Press Release

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Bilfinger: Interim Report Q3 2014

- **Stable output volume; lower EBITA, as expected**
- **Goodwill impairments lead to net loss for the period**
- **Orders received impacted by difficult market environment**
- **Confirmation of forecast for adjusted EBITA and adjusted net profit in 2014**

Bilfinger's business development in the first nine months of 2014 was affected by the difficult situation in the European power-plant sector and a general reticence to invest on the part of the process industry. While output volume remained stable at €5,631 million, orders received declined due to the development in the Industrial and Power business segments by 9 percent to €5,123 million. The order backlog of €6,133 million was 5 percent lower than a year earlier.

Earnings significantly below prior-year period

Adjusted EBITA for the first nine months of the year of €161 million remained significantly lower than the figure of €264 million achieved in the prior-year period. This was primarily the result of the very negative development at the Power business segment. The reasons for this included the lack of capacity utilization in several areas, above all in high-pressure piping, and negative effects from a number of projects. Earnings declined at Industrial as well, due especially to the difficult situation in the European process industry and the impact from a lack of power plant projects. In the Building and Facility segment, however, EBITA increased as a result of acquisitions and organic growth.

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Key figures for the Group* *€ million*	January - September			Q3			
	2014	**2013**	**∆ in %**	**2014**	**2013**	**∆ in %**	**1-12/2013**
Output volume	5,631	5,616	0	2,003	1,979	1	7,684
Orders received	5,123	5,600	- 9	1,607	1,872	-14	7,543
Order backlog	6,133	6,423	- 5	6,133	6,423	- 5	6,506
EBITA adjusted [1, 2]	161	264	-39	50	114	-56	419
EBITA	67	257	-74	-13	107		353
Adjusted net profit from continuing operations [3]	103	157	-34	32	73	-56	255
Net profit [4]	-125	116		-180	48		173
Adjusted earnings per share from continuing operations [2] (in €)	2.33	3.56	-35	0.72	1.65	-56	5.78
Investments	248	233	6	159	64	148	401
thereof in property, plant	119	95	25	38	29	31	150
thereof in financial assets	129	138	-7	121	35	246	251
Employees	71,202	68,573	4	71,202	68,573	4	71,256

** 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 the 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.*

1) Adjusted in the first nine months of 2014 for one-time expenses in connection with the Bilfinger Excellence efficiency-enhancing program, restructuring expenses, the write-down on investments in a Polish production site as well as for the capital gain on the reduction of the investment in Julius Berger Nigeria totaling €94 million before taxes (previous year: €7 million) and €77 million after taxes (previous year: €5 million).

2) 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 the investment in Julius Berger Nigeria totaling €66 million before taxes and €40 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 and goodwill impairment (January to September 2014: €171 million after taxes (previous year: €26 million after taxes); FY 2013: €35 million after taxes). In addition, with income taxes, adjustment for the reduction by €12 million of deferred tax assets on tax-loss carryforwards in accordance with Section 8c of the German Corporate Income Tax Act (KStG).

4) Includes continuing and discontinued operations.

Due to the difficult market environment, a fundamental reassessment of the situation was necessary in the Power business segment. Because of the considerably worsened market situation – especially in Germany and other European countries – not only has the earnings forecast for 2014 had to be reduced in this segment, but the earnings outlook for the subsequent years has also had to be significantly adjusted. This triggered an impairment test of goodwill in the divisions of the Power business segment and led to impairment losses of €148 million. This resulted in a negative EBIT of €114 million.

The net loss for the period amounted to €125million (previous year: profit of €116 million); adjusted net profit from continuing operations amounted to €103 (previous year: €157). The adjustments relate to:

- Goodwill impairments at the Power business segment (minus €148 million)
- The write-down of investments in a production site in Poland for steel foundations for offshore wind turbines (minus €30 million)
- One-time expenses in connection with Excellence, the efficiency-enhancing program (minus €24 million)
- Restructuring expenses in the Industrial and Power business segments (minus €14 million)
- A write-down of deferred tax assets on tax-loss carryforwards due to Cevian Capital increasing its equity interest to above the 25-percent threshold (minus €12 million)
- A capital gain on the reduction of the investment in Julius Berger Nigeria (plus €9 million)

Confirmation of forecast for adjusted EBITA and adjusted net profit in 2014

The Bilfinger Group's output volume in the full year will be in the magnitude of the previous year (€7.7 billion). Bilfinger anticipates adjusted EBITA from continuing operations of at least €270 million (previous year: €419 million). Accordingly, adjusted net profit from continuing operations of at least €160 million is expected (previous year: €255 million). The above-mentioned special items will amount to approximately minus €230 million after taxes and minority interest in 2014, which will lead to a net loss for the year.