BILFINGER
ENGINEERING AND SERVICES

Preliminary Report Financial Year 2014

Investors' and Analysts' Conference Call on February 12, 2015

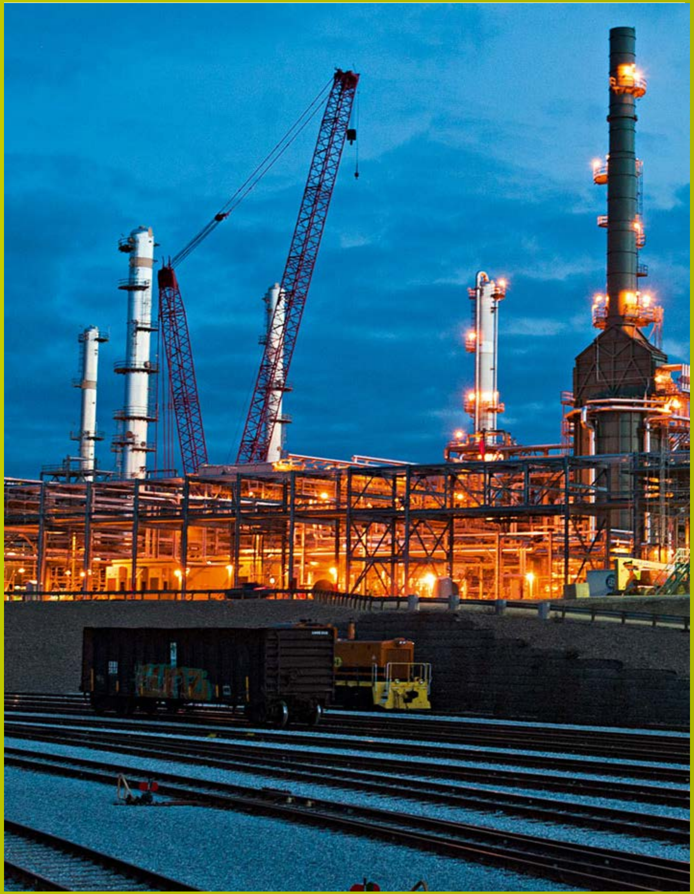
Herbert Bodner, CEO

FY 2014: An unsatisfactory year for Bilfinger

- Earnings in line with forecast
- Dividend of €2.00 per share proposed
- Cautious expectations for 2015

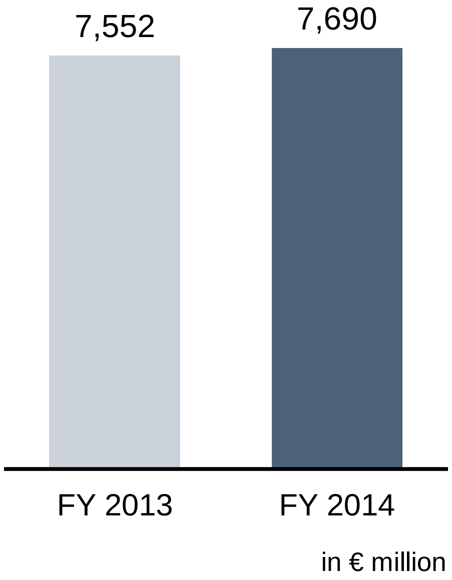
- Bilfinger Excellence implemented as planned
- Restructuring programs in Power and Industrial
- Construction division sold to Implenia
- Offshore Systems activities put up for sale – now presented under discontinued operations

- Changes in Executive Board and Supervisory Board

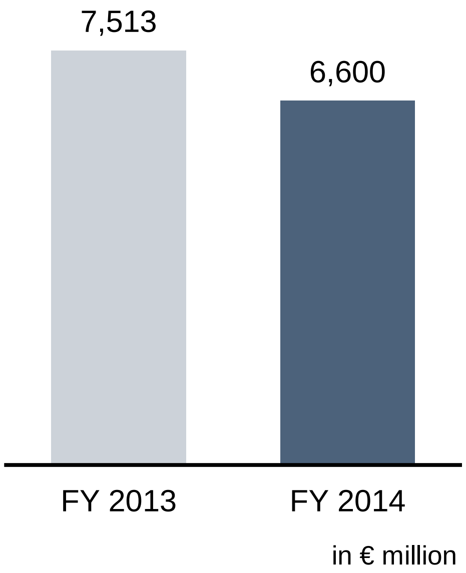


Increase in output volume
Orders received and order backlog decline

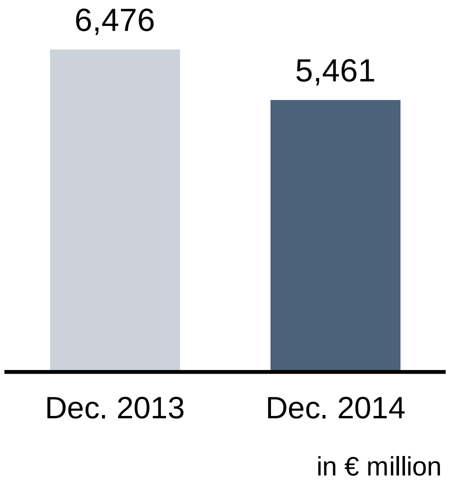
Output volume
+2%



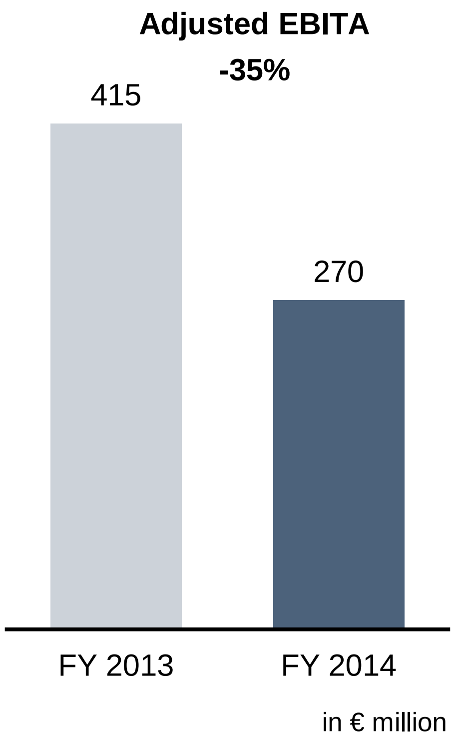
Orders received
-12%

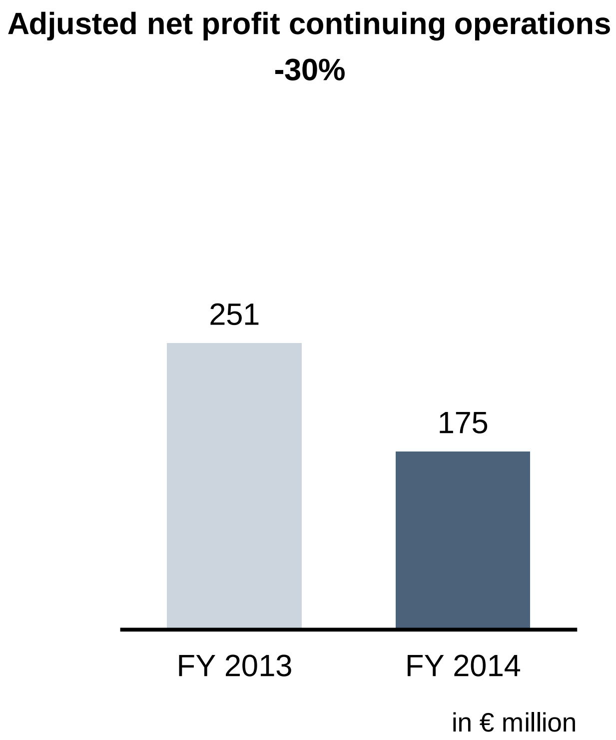


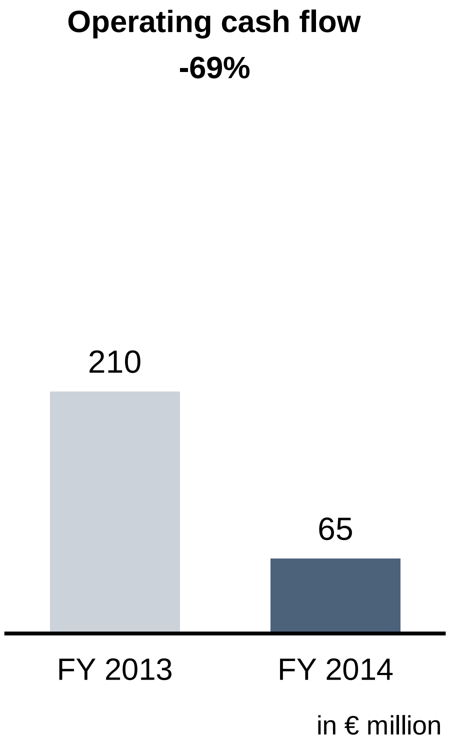
Order backlog
-16%



Earnings and operating cash flow significantly below prior-year period







EBITA: adjusted for capital gains as well as for one-time restructuring expenses
Adjusted net profit: also adjusted for the amortization of intangible assets from acquisitions and goodwill impairment
In addition, adjustment for the reduction of deferred tax assets on tax-loss carryforwards in accordance with the German Corporate Income Tax Act

Dividend of €2.00 proposed
Dividend policy geared toward continuity with a distribution ratio of about 50 percent of adjusted net profit

10-year dividend development

2005 – 2008 after rights issue adjustment

Bonus dividend

Industrial
EBITA below prior-year level

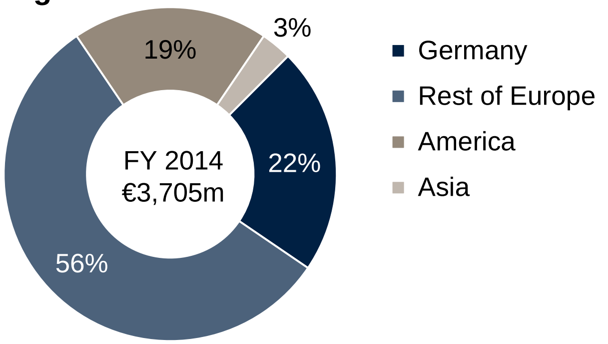
Markets and highlights

- Stable output volume
- Orders received decreased considerably, order backlog down accordingly
- The reticence to invest on the part of the European process industry, reduced maintenance budgets especially from oil and gas customers as well as increasing competitive pressure as a result of the situation in the energy sector have negatively impacted new business
- EBITA declined to €190 million, EBITA margin to 5.1%

Outlook 2015

- Significant decrease in output volume and adjusted EBITA
- EBITA margin at the level of the reporting year, through positive effects from programs for efficiency enhancement and process optimization
- The strong decline in the price of crude oil which began last summer is a considerable risk factor for this segment and leads to uncertainty
  Also, what impact the low price of oil will have on other industries that are relevant for Bilfinger is currently not yet foreseeable

Output volume by region



in € million	FY 2013	FY 2014	*Change*
Output volume	3,721	**3,705**	*0%*
Orders received	3,986	**3,276**	*-18%*
Order backlog	2,791	**2,404**	*-14%*
Capital expenditure	73	**67**	*-8%*
Depreciation of P, P & E	64	**64**	*0%*
EBITA adjusted	214	**190**	*-11%*
EBITA margin adjusted	5.8%	**5.1%**	

Power
Ongoing weakness in demand

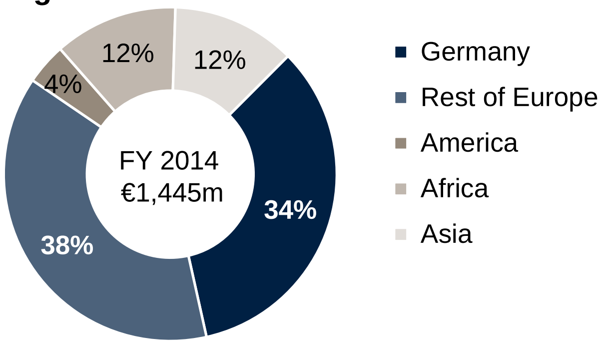
Markets and highlights

- Output volume, orders received as well as order backlog significantly below the prior-year figure
- Low demand is the result of the energy transformation in Germany and its negative impact on investment behavior also in other Central European countries. This requires a fundamental realignment of the segment's activities
- Due to under-utilization of capacities in a number of areas as well as burdens from various projects, EBITA decreased to €8 million
- Measures necessary to adjust capacities, to reduce costs and to reposition the business have already been initiated

Outlook 2015

- Significant decrease in output volume as a result of restrained orders received
- Adjusted EBITA was at an unusually low level in 2014. In 2015, it will increase considerably due to positive effects from capacity adjustments and as a result of the elimination of one-time burdens

Output volume by region



in € million	FY 2013	FY 2014	*Change*
Output volume	1,577	**1,445**	*-8%*
Orders received	1,434	**1,090**	*-24%*
Order backlog	1,404	**1,060**	*-25%*
Capital expenditure	34	**22**	*-35%*
Depreciation of P, P & E	26	**27**	*4%*
EBITA adjusted	148	**8**	*-95%*
EBITA margin adjusted	9.4%	**0.6%**	

Building and Facility
Continuation of positive business development

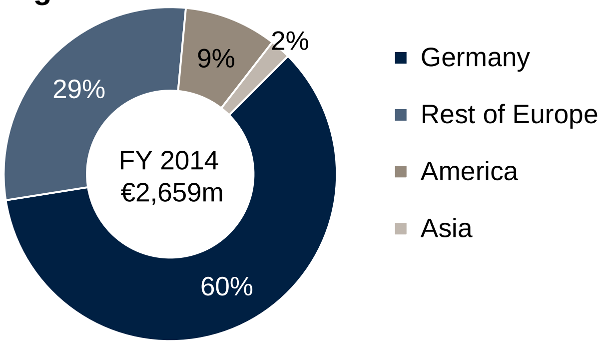
Markets and highlights

- Increase in output volume and EBITA
- Organic development FY 2014: 0% in output volume, +5% in EBITA
- EBITA margin increased to 5.1% (FY 2013: 4.9%)
- Order development in Facility Services and Real Estate was positive, orders received in Building declined due to the typical volatility of this business
- Overall orders received increased, order backlog was down

Outlook 2015

- Output volume will grow organically and will increase significantly as a result of the acquisition of British real-estate services provider GVA
- Adjusted EBITA will show a clear rise with a margin at the level of the reporting year

Output volume by region



in € million	FY 2013	FY 2014	*Change*
Output volume	2,346	**2,659**	*13%*
Orders received	2,181	**2,298**	*5%*
Order backlog	2,304	**2,004**	*-13%*
Capital expenditure	21	**32**	*52%*
Depreciation of P, P & E	18	**20**	*11%*
EBITA adjusted	116	**136**	*17%*
EBITA margin adjusted	4.9%	**5.1%**	

Discontinued operations

- **Concessions**: Sale to BBGI infrastructure fund is completed
  - Proceeds of €103 million
  - Capital gain of €18 million
- Implenia signed an agreement in December 2014 to acquire the **Construction** division, which is active in Germany and other European countries. Completion of the transaction is expected in March 2015
  - Employees: nearly 1,900
  - Output volume: approx. €600 million
  - Net proceeds: approx. €230 million
  - Enterprise value: a good €100 million, EV/EBIT of approx. 6
  - Cash inflow: approx. €60 million (before transaction expenses)
  - Capital gain in the low double-digit million €-range, taking into account a risk provision
- With regard to the remaining **Polish construction business**, Bilfinger is in contact with other interested parties
- **Offshore Systems** has also been put up for sale and allocated to 'discontinued operations'

Outlook for FY 2015: Reserved development expected

- **Output volume w**ill decrease to a magnitude of €7.5 billion
  (2014: €7.7 billion).

- **Adjusted EBITA** will increase slightly with a higher margin
  (2014: €270 million)

  Basis for this is the significantly improved earnings in Power as well as a higher earnings contribution in Building and Facility stemming from the planned volume increase

- **Adjusted net profit** will be slightly below the figure in 2014 (€175 million) due to lower interest result and higher minority interest

BILFINGER ENGINEERING AND SERVICES

Preliminary Report Financial Year 2014

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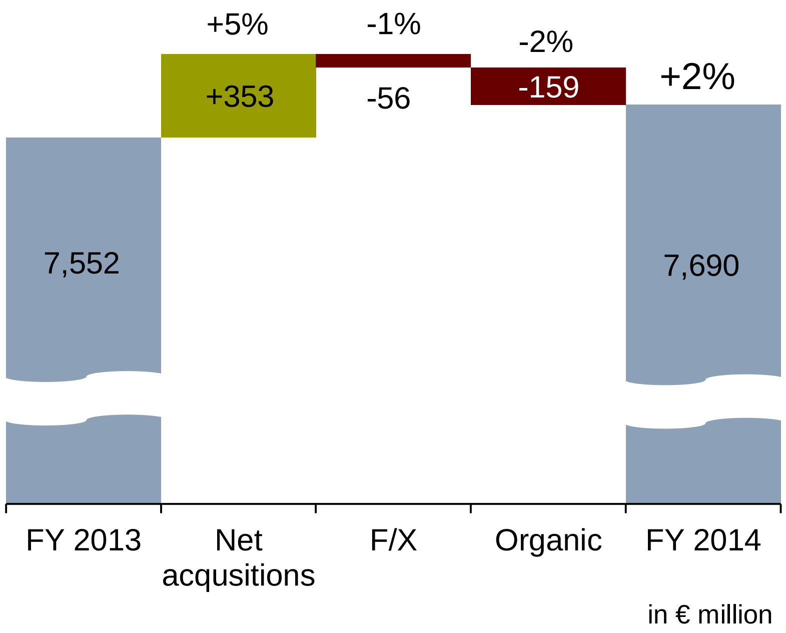
Joachim Müller, CFO

Net loss due to one-time burdens

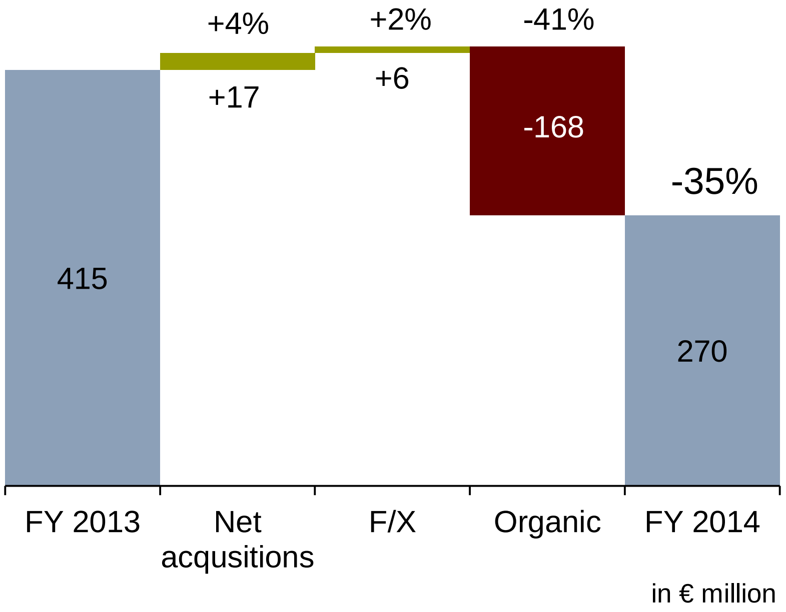
in € million	FY 2013	FY 2014	Comments FY 2014
Output volume	**7,552**	**7,690**	
EBITA	349	198	
EBITA adjusted	415	270	
EBITA margin adjusted	*5.5%*	*3.5%*	
Amortization	-51	-191	• *Amortization on intangible assets from acquisitions of €43m* • *Goodwill impairment Power of €148m*
EBIT	298	7	• *Depreciation of €116m*
Net interest result	-45	-36	• *Lower interest expenses due to redemption of promissory note loan (July 2013)* • *Including €6m capital gain from the sale of shares in BBGI (April 2014)*
EBT	253	-29	
Income taxes	-73	-46	• *Underlying tax rate at 31%* • *Reduction by €13 million of deferred tax assets on tax-loss carryforwards in accordance with Section 8c of the German Corporate Income Tax Act (KStG)*
Earnings after taxes from continuing operations	180	-75	
Earnings after taxes from discontinued operations	-4	-27	• *Construction €6m, Concessions €14m, Offshore Systems -€47m*
Minority interest	-3	31	• *Thereof minority share of write-down on investments in a Polish production site €19m*
Net profit	173	**-71**	
Net profit adjusted (continuing operations)	251	**175**	

Organic development Group

Organic development of output volume



Organic development of adjusted EBITA



Overview of earnings adjustments

in € million	FY 2013	FY 2014	*Comments FY 2014*
EBITA	349	198	
Adjustments special items (pre-tax)	66	72	• *Excellence: -€43m (FY 2013: -85m EUR)* • *Restructuring expenses, mainly in Industrial and Power: -€38m* • *Capital gain Julius Berger Nigeria: €9m (FY 2013: €19m)*
EBITA adjusted	**415**	**270**	
Earnings after taxes from continuing operations	**180**	**-75**	
Minority interest	-4	12	• *Adjusted by 37.5% minority share of write-down on investments in a Polish production site (€19m)*
Adjustments special items (post-tax)	40	61	• *Excellence: -€30m (FY 2013: -59m EUR)* • *Restructuring expenses, mainly in Industrial and Power: -€27m* • *Capital gain Julius Berger Nigeria: €9m (FY 2013: €19m)* • *Reduction of deferred tax assets on tax-loss carryforwards: -€13 m*
Amortization (post-tax)	35	177	• *Amortization on intangible assets from acquisitions: €29m* • *Goodwill impairment Power: €148m*
Net Profit adjusted continuing operations	**251**	**175**	
EPS adjusted continuing operations in €	**5.69**	**3.96**	

Equity ratio of 32% despite goodwill impairment

in € million	Dec. 31, 2013*	Dec. 31, 2014	*Comments Dec. 31, 2014*
Balance sheet total	6,532	5,962	
Goodwill including intangibles from acquisitions	1,986	1,979	• *Decrease as a result of impairment in Power of €148m offset by increase due to acquisition of GVA*
Net equity	2,165	1,917	• *Decrease as a result of net loss and dividend payment*
Equity ratio	33%	32%	
Net working capital	-291	-181	
Thereof prepayments received	*-310*	*-240*	
NWC in % of output volume	-3.9%	-2.4%	

**pro forma*

Valuation net debt

in € million	Dec. 31, 2013	Dec. 31, 2014	*Comments Dec. 31, 2014*
Cash and cash equivalents	669	403	• *See cash flow statement for details of change*
Financial debt (excluding non-recourse)	-545	-544	• *Including €500 million corporate bond (due Dec. 2019)*
Net cash/ net debt	**124**	**-141**	
Pension provisions	-423	-524	• *Increase due to lower discount rate of 2.0% (Dec. 31, 2013: 3.5%) (in Euro-zone)*
Expected cash-in sale of concessions projects (2013) / of Construction activities to Implenia (2014)	100	60	
Marketable securities (non-current)	53	1	• *Financial investment in BBGI fund sold in April*
Intra-year working capital need (seasonal shift)	-250 to -300	-200 to -250	
Valuation net debt	**Approx. -400**	**Approx. -850**	

Change in working capital within expected range

in € million	FY 2013	FY 2014	Comments FY 2014
Cash earnings from continuing operations	**276**	**163**	• *Decrease due to lower net profit from continuing operations*
Change in working capital	-33	-78	• *Working capital outflow as expected*
Gains on disposals of non-current assets	-33	-20	• *Thereof €6m from sale of shares in BBGI fund and €9m from JBN*
Cash flow from operating activities of continuing operations	**210**	**65**	
Net capital expenditure on property, plant and equipment / intangibles	-124	**-122**	• *Gross CAPEX: €139m, proceeds from disposals of P, P&E €17m*
Proceeds from the disposal of financial assets	208	**172**	• *Cash inflows from sale of Concessions projects (€103m), BBGI shares (€50m) as well as JBN shares (€13m)*
Free cash flow (continuing operations)	**294**	**115**	
Investments in financial assets of continuing operations	-251	**-140**	• *Thereof acquisition of GVA with €128m*
Cash flow from financing activities of continuing operations	**-304**	**-165**	• *Dividend payment Bilfinger SE €132m*
Change in cash and cash equivalents of continuing operations	-261	**-190**	
Change in cash and cash equivalents of discontinued operations	**-115**	**-61**	
F/X effects	-13	8	
Cash and cash equivalents at Jan. 1	1,087	669	
Change in cash and cash equivalents classified as assets held for sale (Concessions, Construction, Offshore Systems)	-29	-23	
Cash and cash equivalents at Dec. 31	**669**	**403**	

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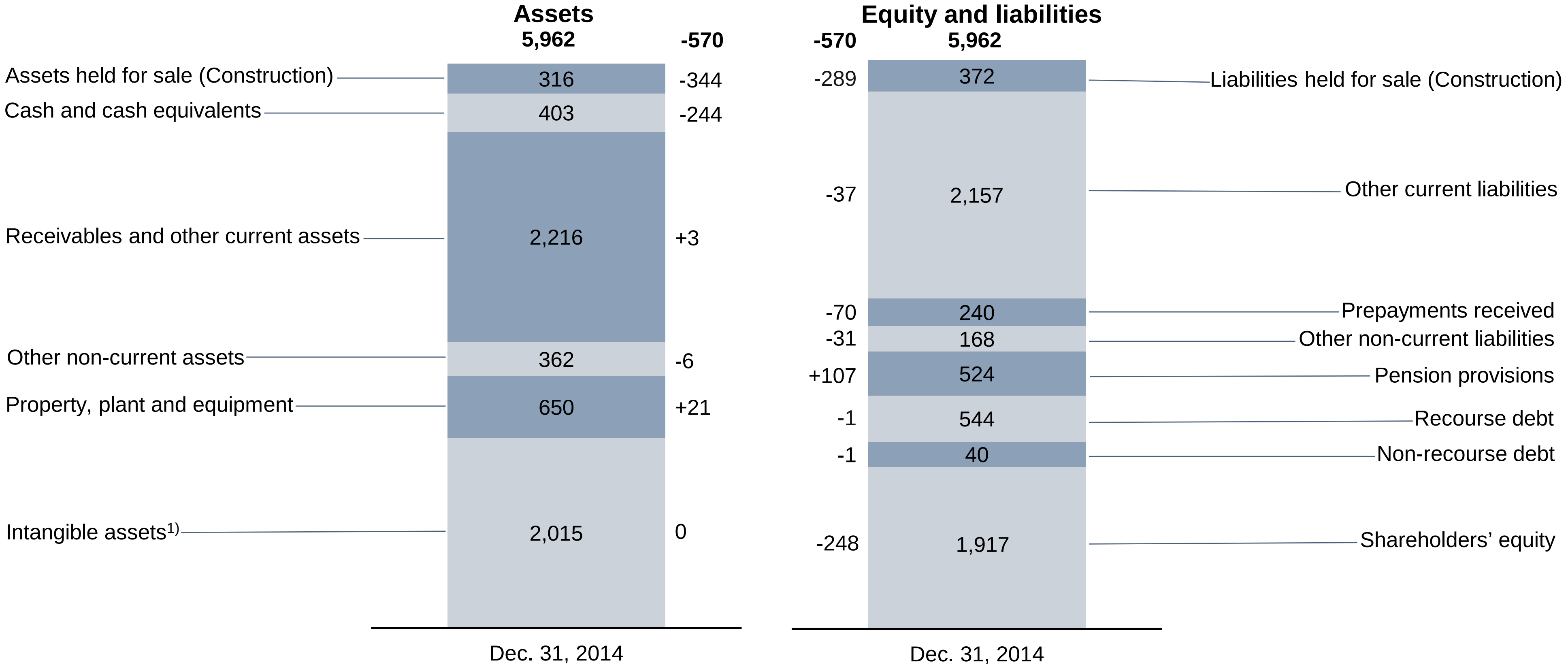
December 31, 2014 | Balance sheet

BACKUP



in € million

Compared to pro-forma balance sheet as of Dec. 31, 2013

1) Thereof goodwill €1,979 million (including intangibles from acquisitions)

ROCE per segment

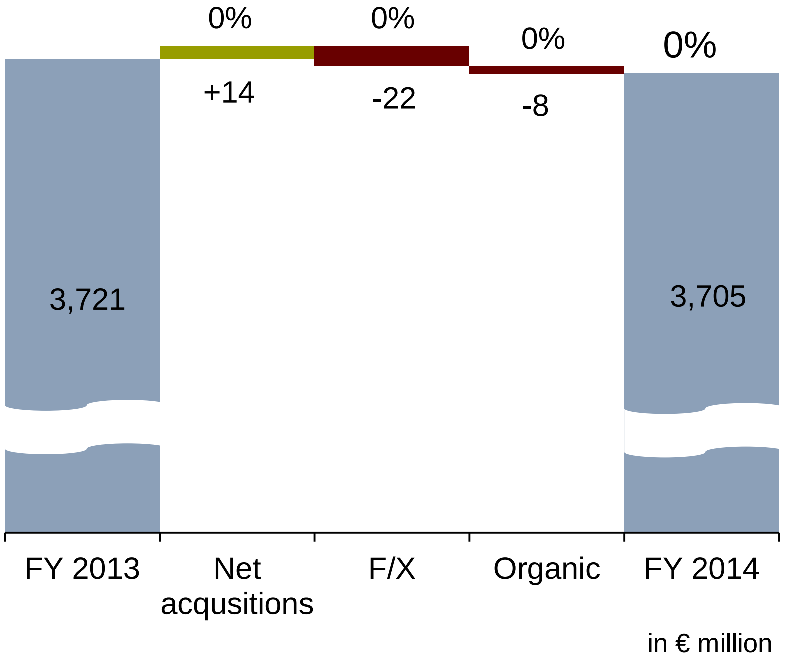
BACKUP

	Capital employed in € million		Return in € million		ROCE in %		WACC in %		Value added in € million	
	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014
Industrial	1,367	1,295	214	189	15.7	14.7	8.75	10.50	95	54
Power	658	653	148	8	22.4	1.2	8.75	12.25	90	-72
Building and Facility	666	767	122	140	18.4	18.2	8.75	9.25	64	69
Consolidation / Other	347	231	-61	-57	-	-	-	-	-92	-87
Continuing Operations	**3,038**	**2,946**	**423**	**280**	**13.9**	**9.5**	**8.75**	**10.75**	**157**	**-36**

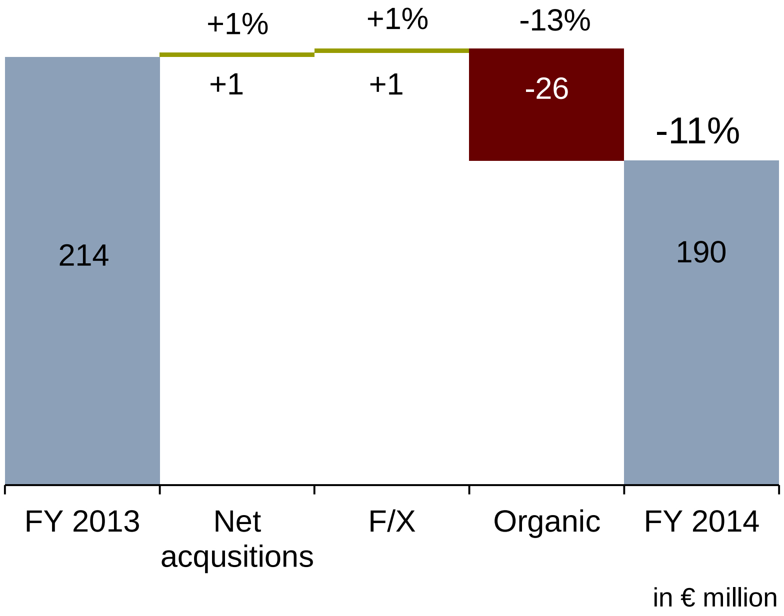
FY 2014 Organic development Industrial

BACKUP

Organic development of Output Volume



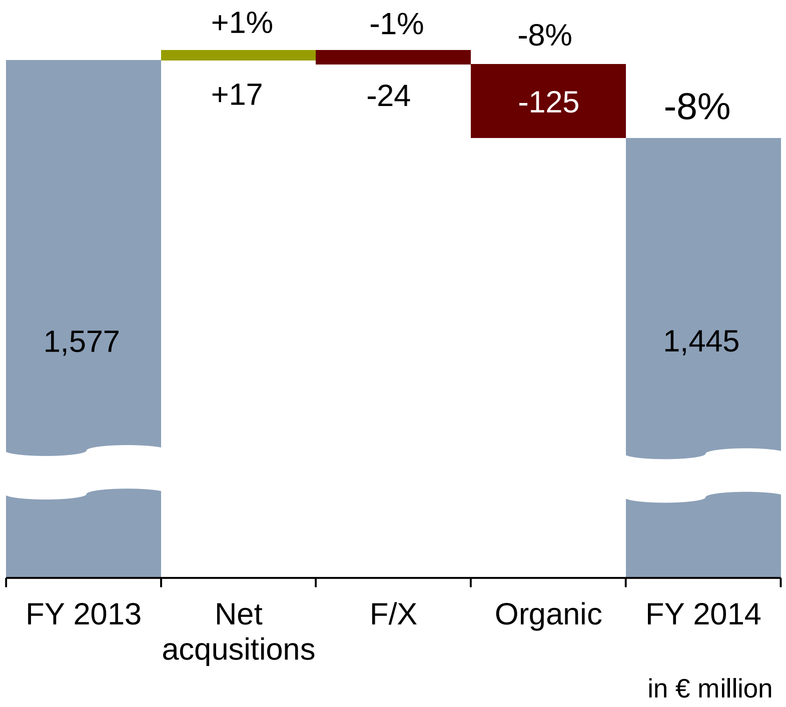
Organic development of adjusted EBITA



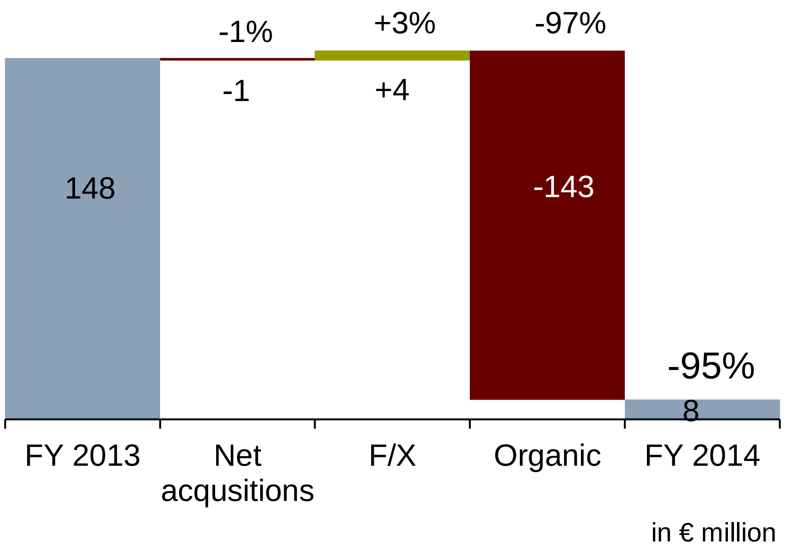
FY 2014 Organic development Power

BACKUP

Organic development of Output Volume



Organic development of adjusted EBITA



FY 2014 Organic development Building and Facility

BACKUP

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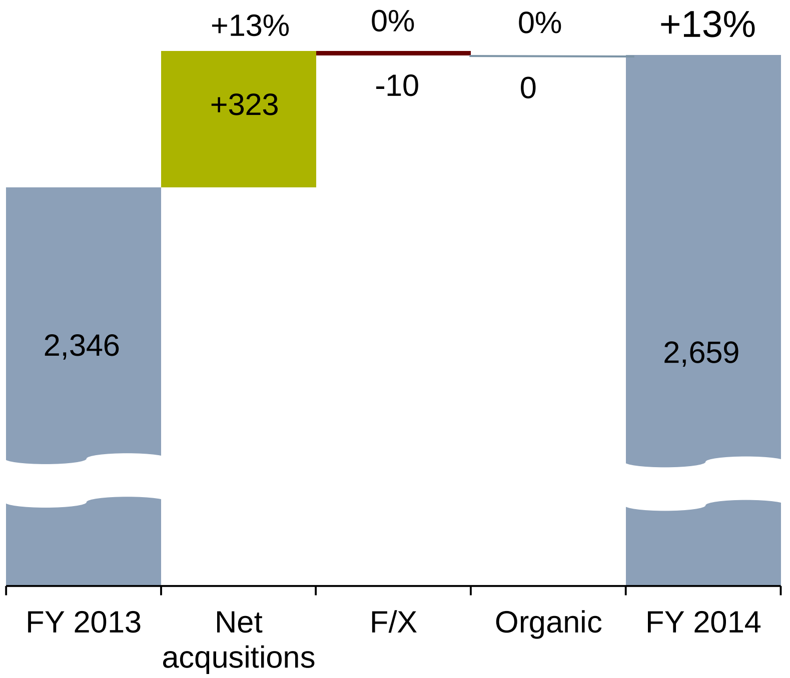
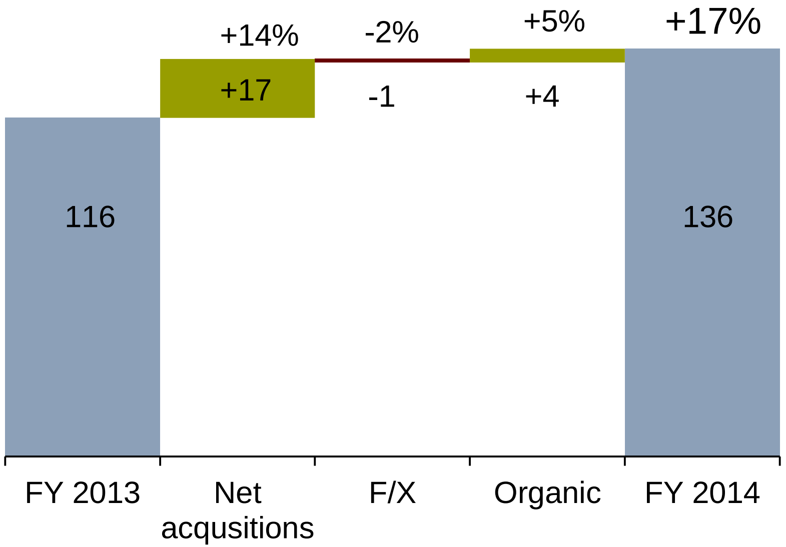
Organic development of Output Volume



in € million

Organic development of adjusted EBITA

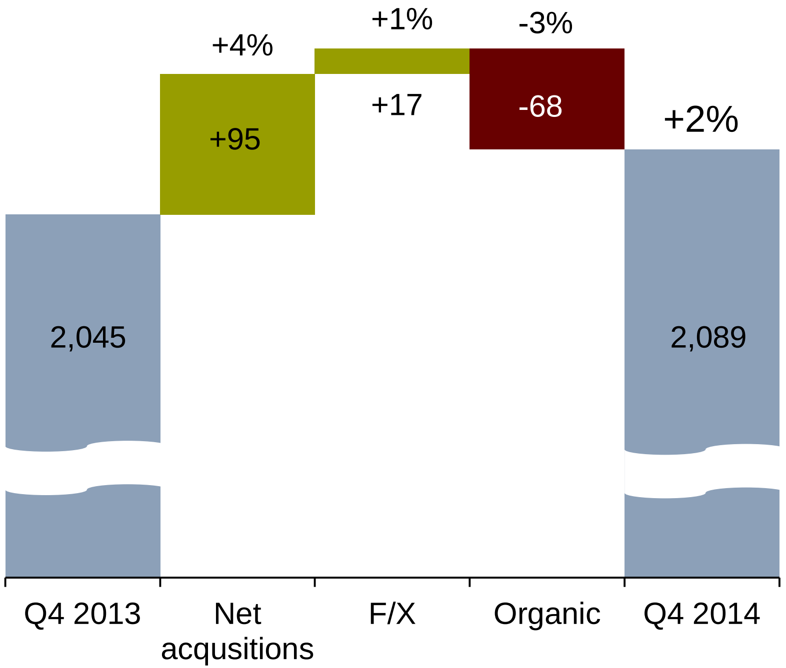


in € million

Q4 2014 Organic development Bilfinger Group

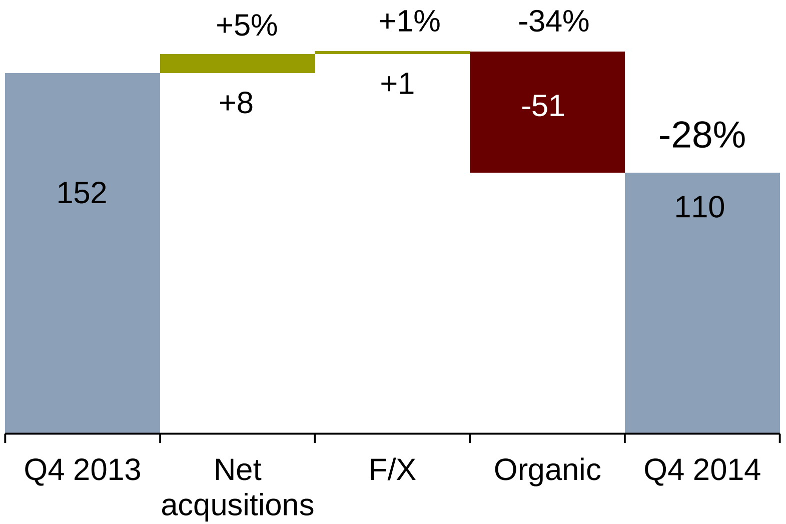
BACKUP

Organic development of Output Volume



in € million

Organic development of adjusted EBITA



in € million

Q4 2014 Organic development Industrial

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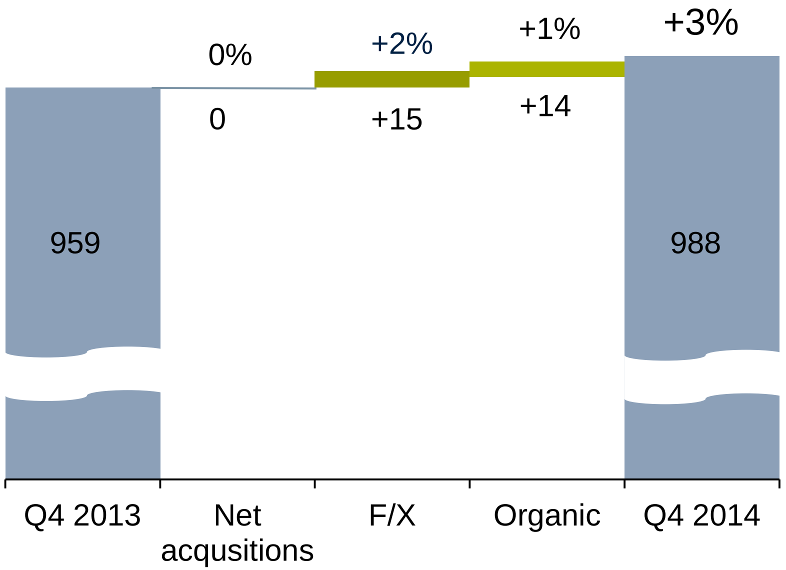
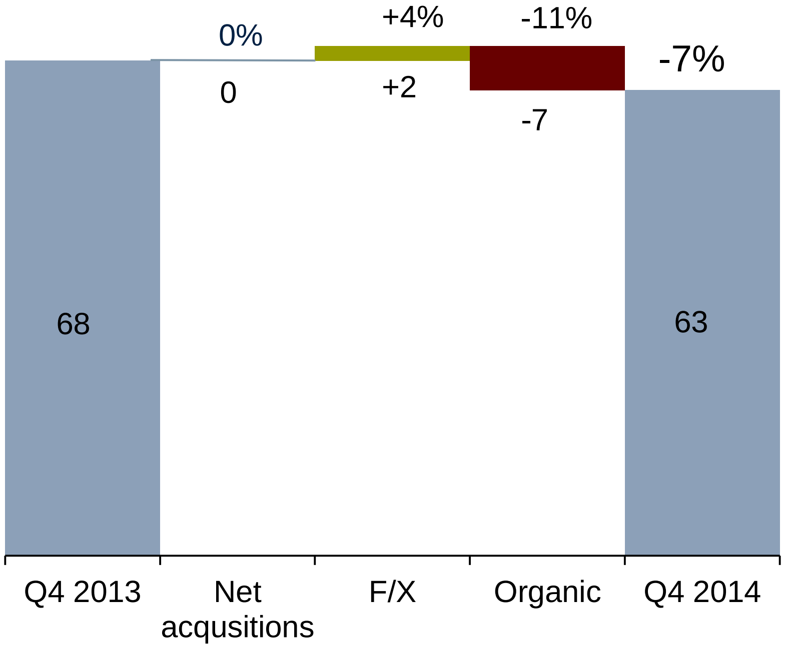
Organic development of Output Volume



in € million

Organic development of adjusted EBITA



in € million

Q4 2014 Organic development Power

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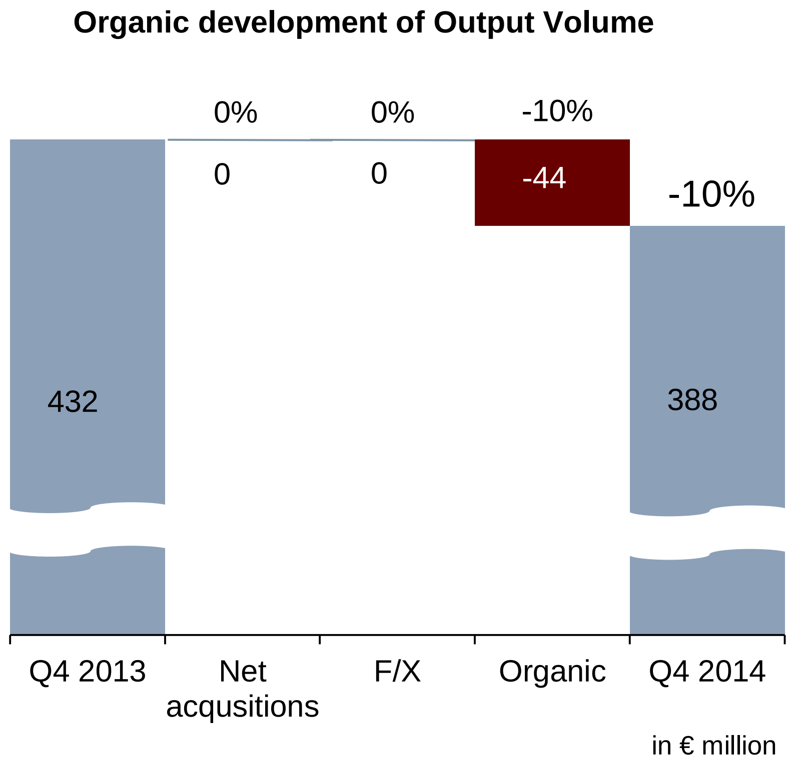

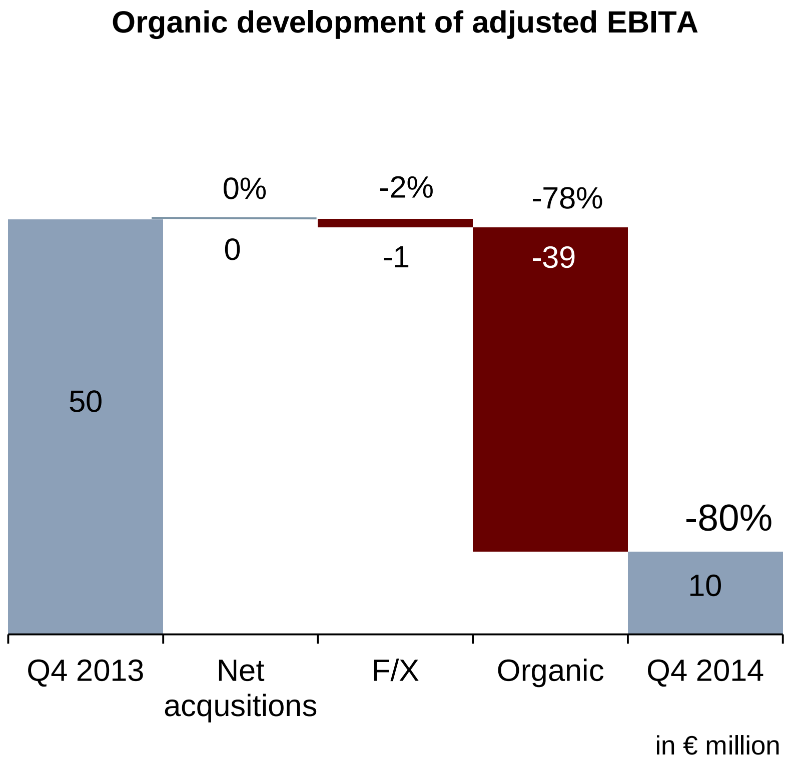

Q4 2014 Organic development Building and Facility

BACKUP

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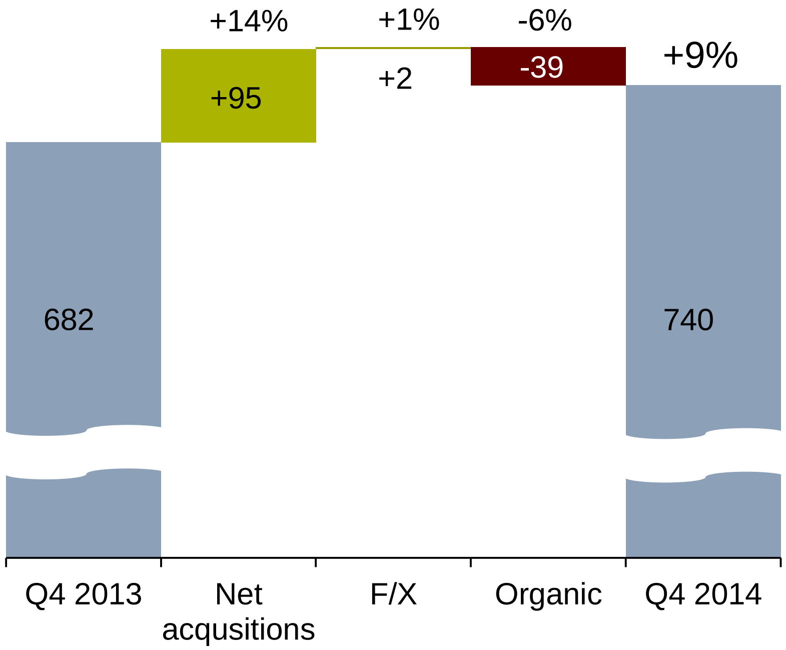
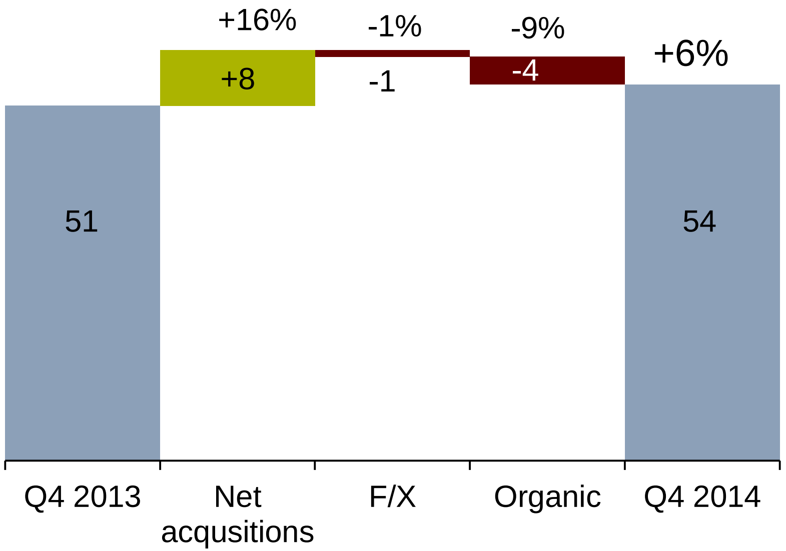
Organic development of Output Volume



in € million

Organic development of adjusted EBITA



in € million

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