operations were fully attributable to the shareholders of Bilfinger SE.

CONCESSIONS € million	Jan. 1 - June 30		Apr. 1 - June 30	
	2014	2013	2014	2013
Output volume (for information only)	7	24	2	10
Revenue	27	69	10	25
Expenses / income	-30	-64	-14	-26
Gain on the sale of concession projects	14	0	7	0
<b>EBIT</b>	<b>11</b>	<b>5</b>	<b>3</b>	<b>-1</b>
Net interest expense	0	1	0	0
<b>Earnings before taxes</b>	<b>11</b>	<b>6</b>	<b>3</b>	<b>-1</b>
Income taxes	0	-2	1	0
<b>Earnings after taxes</b>	<b>11</b>	<b>4</b>	<b>4</b>	<b>-1</b>

CONSTRUCTION € million	Jan. 1 - June 30		Apr. 1 - June 30	
	2014	2013	2014	2013
Output volume (for information only)	342	392	180	211
Revenue	346	395	166	220
Expenses / income	-334	-399	-159	-216
<b>EBIT</b>	<b>12</b>	<b>-4</b>	<b>7</b>	<b>4</b>
Net interest expense	0	0	0	0
<b>Earnings before taxes</b>	<b>12</b>	<b>-4</b>	<b>7</b>	<b>4</b>
Income taxes	-3	1	-2	-1
<b>Earnings after taxes</b>	<b>9</b>	<b>-3</b>	<b>5</b>	<b>3</b>

#### 4. Output volume

In order to present the Group's entire output volume in the interest of more complete information, we disclose our output volume in the consolidated income statement. In addition to revenue, it includes the proportion of output volume generated by consortia and amounts to €3,628 million (H1 2013: €3,637 million).

#### 5. Depreciation and amortization

Scheduled amortization of €21 million was carried out on intangible assets from acquisitions (H1 2013: €25 million) and is included in cost of sales. Depreciation of property, plant and equipment and the amortization of other intangible assets amount to €57million (H1 2013: €54million).

#### 6. Net interest expense

€ million	Jan. 1 - June 30		Apr. 1 - June 30	
	2014	2013	2014	2013
<b>Interest income</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>1</b>
Current interest expense	-11	-16	-4	-7
Net interest expense from retirement benefit liability	-7	-7	-4	-4
<b>Interest expense</b>	<b>-18</b>	<b>-23</b>	<b>-8</b>	<b>-11</b>
Income on securities	6	0	6	0
Interest expense for minority interest	-4	-4	-2	-1
<b>Other financial result</b>	<b>2</b>	<b>-4</b>	<b>4</b>	<b>-1</b>
<b>Total</b>	<b>-14</b>	<b>-24</b>	<b>-3</b>	<b>-11</b>

## 7. Intangible assets

€ million	June 30, 2014	Dec. 31, 2013	June 30, 2013
	Goodwill	1,880	1,885
Intangible assets from acquisitions	87	106	113
Other intangible assets	32	32	35
<b>Total</b>	<b>1,999</b>	<b>2,023</b>	<b>1,948</b>

## 8. Net liquidity

€ million	June 30, 2014	Dec. 31, 2013	June 30, 2013
	Cash and cash equivalents	299	669
Financial debt, recourse – non-current	516	517	521
Financial debt, recourse – current	24	28	182
<b>Financial debt, recourse</b>	<b>540</b>	<b>545</b>	<b>703</b>
<b>Net liquidity</b>	<b>-241</b>	<b>124</b>	<b>-210</b>

## 9. Assets classified as held for sale, liabilities classified as held for sale

Assets and liabilities classified as held for sale are allocated as follows to the disposal groups Construction and Concessions:

€ million	June 30, 2014	Dec. 31, 2013	June 30, 2013
	Concessions	109	356
Construction	317	0	0
<b>Assets classified as held for sale</b>	<b>426</b>	<b>356</b>	<b>688</b>
Concessions	109	315	571
Construction	326	0	0
<b>Liabilities classified as held for sale</b>	<b>435</b>	<b>315</b>	<b>571</b>

### Concessions

The discontinued operations of the former business segment Concessions, which are presented as a disposal group, include one fully consolidated investment not yet transferred to the purchaser and one German highway project accounted for using the equity method.

The assets and liabilities classified as held for sale of the Concessions disposal group are comprised as follows:

€ million	June 30, 2014	Dec. 31, 2013	June 30, 2013
Receivables from concession projects	84	285	525
Other non-current assets	2	29	118
Current assets	14	20	17
Cash and cash equivalents	9	22	28
<b>Assets classified as held for sale Concessions</b>	<b>109</b>	<b>356</b>	<b>688</b>
Financial debt, non-recourse	95	284	469
Other liabilities	14	31	102
<b>Liabilities classified as held for sale Concessions</b>	<b>109</b>	<b>315</b>	<b>571</b>

The Concessions disposal group's cumulative other comprehensive income after taxes as of the balance sheet date amounts to minus €1 million (December 31, 2013: minus €26 million).

### Construction

The discontinued operations of the former business segment Construction, which are presented as a disposal group, are the activities put up for sale.

The assets and liabilities classified as held for sale of the Construction disposal group are comprised as follows:

€ million	June 30, 2014	Dec. 31, 2013	June 30, 2013
Non-current assets	107	0	0
Current assets	203	0	0
Cash and cash equivalents	7	0	0
<b>Assets classified as held for sale Construction</b>	<b>317</b>	<b>0</b>	<b>0</b>
Non-current liabilities	66	0	0
Current liabilities	260	0	0
<b>Liabilities classified as held for sale Construction</b>	<b>326</b>	<b>0</b>	<b>0</b>

The Construction disposal group's cumulative other comprehensive income after taxes as of the balance sheet date amounts to €5 million (December 31, 2013: €0 million).

## 10. Equity

The classification of equity and changes in equity are presented in the interim consolidated financial statements in the table *Consolidated statement of changes in equity*.

Equity decreased by €88 million during the reporting period. Earnings after taxes increased equity by €53 million while dividend payments (€136 million) and transactions recognized directly in equity (minus €5 million) reduced equity by a total of €141 million.

Transactions recognized directly in equity are primarily comprised of positive effects from the reduction in the negative hedging instruments reserve of €18 million, which primarily resulted from the disposal of a concession company. The hedging instruments relate primarily to interest-rate derivatives used for the long-term financing of project companies. The non-recourse character of this project financing calls for long-term, predictable interest cash flows and thus requires long-term, static hedging against the risk of interest-rate fluctuations. Changes in market values occurring in this context must be reflected in the financial statements, but they have no impact on the development of the Group due to the closed project structure. The effects of currency translation increased equity by a further €16 million. The disposal-related change in the fair value measurement of securities reserve led to a reduction in equity of €8 million. Losses from the remeasurement of defined-benefit pension plans of €30 million, which resulted from the adjustment of the discount rate, led to a corresponding reduction in equity.

Bilfinger holds 1,866,365 treasury shares. They account for €5,599,095 or 4.1 percent of the share capital at June 30, 2014. No cancellation of the treasury shares is currently intended.

### 11. Provisions for pensions and similar obligations

The increase in the provision for pensions and similar obligations of €32 million to €455 million reflects the adjustment of the discount rate as of June 30, 2014 (Euro countries: 3.5 percent to 3.0 percent) due to generally lower interest rates. The resulting losses from remeasurement are recognized in other comprehensive income.

### 12. Additional information on financial instruments

The methods for the measurement of fair value remain fundamentally unchanged from December 31, 2013. Further explanations on the measurement methods can be found in the Annual Report 2013.

The financial assets and financial liabilities for which the fair values deviate significantly from the carrying amounts are as follows:

€ million	IAS 39- category <sup>1</sup>	Carrying amount	Fair value	Carrying amount	Fair value
		<b>June 30, 2014</b>		Dec. 31, 2013	
<b>Liabilities</b>					
Financial debt recourse, bonds	FLAC	500	529	500	507
Finance leases, recourse	(IAS 17)	14	20	17	24

<sup>1</sup> FLAC: financial liabilities at amortized cost

The financial instruments that are recognized at fair value are categorized in the following fair value hierarchy levels in accordance with IFRS 13:

€ million	IAS 39-category <sup>1</sup>	Total	Level 1	Level 2
<b>June 30, 2014</b>				
<b>Assets</b>				
Securities	AfS	1	1	0
Derivatives in hedging relationships	(Hedge)	4	0	4
Derivatives in non-hedging relationships	FAHFT	4	0	4
		<b>9</b>	<b>1</b>	<b>8</b>
<b>Liabilities</b>				
Derivatives in hedging relationships	(Hedge)	4	0	4
Derivatives in non-hedging relationships	FLHFT	8	0	8
		<b>12</b>	<b>0</b>	<b>12</b>
<b>Dec. 31, 2013</b>				
<b>Assets</b>				
Securities	AfS	53	53	0
Derivatives in hedging relationships	(Hedge)	7	0	7
Derivatives in non-hedging relationships	FAHFT	13	0	13
		<b>73</b>	<b>53</b>	<b>20</b>
<b>Liabilities</b>				
Derivatives in hedging relationships	(Hedge)	4	0	4
Derivatives in non-hedging relationships	FLHFT	8	0	8
		<b>12</b>	<b>0</b>	<b>12</b>

<sup>1</sup> AfS: available-for-sale financial assets  
FAHFT: financial assets held for trading  
FLHFT: financial liabilities held for trading



The measurement of fair value is conducted in level 1 on the basis of quoted (non-adjusted) prices in an active and accessible market for identical assets or liabilities. For level 2 the measurement of fair value is carried out on the basis of inputs for which either directly or indirectly observable market data is available (e.g., exchange rates, interest rates).

### 13. Related-party disclosures

Most of the transactions between fully consolidated companies of the Group and related companies or persons involve associates and joint ventures.

### 14. Contingent liabilities

Contingent liabilities of €25 million (December 31, 2013: €40 million) generally relate to guarantees provided for companies in which Bilfinger holds a minority interest. In addition, we are jointly and severally liable as partners in companies constituted under the German Civil Code and in connection with consortia and joint ventures.

### 15. Calculation of adjusted earnings per share from continuing operations

€ million	Jan.1 - June 30		Apr.1 - June 30		Jan.1 - Dec. 31
	2014	2013	2014	2013	2013
Earnings before taxes	45	101	50	69	257
Special items in EBITA	31	0	2	0	66
Amortization of intangible assets from acquisitions	21	25	10	13	51
<b>Adjusted earnings before taxes</b>	<b>97</b>	<b>126</b>	<b>62</b>	<b>82</b>	<b>374</b>
Adjusted income tax expense	-28	-39	-17	-25	-116
<b>Adjusted earnings after taxes</b>	<b>69</b>	<b>87</b>	<b>45</b>	<b>57</b>	<b>258</b>
thereof minority interest	-2	3	-2	2	3
<b>Adjusted net profit</b>	<b>71</b>	<b>84</b>	<b>47</b>	<b>55</b>	<b>255</b>
Average number of shares (in thousands)	44,158	44,140	44,158	44,140	44,149
<b>Adjusted earnings per share (in €)</b>	<b>1.61</b>	<b>1.90</b>	<b>1.06</b>	<b>1.25</b>	<b>5.78</b>

The calculation of earnings per share in accordance with IFRSs is presented in the income statement.

Earnings per share after adjusting for special items and the amortization and impairment of intangible assets is a metric that is suited to enabling comparability over time and forecasting future profitability.

In 2014, special items resulted from one-time expenses for our efficiency-enhancement program Bilfinger Excellence. These relate to consulting expenses included in the administration expenses in the amount of €12 million as well as restructuring costs in the amount of €19 million which are presented in other operating expense. In full-year 2013, one-time expenses in the amount of €85 million resulted from the Bilfinger Excellence program and were offset by one-time earnings in the amount of €19 million from the sale of shares in an associate.

Intangible assets result from purchase-price allocation following acquisitions. The amortization of these intangible assets is therefore of a temporary nature.

Adjusted earnings is a metric that is not defined under IFRSs. Its disclosure is to be regarded as supplementary information.

# Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group in the remaining months of the financial year.

Mannheim, August 6, 2014

Bilfinger SE  
The Executive Board



Roland Koch



Joachim Enenkel



Dr. Jochen Keysberg



Pieter Koolen



Joachim Müller

# Review report

We have reviewed the interim condensed consolidated financial statements, comprising the income statement, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes, and the interim group management report of Bilfinger SE, Mannheim, for the period from January 1 to June 30, 2014, which are part of the six-monthly financial report pursuant to Sec. 37w WpHG [“Wertpapierhandelsgesetz”: German Securities Trading Act]. The preparation of the interim condensed consolidated financial statements in accordance with IFRSs [International Financial Reporting Standards] on interim financial reporting as adopted by the EU and of the group management report in accordance with the requirements of the WpHG applicable to interim group management reports is the responsibility of the Company’s management. Our responsibility is to issue a report on the interim condensed consolidated financial statements and the interim group management report based on our review.

We conducted our review of the interim condensed consolidated financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the review to obtain a certain level of assurance in our critical appraisal to preclude that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU and that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports. A review is limited primarily to making inquiries of company personnel and applying analytical procedures and thus does not provide the assurance that we would obtain from an audit of financial statements. In accordance with our engagement, we have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU or that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

Mannheim, August 6, 2014

Ernst & Young GmbH  
Wirtschaftsprüfungsgesellschaft

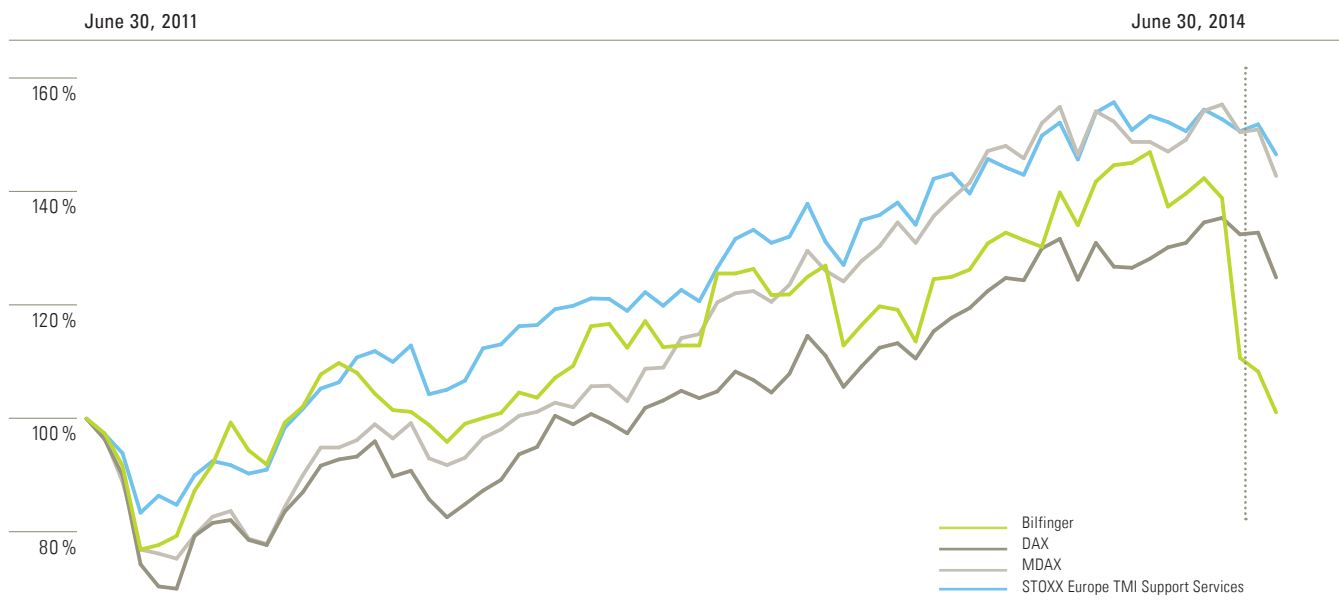


Prof. Dr. Peter Wollmert  
Wirtschaftsprüfer  
[German Public Auditor]

Karen Somes  
Wirtschaftsprüferin  
[German Public Auditor]

# Bilfinger shares

## RELATIVE PERFORMANCE OF OUR SHARES: 3 YEARS



### BASIC SHARE INFORMATION

ISIN / stock exchange symbol	DE0005909006 / GBF
WKN	590 900
Main listing	XETRA / Frankfurt
Deutsche Börse segment	Prime Standard
Share indices	MDAX, Prime Industrial Products & Services Idx., DivMSDAX, DJ STOXX 600, DJ EURO STOXX, STOXX EUROPE TMI Support Services, DJ EURO STOXX Select Dividend 30

### KEY FIGURES ON OUR SHARES

€ per share

Apr. 1 - June 30

		<b>2014</b>
Highest price		93.05
Lowest price		82.10
Closing price <sup>1</sup>		83.26
Book value <sup>2</sup>		46.83
Market value / book value <sup>1,2</sup>		1.8
Market capitalization <sup>1,3</sup>	in € million	3,832
MDAX weighting <sup>1</sup>		2.91%
Number of shares <sup>1,3</sup>		46,024,127
Average XETRA daily volume	number of shares	124,681

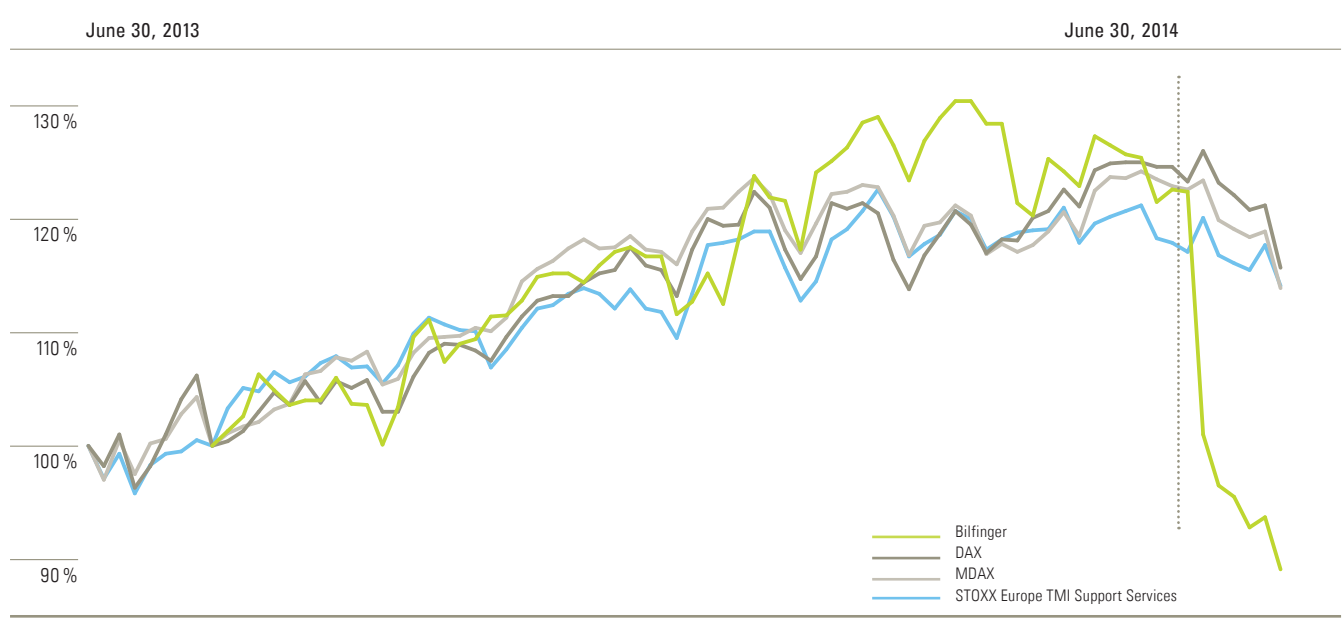
All price details refer to XETRA trading

<sup>1</sup> Based on March 31, 2014

<sup>2</sup> Balance sheet shareholder's equity excluding minority interest

<sup>3</sup> Including treasury shares

RELATIVE PERFORMANCE OF OUR SHARES: 1 YEAR



# Financial calendar

November 12, 2014

Interim Report Q3 2014

February 12, 2015

Preliminary report on the 2014 financial year

March 18, 2015

Press conference on financial statements

May 7, 2015

Annual General Meeting \*

Interim Report Q1 2015

August 13, 2015

Interim Report Q2 2015

November 12, 2015

Interim Report Q3 2015

\* Congress Centrum Rosengarten  
Mannheim, 10 a.m.

## Disclaimer

---

All statements made in this report that relate to the future have been made in good faith and based on the best knowledge available. However, as those statements also depend on factors beyond our control, actual developments may differ from our forecasts.

### Investor Relations

Andreas Müller  
Phone +49-621-459-23 12  
Fax +49-621-459-2761  
E-mail: [sabine.klein@bilfinger.com](mailto:sabine.klein@bilfinger.com)

### Corporate Communications

Martin Büllsbach  
Phone +49-621-459-2475  
Fax +49-621-459-2500  
E-mail: [martin.buellesbach@bilfinger.com](mailto:martin.buellesbach@bilfinger.com)

### Headquarters

Carl-Reiß-Platz 1-5  
68165 Mannheim, Germany  
Phone +49-621-459-0  
Fax +49-621-459-2366

You will find the addresses  
of our branches and affiliates  
in Germany and abroad  
in the Internet at  
[www.bilfinger.com](http://www.bilfinger.com)

© 2014  
Bilfinger SE

Date of publication  
August 11, 2014



