



Dr. Eckhard Cordes
Chairman of the Supervisory Board

Dear Shareholders,

2015 was another difficult year for Bilfinger in economic terms. One-time burdens from goodwill impairments, operating losses in the Power segment and restructuring expenses resulted in a net loss. At the same time, in financial year 2015 the foundations were laid for positive development of the company in the coming years. With the reorganization of the Executive Board and the appointment of three new Executive Board members, the Supervisory Board established the conditions for the future strategic positioning of the Group. The sale of the Power business segment has been initiated and Bilfinger will now focus its business more strongly on the independent Industrial segment as well as Building and Facility. In addition, Group activities will concentrate on the home market of Europe. We are convinced that this is the right strategy in the interest of the company and to ensure a sustainable increase in enterprise value. The implementation of the new strategy will be the focus of the current financial year 2016.

Alongside the strategic repositioning, the subject of compliance was of great importance to Bilfinger in the reporting year. The Supervisory Board worked intensively with the subjects and risks in this area and identified a need for improvement regarding the Company's internal risk management system and control system including compliance. The Supervisory Board will therefore continue to pay close attention to these subject areas in the future and will, among other things, accompany and monitor the further development of the compliance area with the support of the internationally renowned expert Louis Freeh.

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 previous and the new Executive Board was characterized by an intensive dialog.

The Supervisory Board reviewed, discussed in detail and critically evaluated the reports from the Executive Board. It continuously monitored the work of the Executive Board, also on the basis of this reporting, and provided advice regarding the management and strategic development of the company. The Supervisory Board was always involved, especially for decisions of substantial importance. 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 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 Subsection 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 and regularly reviewed for any necessary adjustments, lists 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 in the reporting year and requiring its approval after reviewing them and discussing them with the Executive Board.

Further focuses of the consultations in the Presiding Committee included the corporate planning, development of earnings in the individual business segments as well as the financial position of the Group. In the reporting year, the Supervisory Board also dealt intensively with the topic of compliance. Together with its Audit Committee, the Supervisory Board accompanies and monitors the framework, development and application and preventive measures taken by the company against the violation of laws and regulations. Pursuant to an agreement with the U.S. Department of Justice from 2013, the Bilfinger Compliance System has been undergoing a review by the independent compliance expert (Monitor) Dr. Mark Livschitz since August 2014. The Monitor informed the Audit Committee of the Supervisory Board twice in the reporting year about the findings of his activities.

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

Supervisory Board meetings

In financial year 2015, the Supervisory Board convened for nine meetings; they took place on February 10, March 12, April 23, May 6, June 17, July 21, September 22, October 22 and on December 16. All members of the Supervisory Board attended more than half of the meetings; the average attendance rate was 95.4 percent. Only Ms. Lone Fønss Schrøder was unable to participate in four meetings, Mr. Wolfgang Faden could not attend on one occasion.

Topics in the plenary meetings

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

On February 10, 2015, the Supervisory Board dealt with corporate planning for the years 2015 to 2017 and the preliminary report on financial year 2014. In addition, it covered the revised version of the Executive Board remuneration system and personnel issues in the Executive Board. At this meeting the Supervisory Board also issued an updated Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (AktG).

In the meeting on March 12, 2015, the Supervisory Board focused primarily on the annual financial statements for 2014 and approved the proposed resolutions to the Annual General Meeting.

On April 23, 2015, Executive Board personnel issues were once again on the agenda of the Supervisory Board meeting. Furthermore, in April 2015 the Supervisory Board gave written approval for the sale of all remaining shares held by the company in Julius Berger Nigeria plc, Abuja, and Julius Berger International GmbH, Wiesbaden.

The meeting held on May 6, 2015 served mainly as preparation for the Annual General Meeting on the following day. The management of selected divisions also presented their business segments.

On June 17, 2015, the financing of the Bilfinger Group and strategic considerations regarding the Power business segment were dealt with in the Supervisory Board.

At the meeting on July 21, 2015, the Supervisory Board dealt with the issue of compliance in detail. It also covered the financial position of the Group and Executive Board personnel issues.

On September 22, 2015, the future strategic positioning of the Group, the issue of compliance and financing as well as personnel issues in the Executive Board were on the agenda of the Supervisory Board. At this meeting, the Supervisory Board also set a target figure for the share of women in the Executive Board in accordance with the law passed in Germany on the full and equal participation of men and women in management positions in the private and public sectors.

At the meeting on October 22, 2015, the Supervisory Board again focused on Group strategy and compliance issues. In addition, the development of the subsidiaries acquired in 2013 as well as Executive Board personnel issues were discussed.

On December 16, 2015, compliance and financing were again on the agenda as well as corporate planning for the years 2016 to 2018. At this

meeting, the Supervisory Board also made a resolution on the regular declaration of compliance pursuant to Section 161 of the German Stock Corporation Act (AktG) and an adjustment to the goals of its composition in accordance with Section 5.4.1 Subsection 2 Sentence 1 of the German Corporate Governance Code (GCGC). With regard to the fixed gender quota of 30 percent that is to be met for new appointments to the Supervisory Board as of January 1, 2016 in accordance with the law passed in Germany on the full and equal participation of men and women in management positions in the private and public sectors, the Supervisory Board determined the goal of filling the quota equally.

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 annual and consolidated financial statements for 2015. The Annual General Meeting approved this proposal on May 7, 2015. Ms. Karen Somes is the responsible auditor for Bilfinger at Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, a role she has carried out in four annual audits to date.

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 183). 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.

In financial year 2015, there were four meetings of the Presiding Committee of the Supervisory Board as well as a joint meeting of the Presiding Committee and the Audit Committee. The Presiding Committee approved two framework agreements for services in the industrial services and facility management sectors. 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 183). 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 – until September 30, 2015 Mr. Udo Stark and since October 1, 2015 Mr. Hans Peter Ring – has particular knowledge and experience in the application of accounting principles and internal control procedures.

In the past financial year, the Audit Committee convened for seven meetings in addition to the above-mentioned joint meeting with the Presiding Committee of the Supervisory Board. The Audit Committee primarily dealt with the annual financial statements for 2014 and the quarterly reports for 2015, including the corresponding interim financial statements as of March 31, June 30 and September 30, which it reviewed in detail. The auditor participated in five meetings of the Audit Committee and reported in detail on the results of the audit of the individual and consolidated financial statements 2014, the auditor's review of the interim financial statements as of March 31, June 30 and September 30, 2015 and on the significant findings for the work of the Audit Committee. The Chairman of the Audit Committee also met individually with the Chief Financial Officer outside the committee meetings to discuss, among other things, the annual financial statements, the interim financial reports, as well as systems and processes regarding their improvement.

The Audit Committee reviewed the independence of the external auditors and recommended that the Supervisory Board propose its election by the Annual General Meeting in 2015. 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 annual and consolidated financial statements as well as for the auditors' review of the six-month financial report as of June 30, 2015 and the interim financial reports as of March 31, 2015 and September 30, 2015 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 internal auditing and project controlling. In order to allow the Audit Committee to evaluate the risk management, the two Corporate Departments Internal Audit and Project Controlling provided the Committee with quarterly and annual reports, respectively. The Chairman of the Audit Committee also discussed the work results of Corporate Internal Audit and the development of the risk management system in an individual meeting with the head of the Corporate Department. The Audit Committee reviewed the functionality of the internal control system and the risk management system in relation to the accounting process. It is of the opinion that the internal control system, the internal auditing system and the risk management system generally meet the demands that are made of them, but must be continually improved. Corresponding measures have already been introduced and more are to follow. The Audit Committee will monitor their implementation closely and ensure that the continued development of these systems remains a priority in the future.

The Audit Committee also dealt with questions of compliance in detail and on a regular basis. The independent compliance expert (Monitor), appointed in accordance with the agreement with the U.S. Department of Justice, took part in three meetings and reported to the Committee on his findings twice. The Chief Compliance Officer reported on his activities to the Committee once a quarter (see page 100 f.) and was in personal contact with the Chairman of the Audit Committee.

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 183) and suggests suitable candidates to the Supervisory Board for its recommendations for the election of Supervisory Board members to be made to the Annual General Meeting. In financial year 2015, the Nomination Committee convened for one meeting, consulted with regard to the new and re-appointment of two members of the Supervisory Board and issued a relevant recommendation to the Supervisory Board.

Corporate governance and declaration of compliance

In financial year 2015, the Supervisory Board also took a detailed look at questions of corporate governance and the German Corporate Governance Code and, in this regard, took into consideration the amendments to the GCGC in May 2015 which took effect on June 12, 2015 with publication in the official section of the German Federal Gazette ("Bundesanzeiger"). On February 10 and December 16, 2015, the Executive Board and the Supervisory Board each issued a declaration of compliance pursuant to Section 161 of the German Stock Corporation Act (AktG), whereby the latter is also a component of the corporate governance report (see page 99 f.) and is permanently available on the company's website, as are the previous declarations.

Examination of efficiency

The Supervisory Board and Audit Committee had to date examined the efficiency of their activities annually. In the reporting year, on the basis of previous experience and relevant discussions, they determined that an annual examination, considering the expenditure, did not provide significant value added and resolved, effective immediately, to undertake a regular efficiency review every two years.

Audit of the annual and consolidated financial statements

Accounting firm Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Mannheim, as appointed auditors, 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 2015 and has issued them with an unqualified audit opinion. The consolidated financial statements of Bilfinger SE for the year 2015 were prepared on the basis of the International Financial Reporting Standards (IFRS) as adopted by the European Union and in accordance with Section 315a of the German Commercial Code (HGB). 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 7, 2015. 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 an orderly manner and 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 Corporate Internal Audit, Corporate Accounting 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 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 2015, 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 10, 2016. 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 and has identified need for improvement. 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 applied, 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 10, 2016, the Supervisory Board approved the annual and consolidated financial statements and the combined management report for the 2015 financial year as submitted by the Executive Board. The company's financial statements for financial year 2015 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 distributable earnings, particularly with regard to the stringency of accounting and dividend distribution policy, the effects on liquidity, creditworthiness and future financing needs, as well as with consideration of shareholders' interests. 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 February 10, 2015, the Supervisory Board appointed Mr. Axel Salzmann as Chief Financial Officer for the period from April 1, 2015 until March 31, 2020. Furthermore, at this meeting, Dr. Jochen Keysberg was reappointed to the Executive Board with effect from November 1, 2015 for a period of office of five years.

On April 23, 2015, the Supervisory Board appointed Per H. Utnegaard as Member of the Executive Board and named him Chairman of the Executive Board for the period from June 1, 2015 until May 31, 2020. The interim appointment of Herbert Bodner as Chairman of the Executive Board ended on May 31, 2015.

Mr. Pieter Koolen stepped down from his position as Member of the Executive Board with effect from August 24, 2015. By virtue of a resolution from the Supervisory Board on September 22, 2015, Mr. Joachim Enenkel left the Executive Board with effect from October 2, 2015.

On September 22, 2015, the Supervisory Board appointed Mr. Michael Bernhardt with effect from January 1, 2016 for a period of five years to the Executive Board and as Labor Director responsible for the area of Human Resources. In the meeting of October 22, 2015, the appointment of Mr. Bernhardt was moved forward to November 1, 2015.

Supervisory Board personnel matters

On May 7, 2015, the Annual General Meeting elected Dr. Eckhard Cordes and Mr. Hans Peter Ring to the Supervisory Board. Mr. Wolfgang Faden left the Committee with effect from the end of the Annual General Meeting. The Supervisory Board thanks Mr. Faden for his commitment in the interests of the company. At its meeting on May 6, 2015, the Supervisory Board elected Dr. Cordes Chairman of the Supervisory Board in the case of his successful election by the Annual General Meeting.

With effect from September 30, 2015, Mr. Udo Stark stepped down as member of the Supervisory Board and as Chairman of the Audit Committee. On September 22, 2015, the Supervisory Board elected Mr. Hans Peter Ring as his successor in both functions from October 1, 2015. The Supervisory Board would like to thank Mr. Stark for his many years of dedicated service as Chairman of the Audit Committee.

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 10, 2016 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 10, 2016