



Dr. Eckhard Cordes
Chairman of the Supervisory Board

Dear Shareholders,

2014 was a difficult year for Bilfinger. The abrupt changes in the energy sector in Germany and their impact on neighboring countries led to a drop in earnings. The Supervisory Board is, however, convinced that Bilfinger has a convincing business model as a service provider for industrial facilities, the energy sector and real estate and, with a repositioning of the power plant business, will soon get back on a path to success.

Cooperation between the Supervisory Board and the Executive Board

During the year under review, the Supervisory Board performed the duties incumbent upon it in accordance with the law and the Articles of Incorporation. The Executive Board informed the Supervisory Board regularly in both written and verbal form, on all relevant aspects of the company's development. The cooperation with the Executive Board was characterized by an intensive dialog. There were, however, considerable differences between the Supervisory Board and the Executive Board with regard to the earnings assessment. The Executive Board's two corrections to the forecast in June and in August of the reporting year led to the resignation of the former Chairman of the Executive Board and to the termination of the Chief Financial Officer in the course of a succession plan.

The Supervisory Board discussed in detail the reports from the Executive Board. It continuously monitored the work of the Executive Board on the basis of this reporting and provided advice regarding the management and strategic development of the company. The Supervisory Board was always involved in decisions that were subject to its authority. The primary benchmarks for the supervision of the Executive Board by the Supervisory Board were the legality, correctness, suitability and profitability of the Group-wide management of the business by the Executive Board. The content and scope of reporting from the Executive Board fulfilled the requirements placed on it by the law. As well as the reports prepared by the Executive Board, the Supervisory Board also received additional information from the Executive Board. Between the scheduled meetings, the Chairman of the Supervisory Board regularly exchanged ideas and information, in particular with the Chairman of the Executive Board with regard to fundamental topics, the progress of business and significant events.

Article 15 Paragraph 1 of the Articles of Incorporation of Bilfinger SE and a catalog prepared by the Supervisory Board, embedded in the Executive Board rules of procedure, list the transactions and measures of fundamental importance which require the approval of the Supervisory Board. The Supervisory Board decided on transactions and measures submitted to it and requiring its approval after reviewing them and discussing them with the Executive Board.

A further focus of consultations in the plenary sessions of the Supervisory Board was earnings development in the individual business segments as well as corporate planning – investments, return-on-capital-employed controlling and the comparison of the course of business with the anticipated figures were also dealt with in detail.

Furthermore, the Supervisory Board was informed by the Executive Board on an ongoing basis about findings from Risk Management and Compliance.

Through its Audit Committee, the Supervisory Board accompanies and monitors the framework, development and application and preventive measures taken by the company against violation of laws and regulations. Pursuant to an agreement with the U.S. Department of Justice, the Bilfinger Compliance System has been undergoing a review by a Compliance Monitor since August 2014. The Monitor informed the Supervisory Board on the findings of his activities to date at the end of the reporting year.

The Supervisory Board is not aware of any conflicts of interest to be disclosed by members of the Executive or Supervisory Boards.

Supervisory Board meetings

The Supervisory Board convened for eleven meetings in financial year 2014; they took place on March 12 and 13, May 7, June 16, August 7, September 10, October 13 and 23, November 11, December 2 as well as on December 20. All members of the Supervisory Board attended more than half of the meetings; the average attendance rate was 94.6 percent.

Topics in the plenary meetings

Current business development was dealt with in all meetings of the Supervisory Board. The Chairmen of the committees informed the plenum about the activities of the bodies they lead. The meetings of the Supervisory Board also dealt with the following topics:

On March 12, 2014, the Supervisory Board dealt with the corporate planning for the years 2014 to 2016 as well as the investment budget for 2014. In addition, it approved the sale of shares in the 'Bilfinger Berger Global Infrastructure' fund and dealt with proposed resolutions to the Annual General Meeting.

At the meeting on March 13, 2014, the Supervisory Board focused on the annual financial statements for 2013.

On May 7, 2014, the Supervisory Board gave its general approval for the Executive Board plan to sell the activities of the Construction business segment and approved the acquisition of GVA Grimley Holdings Ltd., London. The meeting also served as preparation for the Annual General Meeting on the following day.

On June 16, 2014, measures to secure earnings were discussed and the divisions operating in the Industrial and Power business segments introduced.

At its meeting held on August 7, 2014, the Supervisory Board dealt primarily with Executive Board personnel issues. At this meeting it also issued an updated Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (AktG).

On September 10, 2014, the Supervisory Board dealt, among other things, with the status of implementation of 'Bilfinger Excellence' which was introduced in the previous year and with which the administrative functions in the company will be combined, costs reduced and the management structure more efficiently structured.

On October 13, Executive Board personnel issues were once again on the agenda.

At the meeting on October 23, 2014, the Supervisory Board focused on Group strategy. The current situation and future prospects of the individual

divisions were analyzed in detail. The development of the subsidiaries acquired in 2012 as well as Executive Board personnel issues were also discussed.

The meeting held on November 11, 2014 was used primarily for the election of the new Chairman of the Supervisory Board because the previous Chairman, Dr. h. c. Bernhard Walter had stepped down from this position with effect from November 4, 2014. In his place, Dr. Eckhard Cordes was appointed member of the Supervisory Board by court order on November 5, 2014 and elected Chairman of the committee on November 11, 2014.

On December 2, 2014, the Supervisory Board dealt with the corporate planning for the years 2015 to 2017, the investment budget for 2015 and, once again, the status of the implementation of 'Bilfinger Excellence'. The committee approved the sale of stakes in two concession projects in Hungary. Also on the agenda for this meeting was the report of the Chief Compliance Officer, a presentation from the Compliance Monitor and the results of the Supervisory Board's external efficiency review.

On December 20, 2014, the Supervisory Board dealt with and approved the sale of Bilfinger Construction GmbH.

In accordance with the recommendation of the Audit Committee, the Supervisory Board proposed to the Annual General Meeting that the accounting firm Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Mannheim, be elected to conduct the external audit of the company and consolidated financial statements for the year 2014. The Annual General Meeting approved this proposal on May 8, 2014.

Work of the committees

In order to ensure the efficiency of its activities, the Supervisory Board has formed a Presiding Committee, an Audit Committee and a Nomination Committee.

Presiding Committee of the Supervisory Board

The Presiding Committee of the Supervisory Board consists of four members (see page 203). It also prepares the plenary meetings and makes recommendations on important resolutions. The main tasks of the Presiding Committee also include regulating the personnel issues of the Executive Board, unless the provisions of the German Stock Corporation Act and the German Corporate Governance Code stipulate that they are to be regulated by the plenum of the Supervisory Board, and taking decisions on legal transactions subject to approval and other transactions.

Four meetings of the Presiding Committee of the Supervisory Board were held in 2014. The Presiding Committee approved the sale of a part of the company and also approved two long-term framework agreements for facility management services. Some of the resolutions of the Presiding Committee of the Supervisory Board were made in written form.

Audit Committee

The Audit Committee also consists of four members (see page 203). It monitors the accounting as well as the functionality and effectiveness of the risk management system, the internal auditing system and the internal control

system. It also deals with questions relating to auditing and compliance. The Chairman of the Audit Committee, Mr. Udo Stark, has particular knowledge and experience in the application of accounting principles and internal control procedures.

In five meetings in the past financial year, the Audit Committee primarily dealt with the annual financial statements for 2013 and the quarterly reports for 2014, including the corresponding interim financial statements. The auditor participated in four meetings of the Audit Committee and reported in detail on the results of the audit of the individual and consolidated financial statements, the auditor's review of interim financial statements as of March 31, June 30 and September 30, 2014 and on the significant findings for the work of the Audit Committee. The Chairman of the Supervisory Board participated in two meetings of the Audit Committee as a guest. The Chairman of the Audit Committee also met individually with the Chief Financial Officer outside the committee meetings and discussed, among other things, the annual financial statements and the interim financial statements with him.

The Audit Committee reviewed the independence of the external auditors and recommended that the Supervisory Board propose their election by the Annual General Meeting in 2014. The Audit Committee is not aware of any reasons to doubt the external auditor's impartiality. The committee awarded the contracts for the audit of the individual and consolidated financial statements as well as for the auditor's review of the interim financial statements as of June 30 to the auditors, negotiated the audit fee with them and determined the focus of the audit. It also dealt with the non-audit services provided by the external auditors and reviewed compliance with the relevant limits for such services.

The Audit Committee received information on the development of the risk situation from the quarterly reports of the Executive Board, which were also submitted to the plenum of the Supervisory Board. Furthermore, the Audit Committee dealt in detail with the activities of Project Controlling and Internal Auditing. To enable the Audit Committee to conduct an evaluation of the company's risk management, the Project Controlling and Internal Auditing departments submitted reports to the committee. The Chairman of the Audit Committee also discussed the work results of Internal Auditing and Project Controlling in individual meetings with the heads of the two corporate departments. The Audit Committee reviewed the functionality of the internal control system and the risk management system in relation to the accounting process. The Audit Committee is of the opinion that the internal control system, the internal auditing system and the risk management system fully meet the demands that are made of them.

The Audit Committee also dealt in detail with questions of compliance. The Chief Compliance Officer reported on his activities to the committee once a quarter (see page 120 f.).

Nomination Committee

The Supervisory Board has formed a Nomination Committee in accordance with the recommendation in Section 5.3.3 of the German Corporate Governance Code. This committee consists of three members representing the shareholders (see page 203) and suggests suitable candidates to the Super-

visory Board for its recommendations for the election of Supervisory Board members to be made to the Annual General Meeting. The Nomination Committee did not meet in financial year 2014.

Corporate governance and declaration of compliance

In 2014, the Supervisory Board dealt in detail with questions of corporate governance and with the German Corporate Governance Code. On August 7, 2014, the Executive Board and the Supervisory Board issued an updated declaration of compliance pursuant to Section 161 of the German Stock Corporation Act (AktG), which is a component of the corporate governance report (see page 119 f.) and is permanently available on the company's website, as are the previous declarations.

Examination of efficiency

The Supervisory Board and Audit Committee examine the efficiency of their activities annually. An external expert conducted an evaluation in the reporting year. The results of his survey were analyzed in detail in the Presiding Committee.

Audit of the annual and consolidated financial statements

Accounting firm Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Mannheim, has audited the annual financial statements and the combined management report of Bilfinger SE and the Group prepared by the Executive Board in accordance with the German Commercial Code (HGB) for 2014 and has issued them with an unqualified audit opinion. The consolidated financial statements of Bilfinger SE for the year 2014 were prepared in accordance with Section 315a of the German Commercial Code (HGB) on the basis of the International Financial Reporting Standards (IFRS) as adopted by the European Union. The consolidated financial statements were also issued with an unqualified audit opinion by the auditors. The audit assignment had been issued by the Audit Committee of the Supervisory Board in accordance with the resolution of the Annual General Meeting of May 8, 2014. The aforementioned financial statements, the audit reports of the external auditors and the proposal of the Executive Board on the appropriation of profits were provided to all members of the Supervisory Board in good time. The Audit Committee of the Supervisory Board, in preparation for the review and discussion of these documents by the plenary session of the Supervisory Board, discussed the financial statements and the audit reports as well as the proposal on the appropriation of distributable earnings in the presence of the external auditors. In addition, the Audit Committee had the auditor report on the collaboration with internal auditing and others in positions relating to risk management and on the effectiveness of the internal control and risk management system, in particular with regard to accounting whereby the auditor stated that no significant weaknesses were found. The external auditors confirmed that the internal control system, the internal auditing system and the risk management system fully meet the demands made of them.

The Supervisory Board undertook a detailed review of the annual financial statements, the consolidated financial statements and the combined management report of Bilfinger SE and the Group for the year 2014, as

well as the proposal of the Executive Board on the appropriation of distributable earnings – following an explanation of these documents by the Executive Board – and dealt with these matters in its meeting on March 12, 2015. The external auditors, represented by the two auditors who signed the audit opinion, also participated in this meeting. They explained the audit and responded to questions from the Supervisory Board on the results of the audit as well as its form and scope. They also discussed in detail with the Supervisory Board the internal control and risk management system, in particular as it relates to the accounting process. The Supervisory Board shares the opinion of the Audit Committee on the effectiveness of these systems. The Supervisory Board was convinced that the audit by the external auditors was conducted in a proper manner. In concurrence with the recommendation of the Audit Committee, the Supervisory Board took note of and approved the results of the audit conducted by the external auditors. Following the final results of the Supervisory Board's own review carried out on this basis, there were no objections to be made; this applies in particular to the corporate governance statement, namely to the extent that its components are to be analyzed by the Supervisory Board alone. At its meeting held on March 12, 2015, the Supervisory Board approved the company and consolidated financial statements and the combined management report for the 2014 financial year as submitted by the Executive Board. The company's financial statements have thus been adopted.

The Supervisory Board, in its assessment of the situation of the company and the Group, is in agreement with the assessment made by the Executive Board in its combined management report. The Supervisory Board consents to the proposal of the Executive Board on the appropriation of profits particularly with regard to the stringency of accounting and dividend distribution policy, the effect on liquidity, creditworthiness and future financing needs as well as under consideration of shareholder interest. In accordance with the recommendation of the Audit Committee, it consents to the Executive Board's proposal for the appropriation of distributable earnings.

Executive Board personnel matters

On August 7, 2014, the Supervisory Board, in accordance with Section 39, Paragraph 3, Sentence 2 of the SE Regulations in connection with Paragraph 15 of the SE Implementation Act (SE-VO), assigned Herbert Bodner to the Executive Board and appointed him Chairman for the period from August 9, 2014 until May 31, 2015 at the latest. As a result of his resignation from the Supervisory Board with effect from November 13, 2014, Mr. Bodner left the committee. Because his assignment to the Executive Board also ended at that time, he was once again appointed member of the Executive Board and Chairman of the Executive Board from November 14, 2014 until May 31, 2015.

Mr. Roland Koch stepped down from the Executive Board by mutual agreement on August 8, 2014. On October 13, 2014, the Supervisory Board approved the resignation of Mr. Joachim Müller by mutual agreement. Mr. Müller will step down from his position as Chief Financial Officer on March 31, 2015.

Supervisory Board personnel matters

The SE Works Council which, in accordance with the co-determination agreement, has the authority regarding the appointment and dismissal of employee representatives to the Supervisory Board, dismissed Mr. Holger Timmer from the Supervisory Board at the end of the Annual General Meeting on May 8, 2014. Mr. Ingo Klötzer joins the Supervisory Board in his place.

Dr. h. c. Bernhard Walter stepped down from the Supervisory Board with effect from November 4, 2014. In his place, Dr. Eckhard Cordes was appointed member of the Supervisory Board on November 5, 2014 by court order. In its meeting on November 11, 2014, the Supervisory Board elected Dr. Cordes Chairman.

Herbert Bodner's Supervisory Board mandate was suspended due to his assignment to the Executive Board from August 9, 2014 and ended when he resigned the office on November 13, 2014. As substitute member of the Supervisory Board elected by the Annual General Meeting, Mr. Wolfgang Faden replaced Mr. Bodner in the Committee on November 14, 2014.

Mr. Volker Böhme resigned from the Supervisory Board with effect from December 31, 2014; Mr. Wolfgang Bunge joined the committee in his place on January 1, 2015 as substitute member elected by the SE Works Council.

The Supervisory Board thanks all the departed members for their work and commitment in the interests of the company.

The Supervisory Board mourns the loss of Dr. h. c. Bernhard Walter, who passed away on January 11, 2015. He was a member of the committee from 1998 until he stepped down in November 2014 and was Chairman from 2006. Dr. Walter shaped the work of the Supervisory Board throughout this long period, making a major contribution to Bilfinger. The Supervisory Board will commemorate his memory.

Thanks to the Executive Board and the employees

The Supervisory Board thanks the members of the Executive Board for the trusting and constructive cooperation and expresses its thanks and appreciation to all the employees for their good work for Bilfinger in the past financial year.

Adoption of this report

The Supervisory Board adopted this report in its meeting on March 12, 2015 in accordance with Section 171 Subsection 2 of the German Stock Corporation Act (AktG).

For the Supervisory Board

Dr. Eckhard Cordes
Chairman of the Supervisory Board
Mannheim, March 12, 2015