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Consolidated financial statements

Responsibility statement

To the best of our knowledge, and in accordance with the applicable accounting principles for financial reporting, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group management report, which has been combined with the management report of Bilfinger SE, 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.

Mannheim, March 10, 2016

The Executive Board

Per H. Utnegaard   Michael Bernhardt   Dr. Jochen Keysberg   Axel Salzmann

Auditor’s report

We have audited the consolidated financial statements prepared by Bilfinger SE, Mannheim, comprising the income statement, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and the notes to the consolidated financial statements, together with the group management report, that was combined with the company’s management report, for the fiscal year from 1 January to 31 December 2015. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB [„Handelsgesetzbuch“: „German Commercial Code“] are the responsibility of the parent company’s management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB and German generally accepted standards for the audit 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 audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group’s position and suitably presents the opportunities and risks of future development.

Mannheim, 10 March 2016

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Peter Wollmert Wirtschaftsprüfer [German Public Auditor]	Karen Somes Wirtschaftsprüferin [German Public Auditor]

Consolidated financial statements

CONSOLIDATED INCOME STATEMENT

€ million

	Notes	2015	2014
Revenue	(6)	**6,481.3**	**6,245.3**
Cost of sales		-5,704.5	-5,451.2
Gross profit		**776.8**	**794.1**
Selling and administrative expense		-666.2	-662.8
Other operating income	(7)	116.2	72.2
Other operating expense	(8)	-112.0	-72.7
Income from investments accounted for using the equity method		18.9	39.4
Earnings before interest and taxes (EBIT)		**133.7**	**170.2**
Interest income	(11)	7.6	3.5
Interest expense	(11)	-33.7	-32.1
Other financial result	(11)	-2.2	0.5
Earnings before taxes		**105.4**	**142.1**
Income tax expense	(12)	-100.5	-51.5
Earnings after taxes from continuing operations		**4.9**	**90.6**
Earnings after taxes from discontinued operations	(5.1)	**-508.1**	**-192.7**
Earnings after taxes		-503.2	-102.1
thereof minority interest		-14.5	-30.7
Net profit		**-488.7**	**-71.4**
Average number of shares (in thousands)	(13)	44,194	44,168
Earnings per share * (in €)	(13)	-11.06	-1.62
thereof from continuing operations		0.44	2.74
thereof from discontinued operations		-11.50	-4.36

* Basic earnings per share are equal to diluted earnings per share.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ million

	2015	2014
Earnings after taxes	**-503.2**	-102.1
Items that will not be reclassified to the income statement		
Gains / losses from remeasurement of net defined benefit liability (asset)		
Unrealized gains / losses	9.0	-112.3
Income taxes on unrealized gains / losses	-2.7	32.9
	6.3	-79.4
Items that may subsequently be reclassified to the income statement		
Gains / losses on fair-value measurement of securities		
Unrealized gains / losses	0.0	-2.4
Reclassifications to the income statement	0.0	-6.0
Income taxes on unrealized gains / losses	0.0	0.1
	0.0	-8.3
Gains / losses on hedging instruments		
Unrealized gains / losses	-4.8	-1.5
Reclassifications to the income statement	2.4	-1.3
Income taxes on unrealized gains / losses	0.5	0.9
	-1.9	-1.9
Currency translation differences		
Unrealized gains / losses	68.1	56.7
Reclassifications to the income statement	1.8	3.5
	69.9	60.2
Gains / losses on investments accounted for using the equity method		
Gains / losses on hedging instruments		
Unrealized gains / losses	0.9	-3.9
Reclassifications to the income statement	42.2	23.5
	43.1	19.6
Currency translation differences		
Unrealized gains / losses	0.7	1.0
Reclassifications to the income statement	-0.7	0.0
	0.0	1.0
	43.1	20.6
	111.1	70.6
Other comprehensive income after taxes	**117.4**	-8.8
Total comprehensive income after taxes	**-385.8**	-110.9
attributable to shareholders of Bilfinger SE	-373.2	-79.8
attributable to minority interest	-12.6	-31.1

See also further explanations on the components of other comprehensive income in section 21 of the notes to the consolidated financial statements.

CONSOLIDATED BALANCE SHEET

€ million

		Notes	Dec. 31, 2015	Dec. 31, 2014
Assets	Non-current assets			
	Intangible assets	(14)	1,650.0	2,015.4
	Property, plant and equipment	(15)	446.6	650.2
	Investments accounted for using the equity method	(16)	18.4	70.5
	Other financial assets	(17)	62.2	68.2
	Deferred tax assets	(12)	162.7	222.4
			2,339.9	**3,026.7**
	Current assets			
	Inventories	(18)	94.9	181.5
	Receivables and other financial assets	(19)	1,487.6	1,876.0
	Current tax assets		36.8	60.0
	Other assets	(20)	69.3	98.1
	Cash and cash equivalents		429.3	403.1
	Assets classified as held for sale	(5.2)	749.8	316.2
			2,867.7	**2,934.9**
			5,207.6	**5,961.6**
Equity and liabilities	Equity	(21)		
	Share capital		138.1	138.1
	Capital reserve		759.8	759.8
	Retained and distributable earnings		599.7	1.170.8
	Other reserves		75.5	-33.6
	Treasury shares		-96.8	-97.4
	Equity attributable to shareholders of Bilfinger SE		1.476.3	1.937.7
	Minority interest		-36.8	-20.6
			1,439.5	**1,917.1**
	Non-current liabilities			
	Provisions for pensions and similar obligations	(22)	396.6	523.7
	Other provisions	(23)	49.7	55.0
	Financial debt, recourse	(24)	512.7	515.8
	Financial debt, non-recourse	(24)	12.5	12.6
	Other liabilities	(25)	17.4	21.9
	Deferred tax liabilities	(12)	54.9	91.3
			1,043.8	**1,220.3**
	Current liabilities			
	Current tax liabilities	(23)	51.5	89.1
	Other provisions	(23)	399.8	461.3
	Financial debt, recourse	(24)	6.7	27.9
	Financial debt, non-recourse	(24)	0.7	26.9
	Trade and other payables	(25)	1,086.7	1,477.1
	Other liabilities	(26)	343.9	369.9
	Liabilities classified as held for sale	(5.2)	835.0	372.0
			2,724.3	**2,824.2**
			5,207.6	**5,961.6**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ million

	Equity attributable to the shareholders of Bilfinger SE								Minority interest	Equity
				Other reserves						
	Share capital	Capital reserve	Retained and distributable earnings	Fair value measurement of securities reserve	Hedging instruments reserve	Currency translation reserve	Treasury shares	Total		
Balance at January 1, 2014	**138.1**	**759.6**	**1,455.1**	**8.3**	**-61.2**	**-51.7**	**-99.0**	**2,149.2**	**15.5**	**2,164.7**
Earnings after taxes	0.0	0.0	-71.4	0.0	0.0	0.0	0.0	-71.4	-30.7	-102.1
Other comprehensive income after taxes	0.0	0.0	-79.4	-8.3	17.7	61.6	0.0	-8.4	-0.4	-8.8
Total comprehensive income after taxes	**0.0**	**0.0**	**-150.8**	**-8.3**	**17.7**	**61.6**	**0.0**	**-79.8**	**-31.1**	**-110.9**
Dividends paid out	0.0	0.0	-132.5	0.0	0.0	0.0	0.0	-132.5	-4.6	-137.1
Employee share program	0.0	0.2	-0.1	0.0	0.0	0.0	1.6	1.7	0.0	1.7
Changes in ownership interest without change in control	0.0	0.0	-0.6	0.0	0.0	0.0	0.0	-0.6	0.0	-0.6
Other changes	0.0	0.0	-0.3	0.0	0.0	0.0	0.0	-0.3	-0.4	-0.7
Balance at December 31, 2014	**138.1**	**759.8**	**1,170.8**	**0.0**	**-43.5**	**9.9**	**-97.4**	**1,937.7**	**-20.6**	**1,917.1**
Balance at January 1, 2015	**138.1**	**759.8**	**1,170.8**	**0.0**	**-43.5**	**9.9**	**-97.4**	**1,937.7**	**-20.6**	**1,917.1**
Earnings after taxes	0.0	0.0	-488.6	0.0	0.0	0.0	0.0	-488.6	-14.6	-503.2
Other comprehensive income after taxes	0.0	0.0	6.3	0.0	41.2	67.9	0.0	115.4	2.0	117.4
Total comprehensive income after taxes	**0.0**	**0.0**	**-482.3**	**0.0**	**41.2**	**67.9**	**0.0**	**-373.2**	**-12.6**	**-385.8**
Dividends paid out	0.0	0.0	-88.4	0.0	0.0	0.0	0.0	-88.4	-3.5	-91.9
Employee share program	0.0	-0.2	0.0	0.0	0.0	0.0	0.6	0.4	0.0	0.4
Changes in ownership interest without change in control	0.0	0.0	-0.1	0.0	0.0	0.0	0.0	-0.1	-0.2	-0.3
Other changes	0.0	0.2	-0.3	0.0	0.0	0.0	0.0	-0.1	0.1	0.0
Balance at December 31, 2015	**138.1**	**759.8**	**599.7**	**0.0**	**-2.3**	**77.8**	**-96.8**	**1,476.3**	**-36.8**	**1,439.5**

See also further explanations on equity in section 21 of the notes to the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

€ million

		Jan.1 - Dec. 31		Oct. 1 - Dec. 31	
	Notes	**2015**	2014	**2015**	2014
Earnings after taxes from continuing operations		4.9	90.6	19.2	36.9
Depreciation, amortization and impairments		141.5	126.1	32.5	32.4
Income from revaluation of equity investments		-23.7	0.0	-3.1	0.0
Decrease in non-current provisions and liabilities		-14.8	-46.7	-5.4	-38.3
Deferred tax expense / benefit		67.8	-8.0	20.7	2.5
Adjustment for non-cash income from equity-method investments		7.9	-17.8	6.2	-6.1
Cash earnings from continuing operations		**183.6**	**144.2**	**70.1**	**27.4**
Decrease in inventories		7.2	12.2	10.0	9.2
Decrease / increase in receivables		34.1	-19.9	68.9	120.4
Decrease in current provisions		-36.7	-56.3	-7.3	-41.4
Decrease / increase in liabilities		-21.1	-25.6	87.4	25.4
Change in working capital		**-16.5**	**-89.6**	**159.0**	**113.6**
Gains on disposals of non-current assets		-43.5	-20.4	-3.6	-0.8
Cash flow from operating activities of continuing operations	(31)	**123.6**	**34.2**	**225.5**	**140.2**
Proceeds from the disposal of intangible assets		0.8	0.1	0.6	0.0
Proceeds from the disposal of property, plant and equipment		25.7	15.5	4.2	3.3
Proceeds from the disposal of subsidiaries net of cash and cash equivalents disposed of		105.2	6.3	3.3	4.2
Proceeds from the disposal of concession projects		52.5	103.2	52.5	10.8
Disposal of cash and cash equivalents classified as assets held for sale		-1.9	-32.4	-1.9	-8.7
Proceeds from the disposal of other financial assets		53.9	12.9	4.0	0.0
Investments in intangible assets		-7.2	-12.3	-1.2	-4.2
Investments in property, plant and equipment		-73.6	-104.8	-19.9	-28.1
Acquisition of subsidiaries net of cash and cash equivalents acquired		-0.5	-136.0	0.0	-11.0
Investments in other financial assets		-3.2	-4.5	-0.6	-0.1
Changes in marketable securities		0.0	50.2	0.0	0.0
Cash flow from investing activities of continuing operations	(31)	**151.7**	**-101.8**	**41.0**	**-33.8**
Issue of treasury shares as part of the employee share program		0.4	1.1	0.0	0.1
Dividend paid to the shareholders of Bilfinger SE		-88.4	-132.4	0.0	0.0
Dividend paid to minority interest		-4.9	-4.6	-0.3	0.1
Proceeds from changes in ownership interest without change in control		0.0	0.1	0.0	0.0
Investments resulting in changes in ownership interest without change in control		-0.3	-0.4	-0.3	0.0
Borrowing		91.4	2.1	0.3	-0.3
Repayment of financial debt		-93.3	-32.8	-28.5	-1.8
Cash flow from financing activities of continuing operations		**-95.1**	**-166.9**	**-28.8**	**-1.9**
Change in cash and cash equivalents of continuing operations		**180.2**	**-234.5**	**237.7**	**104.5**
Cash flow from operating activities of discontinued operations	(31)	-61.0	13.8	7.8	65.5
Cash flow from investing activities of discontinued operations	(31)	-67.1	-74.3	-33.0	-29.9
Cash flow from financing activities of discontinued operations	(31)	9.3	12.8	0.3	2.3
Change in cash and cash equivalents of discontinued operations		**-118.8**	**-47.7**	**-24.9**	**37.9**
Change in value of cash and cash equivalents due to changes in foreign exchange rates		2.1	7.6	-0.3	-0.3
Cash and cash equivalents at January 1 / October 1		403.1	668.6	214.4	258.4
Cash and cash equivalents classified as assets held for sale (Concessions / Construction) at January 1 / October 1 (+)		13.3	22.4	53.0	15.9
Cash and cash equivalents classified as assets held for sale (Concessions / Construction / Power) at December 31 (-)		50.6	13.3	50.6	13.3
Cash and cash equivalents at December 31		**429.3**	**403.1**	**429.3**	**403.1**

Notes to the consolidated financial statements

Notes to the consolidated financial statements*

1. Segment reporting

As in the previous year, segment reporting has been prepared in accordance with IFRS 8. The reportable segments of the Bilfinger Group reflect the internal reporting structure. Segment reporting depicts the Group's continuing operations. The definition of the segments is based on products and services.

The existing 10 divisions are allocated to two business segments. Compared to December 31, 2014, the number of business segments and divisions declined as a result of the classification of the former Power business segment with its two divisions as discontinued operations.

The prior-year figures have been adjusted accordingly.

Description of reportable segments:

Industrial The Industrial segment provides services for the design, construction, maintenance and modernization of plants in the process industry, in particular for the chemical industry, the pharmaceutical industry, the oil and gas industry as well as the energy sector. The spectrum of services includes consulting, engineering and project management, maintenance of machine technology, electrical instrumentation and control technology as well as piping and component engineering, plant assembly and maintenance, insulation, industrial scaffolding and corrosion protection. The core market for the business is Europe.

Building and Facility The Building and Facility segment offers individual, combined and fully integrated services across the entire value chain of real-estate properties. The services that are required in the various lifecycle phases of a property range from acquisition and selling consulting, development and planning through to construction and operation, management, consultancy and marketing. Worldwide services in the water and wastewater technology sector are also part of the business segment's portfolio. Its core markets are Germany and the United Kingdom.

'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. Internal revenue reflects the supply of goods and services between the segments. These are invoiced at the usual market prices. In the reconciliation to the consolidated financial statements, the Group's internal expenses and income as well as intra-Group profits are eliminated. Consolidation includes the consolidation of business transactions between the business segments. The reconciliation also includes income and expenses from headquarters as well as other items that cannot be allocated to the individual segments according to our internal accounting policies. The allocation of external revenue to the regions is carried out according to the location of the service provision.

The reconciliation of segment assets in particular includes cash and cash equivalents as well as the non-current and current assets that are not allocated to the business segments. The segment liabilities shown in the reconciliation include the liabilities of Group headquarters and interest-bearing liabilities such as debt and provisions for pensions and similar obligations. Accordingly, the corresponding expense and income items are not recorded in segment earnings (EBITA). Investments in property, plant and equipment also include investments in intangible assets such as licenses or software of €7.2 million (previous year: €12.3 million).

* Figures in € million, unless stated otherwise.

SEGMENT REPORTING BY BUSINESS SEGMENT

€ million

Output volume
External revenue
Internal revenue
Total revenue
EBITA (segment earnings)
Amortization of intangible assets from acquisitions and impairment of goodwill
EBIT (segment earnings)
thereof depreciation of property, plant and equipment and amortization of other intangible assets
thereof income from investments accounted for using the equity method
Segment assets at December 31
thereof investments in associates and joint ventures accounted for using the equity method
Segment liabilities at December 31
Capital expenditure on property, plant and equipment
Number of employees at December 31

SEGMENT REPORTING BY REGION

€ million

Output volume
External revenues
Non-current assets at December 31

Industrial		Building and Facility		Total of segments		Consolidation / other		Total continuing operations	
2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
3,649.6	3,705.0	**2,908.6**	2,658.9	**6,558.2**	6,363.9	**-76.3**	-118.2	**6,481.9**	6,245.7
3,596.3	3,644.1	2,855.4	2,603.3	6,451.7	6,247.4	29.6	-2.1	6,481.3	6,245.3
69.4	87.3	28.5	28.5	97.9	115.8	-97.9	-115.8	0.0	0.0
3,665.7	3,731.4	**2,883.9**	2,631.8	**6,549.6**	6,363.2	**-68.3**	-117.9	**6,481.3**	6,245.3
127.7	189.7	**147.5**	136.6	**275.2**	326.3	**-113.8**	-119.5	**161.4**	206.8
-11.7	-18.4	-16.0	-18.2	-27.7	-36.6	0.0	0.0	-27.7	-36.6
116.0	171.3	**131.5**	118.4	**247.5**	289.7	**-113.8**	-119.5	**133.7**	170.2
69.5	64.4	23.2	19.9	92.7	84.3	12.2	5.2	104.9	89.5
5.7	10.7	8.8	8.5	14.5	19.2	4.4	20.2	18.9	39.4
1,956.1	2,014.6	**1,634.0**	1,620.9	**3,590.1**	3,635.5	**933.2**	1,022.4	**4,523.3**	4,657.9
12.2	18.4	**6.2**	6.8	**18.4**	25.2	**0.0**	43.3	**18.4**	68.5
740.6	770.4	**824.6**	854.4	**1,565.2**	1,624.8	**1,520.1**	1,582.8	**3,085.3**	3,207.6
46.9	66.5	**28.0**	32.3	**74.9**	98.8	**5.9**	18.2	**80.8**	117.0
31,510	33,016	**23,886**	23,712	**55,396**	56,728	**971**	843	**56,367**	57,571

Germany		Rest of Europe		America		Africa		Asia		Australia		Total continuing operations	
2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
2,385.0	2,334.5	2,995.2	2,800.7	921.2	938.0	12.2	17.1	148.8	141.5	19.5	13.9	6,481.9	6,245.7
2,405.2	2,339.3	3,005.3	2,809.3	890.6	924.2	12.2	17.0	149.3	141.6	18.7	13.9	6,481.3	6,245.3
935.6	952.9	837.7	866.4	305.8	281.0	0.1	0.1	15.2	13.4	2.2	1.9	2,096.6	2,115.7

2. General information

Bilfinger SE is a listed stock corporation with its registered office and headquarters at Carl-Reiss-Platz 1-5, 68165 Mannheim, Germany.

As an engineering and services group, Bilfinger develops, constructs, maintains and operates industrial plants and real-estate properties.

The consolidated financial statements of Bilfinger SE for financial year 2015 were released for publication by the Executive Board on March 10, 2016.

The consolidated financial statements of Bilfinger SE have been prepared in accordance with International Financial Reporting Standards (IFRSs), as they are to be applied in the European Union, and the complementary guidelines that are applicable pursuant to Section 315a Subsection 1 of the German Commercial Code (HGB), and are published in the electronic version of the German Federal Gazette ('Bundesanzeiger').

The consolidated financial statements have been prepared in accordance with the principles of historical cost of acquisition and production, with the exception of individual items such as available-for-sale financial assets and derivative financial instruments, which are shown at fair value. The consolidated financial statements have been prepared in euros. All amounts are shown in millions of euros (€ million), unless otherwise stated.

To improve the clarity of presentation, we have combined several individual items of the balance sheet and of the income statement under single headings; they are shown separately and explained in these notes to the consolidated financial statements.

The income statement is presented according to the cost-of-sales method.

Profit contributions from operating investments are generally entered under other operating income or other operating expense, whereby amounts of income and expense that relate to investments accounted for using the equity method are shown as separate items in the consolidated income statement.

3. Accounting policies

3.1 New and amended IFRSs

The significant accounting policies applied generally correspond with those applied in the prior year, with the following exceptions:

The new and amended IFRSs relevant to Bilfinger and applied as of January 1, 2015 are:

- IFRIC 21 *Levies*
- *Improvements to IFRSs* 2011-2013 cycle

The effects of these changes are as follows:

IFRIC 21 *Levies*

IFRIC 21 regulates the accounting of all levies that are not within the scope of IAS 12 *Income Taxes*. IFRIC 21 stipulates that a debt is to be recognized as a liability at the point in time at which the obligation to pay the levy arises pursuant to the statutory requirements. The changes have not led to any effects on the consolidated financial statements.

Improvements to IFRSs 2011-2013 cycle

The improvements in the collective standards regarding amendments to IFRS standards published in the context of the Annual Improvements Process include improvements to several IFRSs, mainly to remove inconsistencies and to clarify wording. The changes have not led to any effects on the consolidated financial statements.

IFRSs already published but not yet applied:

IFRS 9 *Financial Instruments*

The new standard will replace IAS 39 *Financial Instruments: Recognition and Measurement*. The objective of IFRS 9 is to simplify the classification and measurement requirements for financial instruments. The standard also includes new guidance regarding hedge accounting and the impairment of financial assets. The effect of the application of IFRS 9 is currently being reviewed (first application for annual periods beginning on or after January 1, 2018).

IFRS 10 *Consolidated Financial Statements* and
IAS 28 *Investments in Associates and Joint Ventures*

The amendments to IFRS 10 and IAS 28 eliminate an inconsistency between the two standards with regard to accounting for the sale of assets to an associate or a joint venture or, respectively, the contribution of assets to an associate or joint venture (first application for annual periods beginning on or after January 1, 2016).

IFRS 10 *Consolidated Financial Statements,*
IFRS 12 *Disclosure of Interests in Other Entities* and
IAS 28 *Investments in Associates and Joint Ventures*

The amendments to IFRS 10, IFRS 12 and IAS 28 address issues relating to the application of the consolidation exception for investment entities (first application for annual periods beginning on or after January 1, 2016). The amendments have no impact on Bilfinger.

IFRS 11 *Joint Arrangements*

The amendment to IFRS 11 provides clarification that the principles for the recognition of business combinations as set out in IFRS 3 and other applicable IFRS standards should apply to first-time purchases and additional acquisitions of interests in joint operations that constitute a business as defined in IFRS 3 *Business Combinations*, provided they do not conflict with the guidance in IFRS 11 (first application for annual periods beginning on or after January 1, 2016). At Bilfinger, this guidance will only need to be applied in special cases.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 replaces the previous standards and interpretations on revenue recognition (IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and SIC-31) and provides uniform guidance on the recognition, measurement, presentation and disclosures required in the notes to the consolidated financial statements concerning revenue from contracts with customers on the basis of a five-step model. Bilfinger recognizes revenue according to IAS 11 as well as to IAS 18. We are currently assessing in particular the impact of the new regulations contained in IFRS 15 with regard to transfer of control at a point in time or over time on the recognition of revenue and profit. It is anticipated that the scope of the disclosures required in the notes to the consolidated financial statements will increase considerably (first application for annual periods beginning on or after January 1, 2018).

IFRS 16 *Leases*

IFRS 16 replaces the previous standard as well as the associated interpretations for the accounting for leases (IAS 17, IFRIC 4, SIC 15 and SIC 27) and regulates the recognition, the measurement, the presentation and the disclosures in the notes for leases in the financial statements of the lessee and lessor. In accordance with IFRS 16, a lessee generally has to capitalize the right of use as an asset right of use and to recognize a lease payment as a liability. The effect of the application of IFRS 16 on Bilfinger is currently being reviewed (first application for annual periods beginning on or after January 1, 2019).

IAS 1 *Presentation of Financial Statements*

The amendments to IAS 1 clarify that disclosures in the notes to the consolidated financial statements are only to be made where their presentation is not immaterial. The amendments also explain the aggregation of line items on the balance sheet and the statement of comprehensive income, clarify how shares of the other comprehensive income of associates and joint ventures accounted for using the equity method are to be presented, and discard the template for the order of the notes to the consolidated financial statements in favor of relevance to a company-specific presentation (first application for annual periods beginning on or after January 1, 2016).

IAS 7 *Statement of Cash Flows*

The amendments to IAS 7 are part of the disclosure initiative of the IASB and concern the extension of the disclosures required in the notes to the consolidated financial statements on changes to financial liabilities included in cash flow from financing activities. The application of the amended standard will presumably lead to an extension of the disclosures required in the notes to the consolidated financial statements (first application for annual periods beginning on or after January 1, 2017).

IAS 12 *Income Taxes*

The amendments to IAS 12 clarify that write-downs of debt instruments measured at fair value which are the result of changes in the market interest rates and lead to a lower market value give rise to deductible temporary differences. Furthermore, the IASB clarifies that the entirety of deductible temporary differences must principally be assessed in order to determine whether sufficient future taxable profit will be generated to utilize against the temporary differences, and gives details on the determination of future taxable income. The effects on Bilfinger are currently being reviewed (first application for annual periods beginning on or after January 1, 2017).

IAS 16 *Property, Plant and Equipment* and
IAS 38 *Intangible Assets*

The amendments to IAS 16 and IAS 38 provide clarification as to which methods of depreciation of property, plant and equipment and amortization of intangible assets are appropriate (first application for annual periods beginning on or after January 1, 2016). The amendments have no impact on Bilfinger.

IAS 16 *Property, Plant and Equipment* and
IAS 41 *Agriculture*

The amendments to IAS 16 and IAS 41 provide clarification that so-called bearer plants, which serve to produce agricultural goods, are within the scope of IAS 16 and are therefore to be accounted for analogous to property, plant and equipment (first application for annual periods beginning on or after January 1, 2016). The amendments have no impact on Bilfinger.

IAS 19 *Employee Benefits*

The amendment to IAS 19 introduces a simplification rule regarding the consideration of employee contributions in connection with defined benefit pension obligations which are made irrespective of the period of service (first application for annual periods beginning on or after February 1, 2015). The amendment has no impact on Bilfinger.

IAS 27 *Separate Financial Statements*

The amendments to IAS 27 allow the reporting company to include interests in subsidiaries, joint ventures and associates in the IFRS separate financial statements using the equity method (first application for annual periods beginning on or after January 1, 2016). The amendments have no impact on Bilfinger's consolidated financial statements.

Improvements to IFRSs 2010-2012 / 2012-2014 cycles

The improvements in the two collective standards regarding amendments to IFRS standards published in the context of the Annual Improvements Process include improvements to several IFRSs, mainly to remove inconsistencies and to clarify wording (first application for 2010-2012 on February 1, 2015 and for 2012-2014 on January 1, 2016).

At the balance-sheet date, IFRS 9, IFRS 15, IFRS 16, the amendments to IFRS 10, IFRS 12 and IAS 28, to IAS 12 as well as IAS 7 had not yet been endorsed by the EU Commission. Unless otherwise stated, the future application of the standards is unlikely to have any material effect on the financial position, cash flows or profitability of the Bilfinger Group. Bilfinger intends to apply those IFRSs as of the mandatory date of application insofar as they have been endorsed.

3.2 Significant accounting policies

Intangible assets with a finite life are capitalized at cost of acquisition and amortized over their expected useful lives on a straight-line basis. The expected useful life is generally regarded as being between 3 and 8 years. In accordance with IFRS 3/IAS 36, goodwill and other intangible assets with an indefinite or unlimited useful life are no longer amortized. Instead, these items are subjected to regular annual impairment tests, which are also carried out during the year if there are indications of a lasting reduction in value.

Property, plant and equipment are valued at the cost of acquisition or production. Their loss in value is accounted for by straight-line depreciation, except in some exceptional cases where a different method of depreciation reflects the use of the asset more adequately. Production costs include all costs that are directly or indirectly attributable to the production process. Repair costs are always expensed as incurred.

Buildings are depreciated over a useful life of 20 to 50 years using the straight-line method. The useful life of technical equipment and machinery is generally between 3 and 20 years; other equipment including office and factory equipment is usually depreciated over 3 to 12 years.

For intangible assets and property, plant and equipment, an impairment charge is recognized wherever the recoverable amount of an asset has fallen below its carrying amount. The recoverable amount is the higher of an asset’s net selling price and the present value of estimated future cash flows (value in use). If the reason for an impairment loss recognized in prior years no longer applies, the carrying amount is increased again accordingly, at the most up to the amount of the amortized cost of acquisition. Impairment tests are carried out at the level of the smallest cash-generating unit.

With lease agreements where the risks and rewards of ownership of the leased asset are allocated to a company of the Bilfinger Group (finance leases), the item is capitalized at the lower of its fair value or the present value of the lease payments. Depreciation takes place over the useful life. Payment obligations resulting from future lease payments are recognized under financial liabilities.

The classification of agreements as lease agreements takes place on the basis of the substance of the transaction. That is, a test is carried out as to whether the fulfillment of the agreement depends on the use of specific assets and whether the agreement confers the right of use of those assets.

Investments accounted for using the equity method – associates and jointly controlled entities – are valued with consideration of the prorated net asset change of the company as well as any impairments which may have been recognized.

Joint arrangements are contractual agreements in which two or more parties carry out a business activity under joint control. These include not only joint ventures, which also comprise construction consortiums, but also joint operations. The share of assets, liabilities, income and expenses of joint operations allocable to Bilfinger under the arrangement are recognized in the consolidated financial statements.

Deferred taxes are recognized for any deviations between the valuation of assets and liabilities according to IFRS and the tax valuation in the amount of the expected future tax charge or relief. In addition, deferred tax assets are recognized for the carryforwards of unused tax losses if their future realization is probable. Deferred tax assets and liabilities from temporary differences are offset provided that offsetting is legally possible.

Inventories of merchandise and real estate held for sale, finished and unfinished goods, raw materials and supplies are measured at cost of purchase or production or at net realizable value at the end of the reporting period if this is lower. If the net realizable value of inventories that were written down in the past has risen again, their carrying amounts are increased accordingly. Production costs include all costs that are directly or indirectly attributable to the production process. Overheads are calculated on the basis of normal employment. Financing costs are not taken into consideration.

Other assets comprise non-financial assets that are not allocated to any other balance-sheet item. They are measured at the lower of cost of acquisition or fair value.

The purchase, sale or withdrawal of treasury shares is recognized directly in equity. At the time of acquisition, treasury shares are entered in equity in the amount of the acquisition costs.

Provisions for pensions and similar obligations are measured for defined benefit pension plans using the projected-unit-credit method, with consideration of future salary and pension increases. As far as possible, pension plan assets are set off. Net interest expense or income resulting from the net pension obligations is presented within financial income / expense. Actuarial gains or losses from pension obligations and gains or losses on the remeasurement of plan assets are recognized in other comprehensive income.

Other provisions are recognized if there is a present obligation resulting from a past event, its occurrence is more likely than not, and the amount of the obligation can be reliably estimated. Provisions are only recognized for legal or constructive obligations toward third parties. Provisions are measured at their settlement amounts, i.e., with due consideration of any price and / or cost increases, and are not set off against profit contributions. In the case of a single obligation, the amount of the most likely outcome is recognized as a liability. If the effect of the time value of money is material, provisions are discounted using the market interest rate for risk-free investments.

The amounts of provisions are estimated with consideration of experiences with similar situations in the past and of all knowledge of events up to the preparation of the consolidated financial statements. The general conditions can be very complex, in particular with provisions for risks relating to contracts and litigation as well as warranty risks. For this reason, uncertainty exists with regard to the timing and exact amounts of obligations.

Other liabilities comprise non-financial liabilities that are not allocated to any other balance-sheet item. They are measured at cost of acquisition or settlement value.

Financial instruments are contracts that simultaneously give rise to a financial asset of one entity and an equity instrument or financial liability of another entity. A financial instrument is to be recognized in the balance sheet as soon as a company becomes a party to the contractual provisions of the instrument. Initial measurement is at fair value including transaction costs. Subsequent measurement of financial instruments is either at amortized cost or fair value, depending on the allocation of the instrument to the categories stipulated in IAS 39. No use has been made of the option to designate financial instruments upon initial recognition to be measured at fair value through profit or loss (fair value option).

IAS 39 divides financial assets into four categories:

Financial Assets Held for Trading (FAHfT) (Financial Assets at Fair Value through Profit or Loss)	Financial assets held for trading (financial assets at fair value through profit or loss)
Held-to-Maturity Investments (HtM)	Held-to-maturity financial investments
Loans and Receivables (LaR)	Loans and receivables
Available-for-Sale Financial Assets (AfS)	Available-for-sale financial assets

Available-for-sale financial assets are any non-derivative financial assets designated as available for sale, and those that are not classified to any of the other three categories of financial assets listed above.

Financial liabilities are divided into the following categories:

Financial Liabilities Held for Trading (FLHfT) (Financial Liabilities at Fair Value through Profit or Loss)	Financial liabilities held for trading (financial liabilities at fair value through profit or loss)
Financial Liabilities at Amortized Cost (FLAC)	Financial liabilities at amortized cost

The amortized cost of a financial asset or financial liability is calculated using the effective interest method from the historical cost of acquisition minus capital repaid plus or minus the accumulated amortization of any difference between the original amount and the amount repayable at maturity and minus any depreciation and impairments or plus reversals.

With current receivables and liabilities, amortized cost is equal to the nominal value or the redemption amount.

Fair value is the (market) price that could be obtained on the hypothetical transfer of a certain asset or a certain liability in an orderly (market) transaction in the respective accessible primary market or in the most advantageous market between market participants at the measurement date. For the measurement of fair value, the valuation technique is to be applied which is the most appropriate to the given circumstances and which makes use of as much objective and/or observable information as possible. Depending on the type of asset or liability to be measured, this is the market-price method (e.g., with traded financial instruments), the replacement method (e.g., with property, plant and equipment) or the discounted-cash-flow method (e.g. OTC derivatives).

Equity interests in non-listed companies shown under other non-current financial assets are classified as available-for-sale financial assets. They are measured at fair value if that value can be reasonably estimated; otherwise they are measured at amortized cost (AfS-AC). Initial measurement is at the settlement date. Unrealized gains and losses from changes in fair value are recognized in equity with no impact on profit or loss, with due consideration of deferred taxes.

Receivables and other financial assets are measured at amortized cost, with the exception of derivative financial instruments. Possible default risks are reflected by allowances for impairments in separate impairment accounts. Individual impairments are recognized if there is an indication of a loss in value such as delayed payment or if there is information on the contracting party's significant financial difficulties and the present value of the expected future payments plus any payments from the disposal of sureties or other risk-reducing agreements is lower than the carrying amount. Irrecoverable receivables are written off.

Receivables from construction contracts are accounted for in accordance with IAS 11 using the percentage-of-completion (PoC) method. Revenue is recognized in relation to the percentage of completion of each contract.

If, for construction contracts, output has been produced which exceeds the amount of advances received, this excess is shown under trade receivables. If the amount of advances received from invoices is higher than the output produced, this excess is shown under advances received from construction contracts. Receivables from percentage of completion correspond to the balance of progress payments invoiced less progress payments received; they are shown together with trade receivables. Anticipated contract losses are accounted for in full from the time that they become known.

Receivables from the provision of services are accounted for in accordance with IAS 18 also using the percentage-of-completion method – provided that the conditions for application are fulfilled – and are presented analogously to receivables from construction contracts.

Construction contracts processed in consortiums are measured according to the percentage-of-completion method. Receivables from and payables to consortiums take account not only of payments received and made, but also of internal cost allocations and prorated profits on orders.

Securities are measured at fair value. Changes in the market prices of securities held for trading are recognized in profit or loss. Changes in the market prices of other securities measured at fair value are recognized in retained earnings (fair value measurement of securities reserve) with no effect on profit or loss, with due consideration of deferred taxes. With these securities, impairment losses are recognized if there is any indication of a significant or lasting reduction in value.

Cash and cash equivalents, primarily comprising cash at banks and cash in hand, are measured at amortized cost.

Financial liabilities primarily comprise financial debt as well as trade and other payables. With the exception of derivative financial instruments, they are measured at amortized cost.

Derivative financial instruments are used solely to hedge against interest-rate and currency exchange-rate risks and, if necessary, commodity price risks. Purely speculative transactions without any underlying basic transaction are not undertaken. The most important derivative financial instruments are currency futures, currency options and interest-rate and commodity swaps.

In accordance with IAS 39, derivative financial instruments are recognized at their fair values as assets (positive fair value) or liabilities (negative fair value). Initial recognition is on the trading day.

The fair values of the derivatives used are calculated on the basis of recognized financial-mathematical methods (discounted-cash-flow method and option-pricing model).

With derivative financial instruments related to hedging instruments, measurement depends on changes in fair value due to the type of hedging instrument.

The goal of hedging with the use of a fair-value hedge is to offset changes in the fair values of balance-sheet assets and liabilities, or of off-balance fixed obligations, through opposing changes in the market value of the hedging transaction. The carrying amount of the hedged underlying transaction is adjusted to changes in market values if these changes result from the hedged risk factors. The changes in market values of the hedging transactions and the adjustments of the carrying amounts of the hedged underlying transactions are recognized through profit or loss.

Cash-flow hedges are used to safeguard future cash flows from recognized assets or liabilities or from unrecognized firm commitments and from highly probable forecast transactions. Changes in the effective part of the fair value of a derivative are at first recognized under equity with no effect on profit or loss, with due consideration of deferred taxes (hedging transactions reserve), and are only recognized through profit or loss when the hedged underlying transaction is realized. The ineffective part of the hedging instrument is recognized immediately through profit or loss.

Derivative financial instruments that are not related to a hedging instrument as defined by IAS 39 are deemed to be financial assets or financial liabilities held for trading. For these financial instruments, changes in fair value are immediately recognized through profit or loss.

Share-based payments as defined by IFRS 2 are measured on the basis of the share price with consideration of a discount due to the lack of dividend entitlement at fair value at the end of the reporting period. Here, the Monte Carlo Simulation method is also used. Expenses from share-based payments are recognized on a pro-rata basis in the relevant vesting period. In the case of cash-settled share-based payment transactions, the expense is shown by recognizing a provision; in the case of equity-settled share-based payment transactions, the expense is entered directly in equity.

Non-current assets held for sale and disposal groups as well as related liabilities are classified as such and presented separately in the balance sheet. Assets are classified as held for sale if the carrying amounts are primarily to be realized through a sale transaction rather than through continuing use. The sale must be highly probable and the assets or disposal groups must be immediately saleable in their present condition. These assets and disposal groups are measured at the lower of carrying amount or fair value less cost to sell, and are no longer systematically depreciated or amortized. Impairment losses are recognized if the fair value less cost to sell is lower than the carrying amount. Any reversals of impariment losses due to an increase in fair value less cost to sell are limited to the previously recognized impairment losses. Impairment charges to goodwill are not reversed.

Assets and liabilities of discontinued operations are treated as disposal groups. A discontinued operation is a separate major line of business or geographical area of operations which is held for sale. In addition, earnings after taxes from discontinued operations are presented separately in the income statement.

Revenue from construction contracts is recognized in accordance with IAS 11 Construction Contracts with the use of the percentage-of-completion method – provided that the conditions for application are fulfilled. Depending on reliability, the stage of completion is determined on the basis of the ratio of the output volume already delivered at the end of the reporting period to the total output volume to be delivered or on the basis of the ratio of costs already incurred to the estimated total contract costs. If the results of construction contracts cannot be reliably estimated, revenue is calculated using the zero-profit method in the amount of the costs incurred and probably recoverable.

Revenue from the provision of services is recognized in accordance with IAS 18.20 with the use of the percentage-of-completion method – provided that the conditions for application are fulfilled. In the area of services, percentage of completion is mainly calculated using the cost-to-cost method.

Revenue from the sale of goods is recognized according to the criteria of IAS 18.14 (revenue recognition on the transfer of significant risks and rewards of ownership).

Expenditures for research and development such as for the further development of processes and special innovative technical proposals for individual projects are generally recognized in the income statement on a project-related basis. In the reporting period, research and development expenses of €6.6 million (previous year: €6.5 million) were recognized.

Borrowing costs that can be directly allocated to the acquisition, construction or production of an asset which requires a considerable period of time to be put into its intended condition for use or for sale are capitalized as part of that asset's cost of acquisition or production. All other borrowing costs are expensed in the period in which they are incurred. In the year under review, no borrowing costs were capitalized, as in the prior year.

Summary of selected measurement methods:

Balance-sheet item	Measurement method
Goodwill and intangible assets with an indefinite or unlimited useful life	Cost of acquisition (no amortization, regular and indication-induced impairment tests)
Intangible assets with a finite useful life	Amortized cost (straight-line amortization, indication-induced impairment tests)
Property, plant and equipment	Depreciated cost of acquisition or production (systematic depreciation, normally straight-line, indication-induced impairment tests)
Assets capitalized in the context of finance leasing	Fair value upon capitalization or present value of minimum leasing payments less systematic depreciation (indication-induced impairment tests)
Investments accounted for using the equity method	Cost of acquisition increased and reduced by the proportionate change in net assets (indication-induced impairment tests)
Equity interests	Cost of acquisition (indication-induced impairment tests)
Securities (AfS)	Fair value
Securities (HtM)	Amortized cost (effective-interest method, indication-induced impairment tests)
Inventories	Lower of cost of acquisition or production or net realizable value
Receivables from construction and services contracts	Percentage-of-completion method, amortized cost
Loans granted and receivables	Amortized cost (effective-interest method, indication-induced impairment tests)
Other assets	Lower of cost or fair value
Treasury shares	Cost of acquisition
Provisions for pensions and similar obligations	Projected-unit-credit method less plan assets
Other provisions	Settlement amount
Financial debt and other financial liabilities	Amortized cost (effective-interest method)
Other liabilities	Cost or settlement amount
Derivative financial instruments	Fair value
Deferred taxes	Undiscounted assessment on the basis of the tax rates expected to be applicable for the period in which an asset is realized or a liability is settled
Assets held for sale / liabilities in disposal groups	Lower of carrying amount upon classification or fair value less cost to sell (no systematic amortization / depreciation, indication-induced impairment tests)

3.3 Assessments and estimates

With the preparation of the consolidated financial statements, to a certain extent it is necessary to make assumptions and estimates that have an effect on the amounts and valuations shown in the Group's balance sheet and income statement as well as on the contingent liabilities for the reporting period.

The assumptions and estimates are the result of premises that are based on currently available knowledge. If future developments differ from these assumptions, the actual amounts may differ from the originally anticipated estimates.

The assumptions and estimates primarily relate to evaluations of the following items:

- Revenue by the percentage-of-completion method: With the use of the percentage-of-completion-method, estimates have to be made with regard to the percentage of completion, the contract costs to complete the contract and the total contract revenue. Changes in those estimates can lead to an increase or decrease in revenue for the period. In financial year 2015, revenue of €3,579.4 million was realized by the percentage-of-completion method (previous year: €3,612.7 million). Disclosures on the sensitivities of the extent of possible effects of changes in estimates cannot reasonably be made due to the large number of individual projects and influencing factors.

- Allowances for bad debts: Allowances for bad debts include to a great extent estimates and assessments of individual receivables that are based on the creditworthiness of the respective client, current economic developments and collaterals received. The carrying amount of receivables at December 31, 2015 was €1,416.4 million (previous year: €1,805.0 million), whereby allowances for default risks for trade receivables amounted to €19.9 million (previous year: €24.8 million). Disclosures on the sensitivities of the extent of possible effects of changes in estimates cannot reasonably be made due to the large number of counterparties and relevant factors.
- Provisions for pensions and similar obligations: Provisions for pensions and similar obligations are measured actuarially with consideration of future developments. These measurements are primarily based on assumptions regarding discount rates, expected salary trends, pension trends and life expectancies. See Note 22 for details of the assumptions made and possible risks.
- Other provisions: The recognition of provisions for risks relating to contracts and litigation as well as warranty risks, personnel-related obligations, restructuring measures and other uncertain liabilities to a great extent involves estimates by Bilfinger. These estimates can change as a result of new information, for example with ongoing project progress or with the status of proceedings. The actual cash outflows or expenses can deviate from the original and updated estimates and can affect profit or loss accordingly. The carrying amount of other provisions at December 31, 2015 was €449.5 million (previous year: €516.3 million). Disclosures on the sensitivities of the extent of possible effects of changes in estimates cannot reasonably be made due to the large number of facts and relevant factors.
- Income taxes: Bilfinger is active in numerous tax jurisdictions. The tax items presented in the consolidated financial statements are calculated with consideration of the respective tax laws and of the relevant administrative judgments, and, due to their complexity, may be subject to deviating interpretations by taxable entities on the one hand and by local fiscal authorities on the other hand. Deferred tax assets are recognized if sufficient taxable income is available in the future. Among other things, the factors considered include the planned earnings from operating activities, the impact on earnings of the reversal of taxable temporary differences, and possible tax strategies. On the basis of the planned future taxable income, Bilfinger's management assesses the measurement of deferred tax assets at the end of each reporting period. As future business developments are uncertain, assumptions are required on estimates of future taxable income and on the time when deferred tax assets can be utilized. Estimated amounts are adjusted during the period if there are sufficient indications that an adjustment is necessary. If the management assumes that deferred tax assets cannot be realized, either partially or in full, they are impaired by the appropriate amount. The carrying amount of deferred tax assets at December 31, 2015 was €162.7 million (previous year: €222.4 million).
- Impairment of goodwill: Bilfinger tests goodwill for impairment at least annually. Determining the recoverable amount of a cash-generating unit to which goodwill is allocated involves estimates by the management. It is equivalent to the value in use resulting from the discounted cash flows calculated on the basis of financial planning approved by the management. See Note 14 of the notes to the consolidated financial statements for further details.
- Disposal groups: Non-current assets held for sale and disposal groups as well as related liabilities are measured at the lower of carrying amount or fair value less cost to sell. The measurement of fair value involves estimates by the management.

3.4 Principles of consolidation

Capital consolidation takes place by offsetting the price of acquisition against the Group's interest in the newly valued equity of the consolidated subsidiaries at the date of acquisition or first-time consolidation. The assets, liabilities and contingent liabilities of the subsidiaries are entered at their full current fair values irrespective of the size of the minority interest. With each acquisition, there is a special option of electing to recognize minority interest at fair value or at the relevant proportion of net assets. Acquisition-related costs are expensed. In the case of an acquisition achieved in stages (step acquisition), equity interests previously held are remeasured through profit or loss. Contingent consideration is recognized at the time of acquisition at fair value and in following periods is measured at fair value through profit or loss.

Any goodwill ensuing from first-time consolidation is capitalized and subjected to an annual impairment test in accordance with IFRS 3 / IAS 36. Any negative goodwill is recognized in profit or loss immediately after acquisition. At deconsolidation, the residual carrying amounts of goodwill are taken into consideration in the calculation of the gain or loss on disposal.

Changes in an equity interest that do not lead to a loss of control are treated as transactions between equity holders and reported within equity. Such transactions lead to the recognition neither of goodwill nor of any disposal gains. In the case of a sale of equity interest that leads to a loss of control, the remaining equity interest is remeasured at fair value through profit or loss and the accumulated other comprehensive income previously recognized in connection with the investment is reclassified to profit or loss or, if it is an actuarial gain or loss, to retained earnings.

Losses attributable to the non-controlling interest are fully attributed to the non-controlling interest, even if this results in a negative carrying amount.

Investments accounted for using the equity method are measured at cost of acquisition plus the prorated change in net assets, whereby any goodwill is included in the carrying amount of the investment. Upon losing a significant influence or losing joint control, the remaining equity interest is remeasured at fair value through profit or loss.

Receivables, liabilities, income and expenses between consolidated companies have been offset. Non-current assets and inventories resulting from Group output volume have been adjusted to exclude any inter-company profits. Deferred taxes from consolidation processes affecting profit have been accrued / deferred.

3.5 Currency translation

In the consolidated financial statements, the assets and liabilities of the accounts prepared in foreign currencies are translated using the average exchange rate at the end of the reporting period; expenses and income are translated using the average exchange rate for the year. The aggregate differences compared with translation at the end of the reporting period are entered separately under other comprehensive income.

Currency translation took place using the following significant exchange rates:

€ 1 =		Annual average		At December 31	
		2015	2014	**2015**	2014
Australia	AUD	1.4776	1.4724	1.4990	1.4829
China	CNY	6.9732	8.1883	7.0910	7.5358
United Kingdom	GBP	0.7258	0.8064	0.7380	0.7789
India	INR	71.1954	81.0689	72.5350	76.7190
Canada	CAD	1.4184	1.4669	1.5171	1.4063
Qatar	QAR	4.0419	4.8381	3.9670	4.4200
Croatia	HRK	7.6138	7.6346	7.6370	7.6580
Nigeria	NGN	219.3594	219.2327	216.8513	225.0440
Norway	NOK	8.9488	8.3551	9.6160	9.0420
Poland	PLN	4.1849	4.1846	4.2615	4.2623
Sweden	SEK	9.3537	9.0969	9.1878	9.3930
Switzerland	CHF	1.0678	1.2146	1.0814	1.2024
South Africa	ZAR	14.1699	14.4065	16.8847	14.0353
Czech Republic	CZK	27.2788	27.5344	27.0250	27.7250
Hungary	HUF	310.0759	308.6608	313.1200	314.8900
United Arab Emirates	AED	4.0769	4.8802	4.0014	4.4574
United States	USD	1.1095	1.3288	1.0926	1.2141

4. Consolidated group

4.1 Changes in the consolidated group and inclusion

140 (previous year: 162) companies in Germany and 186 (previous year: 201) companies based outside of Germany have been included in the consolidated financial statements. Of these, 1 (previous year: 1) company in Germany and 3 (previous year: 14) companies based outside of Germany have been consolidated for the first time in the reporting period. In addition, 23 (previous year: 13) companies in Germany and 18 (previous year: 12) companies based outside of Germany were no longer included in the consolidated group due to sale or merger. A further 33 (previous year: 42) companies have been accounted for using the equity method.

In general, all subsidiaries are fully consolidated with the exception of, in particular, inactive companies such as shelf companies and companies in liquidation. Subsidiaries are all entities that are controlled directly or indirectly by Bilfinger SE. Bilfinger controls an investee where Bilfinger has power over the investee, is exposed to or has rights to variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee. This is generally the case where Bilfinger has more than half of the voting rights of a company or where, as an exception, Bilfinger is able in another way to exercise power over an investee on the basis of contractual arrangements or the like for purposes of influencing the returns to which Bilfinger is entitled.

Associates are accounted for using the equity method. An associate is an entity over which the Group has significant influence by participating in its financial and business policy but which is not controlled by the Group. Significant influence is generally presumed when Bilfinger has voting rights of 20 percent or more.

Joint ventures are also accounted for using the equity method. A joint venture exists where the owners contractually agree to control the arrangement jointly and the shareholders have rights to the arrangement's net assets.

Information disclosed pursuant to Section 313 Subsection 2 of the German Commercial Code (HGB) is summarized in the list of subsidiaries and equity interests. That list also includes a definitive list of all subsidiaries that make use of the disclosure exemption pursuant to Section 264 Subsection 3 HGB.

As of the balance-sheet date, there were no significant minority interests in the Group with respect to its equity. The list of subsidiaries and equity interests shows the subsidiaries in which minority interests were held.

Furthermore, the Group was not subject to any significant restrictions regarding access to or the use of subsidiaries' assets.

4.2 Acquisitions

No acquisitions were made in financial year 2015.

In financial year 2014, payments of €129 million were made for the acquisition of fully consolidated companies – after offsetting €4 million in acquired cash and cash equivalents. The purchase price for these companies amounted to €133 million.

In addition, payments of €5 million were made for the acquisition of minority interests, which had been recognized as liabilities in accordance with IAS 32. Payments in the amount of €2 million for earn-out liabilities recognized in the prior year were also made. Overall, this led to an outflow of cash and cash equivalents in the amount of €136 million.

Effective July 1, 2014, we acquired the British company GVA Grimley Holdings Limited, Birmingham. This group of companies is market leader for real-estate consulting services in the United Kingdom, has 1,500 employees and generated an output volume of approximately €220 million in financial year 2014.

The newly acquired companies affected the Group's assets and liabilities at the time of acquisition as follows:

EFFECTS AT THE TIME OF ACQUISITION

	2014
Goodwill	121.2
Intangible assets from acquisitions	42.3
Property, plant and equipment and other intangible assets	7.1
Other non-current assets	5.5
Receivables	42.5
Other current assets	12.5
Cash and cash equivalents	3.5
Total assets	**234.6**
Pension provisions	14.0
Other provisions	12.6
Financial debt	19.7
Other liabilities	55.4
Total liabilities	**101.7**
Total purchase price	**132.9**

With the exception of capitalized intangible assets from acquisitions, the capitalized fair values shown primarily reflected the carrying amounts in the balance sheets of the acquired companies. Goodwill in the amount of €121.2 million included inseparable intangible assets such as the expert knowledge of the employees as well as anticipated synergy effects and market opportunities. The acquired goodwill is not deductible for tax purposes.

From the time of initial consolidation, the companies which were acquired and consolidated for the first time in the prior year generated total revenue of €112.8 million and EBITA of €8.3 million.

In full-year 2014, the companies acquired during that year generated total revenue of €220.6 million and EBITA of €14.4 million.

4.3 Disposals

The former Construction division was sold to the Swiss construction and construction services company Implenia on March 2, 2015.

On August 14, 2015, the former Infrastructure division was sold to the Austrian construction company Porr. In connection with the signing of the contract for the sale of the former Infrastructure division, the fair value less costs to sell of the disposal group was remeasured on the basis of the contractually determined selling price. This resulted in an impairment loss of €3 million in the second quarter of 2015.

On December 22, 2015, the shares in two Hungarian motorway concession projects, accounted for using the equity method, were sold to a consortium consisting of Aberdeen Asset Management, Intertoll and the European Bank for Reconstruction and Development.

In connection with discontinuing the Concessions business segment, five concession projects were sold to the listed company Bilfinger Berger Global Infrastructure Fund in the previous year (see Note 5 for further information). Of these, three were fully consolidated and two were accounted for using the equity method.

The overall effects of the sales were as follows:

EFFECTS AT THE TIME OF SALE

	2015	2014
Disposal of assets classified as held for sale	-354.5	-405.3
Disposal of liabilities classified as held for sale	308.5	353.0
Disposal of net assets	**-46.0**	**-52.3**
Disposal of intercompany receivables	-88.2	
Derecognition of minority interest	0.1	1.9
Disposal of loans	-22.7	
Reclassification of other comprehensive income into the income statement	-48.5	-26.5
Other changes	**-159.3**	**-24.6**
Sale price less selling transaction expenses	286.6	94.6
Capital gain after selling transaction expenses	**81.3**	**17.7**

A risk provision in the amount of €67 million (after taxes) was made in the first quarter of 2015 for contractual guarantees and warranty obligations as well as follow-up costs and process risks from concluded projects retained in the context of selling the Construction activities.

Furthermore, 13.8 percent of the shares of the remaining investment of 30.3 percent in the publicly listed Julius Berger Nigeria plc, Abuja, as well as all remaining shares (10 percent) in that company's subsidiary Julius Berger International GmbH, Wiesbaden, were sold as of June 30, 2015. A disposal gain of €27.8 million was realized. A change of status occurred regarding the remaining shares in Julius Berger Nigeria plc (16.5 percent), which were previously accounted for using the equity method, because a significant influence no longer exists. The remaining shares were classified as available for sale and were remeasured at fair value less costs to sell. This resulted in a gain of €30.4 million. The remaining shares were measured as of the balance-sheet date based on the stock exchange price. This resulted in an impairment of €6.7 million.

4.4 Changes in ownership interest without change in control

Due to changes in equity interests in consolidated subsidiaries that did not lead to the gain or loss of control, retained earnings decreased by €0.1 million (previous year: €0.6 million). Minority interest decreased by €0.2 million (previous year: €0 million).

5. Discontinued operations

Discontinued operations comprise:

- the disposed equity interests of the former Concessions business segment,
- the disposed activities of the former Construction division,
- the disposed former Infrastructure division,
- a significant portion of the former Offshore Systems and Grids division, put up for sale on December 16, 2014,
- the former Power business segment, put up for sale on June 17, 2015, as well as
- abandoned construction activities.

All discontinued operations with the exception of the former Power business segment are reported together under 'Construction activities and Concessions'.

The former Construction division put up for sale was sold to the Swiss construction and construction services company Implenia on March 2, 2015.

The former Infrastructure division put up for sale was sold to the Austrian construction company Porr on August 14, 2015.

On June 17, 2015, the Executive Board of Bilfinger SE decided to sell the former Power business segment.

In accordance with the provisions of IFRS 5, the investments put up for sale have been recognized 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 reclassification, non-current assets classified as held for sale have no longer been subject to 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.

5.1 Earnings from discontinued operations

Earnings from discontinued operations are allocated to 'Construction activities and Concessions' and 'Power' as follows:

	2015	2014
Construction activities and Concessions	-13.6	-27.2
Power	-494.5	-165.5
Earnings after taxes from discontinued operations	**-508.1**	**-192.7**

A loss after taxes from discontinued operations of €491.0 million is attributable to the shareholders of Bilfinger SE (previous year: €158.7 million).

Construction activities and Concessions

	2015	2014
Output volume (for information only)	290.8	824.1
Revenue	277.7	803.4
Expenses / income	-352.3	-798.3
Impairment loss	-23.9	-48.0
Gain on sale	80.4	17.7
EBIT	**-18.1**	**-25.2**
Net interest result	0.1	0.1
Earnings before taxes	**-18.0**	**-25.1**
Income tax expenses	4.4	-2.1
Earnings after taxes	**-13.6**	**-27.2**

In the fourth quarter of financial year 2015, an impairment loss of €20.8 million was recognized for the carrying amounts of investments in a production site in Poland for steel foundations for offshore wind turbines due to measurement at fair value less cost to sell. Of that amount, €7.8 million was attributable to minority interest. An impairment loss on these investments of €48.0 million was already charged in the previous year; of that amount, €17.9 million was allocable to minority interest.

Power

	2015	2014
Output volume (for information only)	1,283.7	1,444.5
Revenue	1,289.5	1,452.0
Expenses / income	-1,456.5	-1,467.4
Impairment loss	-330.0	-148.0
EBIT	**-497.0**	**-163.4**
Net interest result	-12.3	-8.1
Earnings before taxes	**-509.3**	**-171.5**
Income tax expenses	14.8	6.0
Earnings after taxes	**-494.5**	**-165.5**

In the course of the reclassification of the former Power business segment as discontinued operations, the disposal group was measured at fair value less costs to sell, which led to an impairment loss in the amount of €330 million. Using a two-stage process, the fair value was calculated as equity value. The equity value is the result of enterprise value plus net liquidity minus pension obligations as well as further purchase price relevant deductible items. The enterprise value corresponds to the discounted future cash flow calculated using a discount rate determined in accordance with the capital asset pricing model. The calculation of cash flows is based on the planning figures for a four-year period. Planning is based on past experience, current operating results, planned restructuring measures and the best possible assessment by the Group's management of future developments. Market assumptions are taken into consideration with the use of external macroeconomic and industry-specific sources. The enterprise value was also checked for plausibility by means of a measurement using market-based earnings multipliers. The measurement remains valid as of the balance-sheet date.

Already in the third quarter of the previous year, non-scheduled impairment tests of goodwill in the 'Power' business segment had to be carried out due to the considerably worsened market situation in Germany and other European countries. The impairment test led to goodwill impairment of €148.0 million.

5.2 Assets classified as held for sale and liabilities classified as held for sale

As of the balance-sheet date, assets classified as held for sale and liabilities classified as held for sale comprise the following disposal groups:

- the significant portion of the former Offshore Systems and Grids division that has been put up for sale,
- the former Power business segment that has been put up for sale, and
- the shares of Julius Berger Nigeria plc that have been put up for sale (16.5 percent).

As of December 31, 2014, in addition to the disposal group Offshore Systems, the disposal groups Construction and Infrastructure, which had been sold as of the balance-sheet date, were also included.

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

	Dec. 31, 2015	Dec. 31, 2014
Construction activities and Concessions	126.0	316.2
Power	623.8	0.0
Assets classified as held for sale	**749.8**	**316.2**
Construction activities and Concessions	114.0	372.0
Power	721.0	0.0
Liabilities classified as held for sale	**835.0**	**372.0**

All disposal groups with the exception of the former Power business segment are reported together under 'Construction activities and Concessions'.

Accumulated other comprehensive income after taxes of the disposal groups as of the balance-sheet date amounts to minus €41.1 million (previous year: minus €6.2 million), of which €1.1 million (December 31, 2014: €0.0 million) is attributable to minority interest.

Construction activities and Concessions

The assets and liabilities classified as held for sale of the disposal groups reported together under 'Construction activities and Concessions' are comprised as follows:

	Dec. 31, 2015	Dec. 31, 2014
Goodwill	0.0	4.4
Other non-current assets	97.7	133.5
Current assets	23.6	165.0
Cash and cash equivalents	4.7	13.3
Assets classified as held for sale	**126.0**	**316.2**
Non-current liabilities	6.9	47.7
Current liabilities	107.1	324.3
Liabilities classified as held for sale	**114,0**	**372.0**

Power

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

	Dec. 31, 2015	Dec. 31, 2014
Goodwill	31.3	0.0
Other non-current assets	187.1	0.0
Current assets	359.6	0.0
Cash and cash equivalents	45.8	0.0
Assets classified as held for sale	**623.8**	**0.0**
Non-current liabilities	157.7	0.0
Current liabilities	563.3	0.0
Liabilities classified as held for sale	**721.0**	**0.0**

Notes to the income statement*

Income and expenses of the former 'Power' business segment, which has been put up for sale, are shown separately in one item as 'Earnings after taxes from discontinued operations' and no longer in the individual items under continuing operations in accordance with IFRS 5. The prior-year figures have been adjusted accordingly.

6. Revenue

Revenue of €3,579.4 million (previous year: €3,612.7 million) includes revenue resulting from the application of the percentage-of-completion method.

7. Other operating income

	2015	2014
Income from operating investments	42.4	14.3
Gains on currency translation	19.7	9.5
Income from the reversal of other provisions	5.2	6.2
Gains on the disposal of property, plant and equipment	6.9	3.0
Income from the reversal of impairments on trade receivables	2.4	1.8
Other income	39.6	37.4
Total	**116.2**	**72.2**

The amount for income from operating investments includes a gain of €27.8 million (previous year: €9.3 million) from the reduction of our investment in Julius Berger Nigeria plc and Julius Berger International GmbH as well as gains from the sale of the project company Power Office in the amount of €9.7 million.

Other income relates to the remeasurement of contingent consideration for the acquisition of subsidiaries of €5.9 million (previous year: €27.2 million), gains from the remeasurement of the remaining shares in Julius Berger Nigeria plc in the amount of €23.7 million, and numerous other items of minor individual importance.

* Figures in € million, unless stated otherwise.

8. Other operating expenses

	2015	2014
Restructuring expenses (Excellence and other)	39.4	46.2
Losses on currency translation	13.9	6.5
Expenses from additions to other provisions	11.7	8.5
Compliance expenses	10.4	0.0
Expenses from operating investments	7.9	0.1
Impairment of trade receivables	5.5	2.6
Impairment losses on other financial assets	3.2	0.1
Losses on the disposal of property, plant and equipment	1.6	1.2
Impairments of other receivables (excluding trade receivables) and other financial assets	1.5	0.9
Other expenses	16.9	6.6
Total	**112.0**	72.7

Restructuring expenses (Excellence and others) particularly relate to the Industrial business segment and primarily include expenses for workforce reductions.

Compliance expenses relate to expenses in connection with the requirements for the further development of the compliance system and the conclusion of old cases.

Expenses from operating investments relate to impairments of investments in the amount of €6.0 million (previous year: €0.1 million).

Other expenses include expenses in connection with the audit of the internal control system in the amount of €7.1 million. In addition to impairments of other assets, numerous other items of minor individual importance are included.

9. Personnel expenses and average number of employees

The following table shows personnel expenses as well as the average number of employees.

	2015	2014
Personnel expenses (€ million)	**2,993.8**	2,857.3
Average number of employees		
Office staff		
Germany	9,574	9,702
International	14,624	14,098
Manual workers		
Germany	9,937	10,284
International	22,133	22,684
Total workforce	**56,268**	56,768

The total number of employees relates to continuing operations.

10. Depreciation and amortization

Amortization of €27.7 million was carried out on intangible assets from acquisitions (previous year: €36.6 million) and is included in cost of sales. Depreciation of property, plant and equipment and the amortization of other intangible assets amount to €104.6 million (previous year: €89.1 million). In the reporting period, this includes impairment charges in the amount of €6.5 million. In addition, impairment losses on financial assets in the amount of €9.2 million (previous year: €0 million) were recognized.

11. Interest and other financial income / expense

Interest and other financial income / expense comprise the following items of the income statement:

		2015		2014
Interest income		**7.6**		**3.5**
Current interest expense		-26.0		-22.2
Interest expense from defined benefit obligation (DBO)	-13.4		-18.3	
Interest income on plan assets	5.7	-7.7	8.4	-9.9
Interest expense		**-33.7**		**-32.1**
Income on securities		0.0		6.1
Interest expense for minority interest		-2.2		-5.6
Other financial expense		**-2.2**		**0.5**
Total		**-28.3**		**-28.1**

Interest income is primarily earned on deposits of cash and cash equivalents with variable interest rates. Current interest expense is mainly incurred on financial debt excluding non-recourse debt with fixed interest rates.

With an unchanged investment policy, an increase in interest rates would lead to higher interest income.

The interest expense for minority interest of €2.1 million (previous year: €4.8 million) reflects the share in profits of the minority interest which is classified as borrowing due to contractual regulations, in particular preemption rights pursuant to IAS 32. €0.1 million of the interest expense for minority interest (previous year: €0.8 million) constitutes the interest compounded on purchase-price liabilities from the acquisition of equity interests.

12. Income tax expense

Income taxes are the taxes on income and earnings paid, owed or deferred in the various countries. The calculations are based on the expected tax rates in those countries at the time of realization. Those expected tax rates are derived from the statutory regulations that are in force or enacted at the end of the reporting period.

	2015	2014
Actual taxes	32.7	59.5
Deferred taxes	67.8	-8.0
Total	**100.5**	**51.5**

The tax expense calculated with the tax rate of Bilfinger SE can be reconciled with the reported tax expense as follows:

	2015	2014
Earnings before taxes	105.4	142.1
Theoretical tax expense at 30.95%	32.6	44.0
Tax-rate differences	-5.3	-4.5
Tax-rate effects of non-deductible expenses and tax-free income	-5.3	-1.5
Losses for which no deferred tax assets are capitalized and changes in value adjustments	86.1	1.7
Taxes from other accounting periods	-7.6	-1.6
Tax on forfeiture of loss carryforwards pursuant to Sec. 8c of the German Corporate Income Tax Act (KStG)	0.0	13.4
Income tax expense	**100.5**	51.5

The combined income tax rate for Bilfinger SE was 30.95 percent, as in the prior year, consisting of corporate income tax at a rate of 15 percent and the solidarity surcharge, which is levied at a rate of 5.5 percent of the applicable corporate income tax, as well as trade tax at an average municipal multiplier of 432 percent.

Deferred tax assets on tax-loss carryforwards are only recognized insofar as their realization is reasonably certain. Based on current assessments, this is not the case in particular for the losses incurred in the current financial year at Bilfinger SE and its tax-group companies, so that no deferred tax assets on tax-loss carryforwards were recognized regarding these losses as of December 31, 2015. In addition, recognized deferred tax assets on tax-loss carryforwards in the amount of €51.3 million were written off. This relates predominantly to Bilfinger SE.

Deferred tax assets and deferred tax liabilities are distributed among the items of the balance sheet as follows:

	Deferred tax assets		Deferred tax liabilities	
	Dec. 31, 2015	Dec. 31, 2014	**Dec. 31, 2015**	Dec. 31, 2014
Non-current assets	12.4	23.3	64.6	64.6
Current assets	74.5	79.1	77.7	146.1
Provisions	133.7	183.3	13.4	27.0
Liabilities	56.7	54.3	39.7	54.9
Tax-loss carryforwards				
Corporate income tax (or comparable taxes outside Germany)	24.5	57.0	–	–
Trade taxes	1.4	26.7	–	–
Offsetting	-140.5	-201.3	-140.5	-201.3
Carried in the balance sheet	**162.7**	222.4	**54.9**	91.3

At the end of the reporting period, deferred taxes in the amount of €51.7 million (previous year: €53.9 million) mainly from the measurement of retirement benefit obligations pursuant to IAS 19 as well as from the measurement of financial instruments pursuant to IAS 39 were offset against equity.

The total amount of deferred tax assets of €162.7 million (previous year: €222.4 million) includes future reductions in tax payments of €25.9 million (previous year: €83.7 million) that arise from the expected utilization in future years of existing tax-loss carryforwards. The realization of the tax-loss carryforwards is reasonably certain. Non-capitalized tax-loss carryforwards for corporate income tax (or comparable taxes outside Germany) amount to €414.2 million (previous year: €137.0 million) and for trade tax to €343.3 million (previous year:

€38.2 million). Of the tax-loss carryforwards not recognized as deferred tax assets, €1.5 million (previous year: €3.6 million) will expire within the next 5 years, €5.5 million (previous year: €14.2 million) within the next 10 years, €14.3 million (previous year: €14.6 million) within the next 15 years and €14.6 million (previous year: €20.7 million) within the next 20 years.

Deferred tax liabilities for tax payments on possible future dividend payments out of subsidiaries' retained earnings have not been recognized if these earnings are required for the long-term financing of the respective subsidiaries.

Sufficient provisions have been set aside for risks resulting from tax items not yet assessed as of the date of the calculation of tax assets and tax liabilities. The tax items are determined based on the most likely interpretation of tax code provisions.

13. Earnings per share

Earnings per share are calculated by dividing the Group's net profit by the weighted average number of shares issued.

	2015	2014
Net profit	-488.7	-71.4
Weighted average number of shares issued	44,194,276	44,168,430
Earnings per share, basic / diluted (in €)	**-11.06**	-1.62
thereof from continuing operations	0.44	2.74
thereof from discontinued operations	-11.50	-4.36

Notes to the balance sheet*

Because the former 'Power' business segment, which has been put up for sale, has been classified as discontinued operations, the assets and liabilities of the fully consolidated companies or, respectively, the carrying amounts of the investments accounted for using the equity method are presented under the separate items 'Assets held for sale' or 'Liabilities held for sale' as of December 31, 2015 in accordance with IFRS 5. This is reflected by changes to numerous items of the consolidated balance sheet compared with December 31, 2014, since, in line with IFRS 5, the prior-year figures have not been adjusted.

14. Intangible assets

COST OF ACQUISITION OR PRODUCTION	Licenses, software and similar rights and assets	Goodwill	Intangible assets from acquisitions	Advance payments on intangible assets	Total
January 1, 2015	**101.0**	**2,018.5**	**259.8**	**1.9**	**2,381.2**
Additions to the consolidated group	0.0	0.0	0.0	0.0	0.0
Disposals in the consolidated group	0.6	0.3	0.0	0.0	0.9
Additions	6.0	0.2	0.0	1.0	7.2
Disposals	1.8	0.0	94.7	0.0	96.5
Reclassifications	2.5	0.0	-0.4	-2.1	0.0
Currency adjustments	1.0	37.8	11.0	0.0	49.8
Reclassification of Power	-31.4	-509.3	-18.0	-0.3	-559.0
December 31, 2015	**76.7**	**1,546.9**	**157.7**	**0.5**	**1,781.8**

ACCUMULATED AMORTIZATION AND IMPAIRMENT	Licenses, software and similar rights and assets	Goodwill	Intangible assets from acquisitions	Advance payments on intangible assets	Total
January 1, 2015	**66.5**	**148.0**	**151.3**	**0.0**	**365.8**
Additions to the consolidated group	0.0	0.0	0.0	0.0	0.0
Disposals in the consolidated group	0.3	-0.1	0.0	0.0	0.2
Additions	10.0	0.0	27.7	0.0	37.7
Disposals	0.7	0.0	94.7	0.0	95.4
Reclassifications	0.0	0.0	0.0	0.0	0.0
Write-ups	0.0	0.0	0.0	0.0	0.0
Currency adjustments	0.8	0.0	5.9	0.0	6.7
Reclassification of Power	-22.8	-148.0	-12.0	0.0	-182.8
December 31, 2015	**53.5**	**0.1**	**78.2**	**0.0**	**131.8**
Carrying amount December 31, 2015	**23.2**	**1,546.8**	**79.5**	**0.5**	**1,650.0**

[*] Figures in € million, unless stated otherwise.

COST OF ACQUISITION OR PRODUCTION	Licenses, software and similar rights and assets	Goodwill	Intangible assets from acquisitions	Advance payments on intangible assets	Total
January 1, 2014	**100.5**	**1,885.7**	**340.8**	**1.9**	**2,328.9**
Additions to the consolidated group	5.3	115.9	42.3	0.0	163.5
Disposals in the consolidated group	0.4	0.2	0.0	0.0	0.6
Additions	13.8	0.0	0.0	1.5	15.3
Disposals	15.5	0.0	131.8	0.0	147.3
Reclassifications	0.9	0.0	0.0	-1.5	-0.6
Currency adjustments	0.3	22.8	8.5	0.0	31.6
Reclassification of construction activities	-3.9	-5.7	0.0	0.0	-9.6
December 31, 2014	**101.0**	**2,018.5**	**259.8**	**1.9**	**2,381.2**

ACCUMULATED AMORTIZATION AND IMPAIRMENT	Licenses, software and similar rights and assets	Goodwill	Intangible assets from acquisitions	Advance payments on intangible assets	Total
January 1, 2014	**70.3**	**0.2**	**235.1**	**0.0**	**305.6**
Additions to the consolidated group	3.3	0.0	0.0	0.0	3.3
Disposals in the consolidated group	0.4	0.1	0.0	0.0	0.5
Additions	11.8	148.0	42.9	0.0	202.7
Disposals	16.4	0.0	131.8	0.0	148.2
Reclassifications	-0.5	0.0	0.0	0.0	-0.5
Write-ups	0.0	0.0	0.0	0.0	0.0
Currency adjustments	0.1	-0.1	5.1	0.0	5.1
Reclassification of construction activities	-1.7	0.0	0.0	0.0	-1.7
December 31, 2014	**66.5**	**148.0**	**151.3**	**0.0**	**365.8**
Carrying amount December 31, 2014	**34.5**	**1,870.5**	**108.5**	**1.9**	**2,015.4**

Goodwill

Within the context of carrying out annual impairment tests in accordance with IFRS 3 / IAS 36, goodwill was allocated to the relevant divisions as cash-generating units. Goodwill is distributed among the divisions as shown in the following table:

	Dec. 31, 2015	Dec. 31, 2014
Division / business segment		
Industrial Maintenance	181.3	182.5
Insulation, Scaffolding and Painting	54.8	54.8
Oil and Gas	64.5	62.5
Industrial Fabrication and Installation	249.9	232.9
Engineering, Automation and Control	148.4	147.6
Support Services	70.3	70.1
Industrial	**769.2**	**750.4**
Building	18.6	18.6
Facility Services	407.8	400.9
Real Estate	196.6	189.7
Water Technologies	107.2	106.9
Government Services	47.4	42.7
Building and Facility	**777.6**	**758.8**
Continuing operations	**1,546.8**	**1,509.2**
Power Systems	–	244.9
Piping Systems	–	116.4
Power *	**–**	**361.3**
Total	**1,546.8**	**1,870.5**

* presented separately as of December 31, 2015 as part of the Power disposal group.

The annual impairment test pursuant to IAS 36 takes place at the divisional level. In addition to the annual impairment test, an impairment test is also to be carried out when there are indications for the impairment of a cash-generating unit.

The recoverable amounts of the cash-generating units at the balance-sheet date correspond to their values in use, which are derived from their discounted future cash flows. The calculation is based on the most recent planning figures over a three-year period, as approved by the Group's management. The detailed planning phase was supplemented with a two-year convergence phase, in order to converge the cash flows to the *steady state* for the subsequent years. In the *steady state*, cash flows are assumed for which future growth only in the form of expected inflation-related price increases is considered and organic growth is not taken into account. The long-term growth rates for the key cash-generating units were 0.97 percent for *Industrial Maintenance*, 1.02 percent for *Industrial Fabrication and Installation*, 1.26 percent for *Engineering, Automation and Control*, 0.94 percent for *Facility Services* and 0.98 percent for *Real Estate*.

The planning is based on existing contracts and external benchmarks, past experience and best possible assessment by the Group's management of future economic developments. Market assumptions, for example development of interest rates, exchange rates and raw-material prices, are taken into consideration with the use of external macroeconomic and industry-specific sources in the relevant markets.

In the Industrial business segment, earnings development is influenced by the oil price development and resulting investment behavior in the oil and gas industry. In the medium term, we anticipate an increase in the price of oil to a level below the long-term average. Growth of the Building and Facility business segment is influenced by the trend toward outsourcing real-estate services. Furthermore, measures introduced to increase efficiency and to adjust operating capacity as well as expected salary increases in the personnel-intensive service business also impact earnings development. As a consequence, we anticipate an improved margin in the short and medium term due, in particular, to restructuring measures that have already been implemented.

The discount rates before taxes for the cash-generating units calculated using the capital asset pricing model are shown in the table below:

CASH-GENERATING UNIT in %	Dec. 31, 2015	Dec. 31, 2014
Industrial Maintenance	10.1	9.4
Insulation, Scaffolding and Painting	10.2	9.8
Oil and Gas	10.1	10.1
Industrial Fabrication and Installation	11.0	11.5
Engineering, Automation and Control	10.0	10.8
Support Services	10.5	10.0
Building	7.1	10.0
Facility Services	7.3	8.1
Real Estate	8.7	10.4
Water Technologies	9.0	9.4
Government Services	6.2	8.9

A comparison of the recoverable amounts of the units with their carrying amounts including goodwill did not result in any need for impairments as of December 31, 2015.

For the vast majority of cash-generating units, even a significant increase in the discount rate or a significantly negative deviation from the cash flows assumed in the planning figures would not have resulted in a need to impair goodwill.

The *Engineering, Automation and Control* division of the Industrial business segment was the exception to this, where an increase in the discount rate by approximately 0.4 percentage points or a decline in planned EBITA in the steady state by approximately 6.9 percent would result in impairments.

Intangible assets from acquisitions

Intangible assets from acquisitions reflect the portions of purchase prices attributed to acquired customer relations (e.g. order backlogs, framework agreements and client bases) and are amortized over their useful lives using the straight-line method.

15. Property, plant and equipment

COST OF ACQUISITION OR PRODUCTION	Land and buildings	Technical equipment and machinery	Other equipment, office equipment	Advance payments and assets under construction	Total
January 1, 2015	**462.5**	**503.3**	**674.4**	**10.4**	**1,650.6**
Additions to the consolidated Group	0.0	0.0	0.1	0.0	0.1
Disposals in the consolidated Group	0.0	0.0	1.2	0.0	1.2
Additions	7.2	24.9	35.5	6.0	73.6
Disposals	18.6	14.0	47.7	0.2	80.5
Reclassifications	3.2	7.0	-5.7	-4.6	-0.1
Currency adjustments	3.6	3.7	2.4	0.0	9.7
Reclassification of Power	-139.5	-179.1	-83.1	-5.7	-407.4
December 31, 2015	**318.4**	**345.8**	**574.7**	**5.9**	**1,244.8**

ACCUMULATED DEPRECIATION AND IMPAIRMENT	Land and buildings	Technical equipment and machinery	Other equipment, office equipment	Advance payments and assets under construction	Total
January 1, 2015	**197.2**	**351.5**	**451.7**	**0.0**	**1,000.4**
Additions to the consolidated Group	0.0	0.0	0.0	0.0	0.0
Disposals in the consolidated Group	0.0	0.0	0.9	0.0	0.9
Additions	12.8	25.3	56.9	0.0	95.0
Disposals	12.2	11.9	36.1	0.0	60.2
Write-ups	0.0	0.0	0.0	0.0	0.0
Reclassifications	0.3	3.5	-3.9	0.0	-0.1
Currency adjustments	1.2	2.6	0.7	0.0	4.5
Reclassification of Power	-59.7	-120.1	-60.7	0.0	-240.5
December 31, 2015	**139.6**	**250.9**	**407.7**	**0.0**	**798.2**
Carrying amount December 31, 2015	**178.8**	**94.9**	**167.0**	**5.9**	**446.6**
thereof finance leases **Carrying amount December 31, 2015**	**14.4**	**0.0**	**2.3**	**0.0**	**16.7**

COST OF ACQUISITION OR PRODUCTION	Land and buildings	Technical equipment and machinery	Other equipment, office equipment	Advance payments and assets under construction	Total
January 1, 2014	**447.0**	**693.4**	**702.7**	**22.9**	**1,866.0**
Additions to the consolidated Group	0.0	0.3	14.5	0.0	14.8
Disposals in the consolidated Group	0.1	0.6	0.2	0.0	0.9
Additions	23.4	36.2	54.4	9.2	123.2
Disposals	3.5	17.1	44.1	1.8	66.5
Reclassifications	9.5	-4.2	5.2	-10.0	0.5
Currency adjustments	1.6	13.0	0.2	0.1	14.9
Reclassification of construction activities	-15.4	-217.7	-58.3	-10.0	-301.4
December 31, 2014	**462.5**	**503.3**	**674.4**	**10.4**	**1,650.6**

ACCUMULATED DEPRECIATION AND IMPAIRMENT	Land and buildings	Technical equipment and machinery	Other equipment, office equipment	Advance payments and assets under construction	Total
January 1, 2014	**193.2**	**500.4**	**460.1**	**0.0**	**1,153.7**
Additions to the consolidated Group	0.0	0.0	9.8	0.0	9.8
Disposals in the consolidated Group	0.1	0.6	-0.1	0.0	0.6
Additions	11.6	34.6	58.3	0.0	104.5
Disposals	3.0	14.4	41.7	0.0	59.1
Write-ups	0.2	0.0	0.0	0.0	0.2
Reclassifications	0.0	-3.2	3.7	0.0	0.5
Currency adjustments	0.1	4.2	0.4	0.0	4.7
Reclassification of construction activities	-4.4	-169.5	-39.0	0.0	-212.9
December 31, 2014	**197.2**	**351.5**	**451.7**	**0.0**	**1,000.4**
Carrying amount December 31, 2014	**265.3**	**151.8**	**222.7**	**10.4**	**650.2**
thereof finance leases **Carrying amount December 31, 2014**	**14.9**	**0.0**	**2.3**	**0.0**	**17.2**

Finance-lease transactions in the reporting period mainly involve buildings with contract periods of up to 30 years.

The payment obligation resulting from finance leases is recognized in the amount of the present value of future lease payments due. The minimum lease payments, consisting of present value and an interest portion, are shown in the following table:

	< 1 year	1-5 years	> 5 years	Total
2015				
Lease payments	1.8	8.1	7.2	17.1
Interest portion	0.1	0.5	3.6	4.2
Carrying amount / present value	**1.7**	**7.6**	**3.6**	**12.9**
2014				
Lease payments	2.3	8.2	8.2	18.7
Interest portion	0.1	0.5	4.1	4.7
Carrying amount / present value	**2.2**	**7.7**	**4.1**	**14.0**

16. Investments accounted for using the equity method

For an overview of the investments accounted for using the equity method, please see the list of subsidiaries and equity interests (see Note 38).

The carrying amounts of or, respectively, income from investments accounted for using the equity method are distributed to associates and joint ventures as follows:

	Associates	Joint ventures	Total
December 31, 2015			
Carrying amount of investments accounted for using the equity method	9.8	8.6	**18.4**
Income from investments accounted for using the equity method	6.4	12.5	**18.9**
December 31, 2014			
Carrying amount of investments accounted for using the equity method	56.2	14.3	**70.5**
Income from investments accounted for using the equity method	23.1	16.3	**39.4**

16.1 Associates

Significant associates:

Name	Julius Berger Nigeria plc	M6 Tolna Autópálya Koncessziós Zrt.	M6 Duna Autópálya Koncessziós Zrt.
Principal place of business	Abuja, Nigeria	Budapest, Hungary	Budapest, Hungary
Activity	Construction	Concession project	Concession project
Bilfinger's share	30.31 %	45.00 %	40.00 %
	Dec. 31, 2014	Dec. 31, 2014	Dec. 31, 2014
Dividends received from the investee	**4.5**	**0.5**	**3.2**
Non-current assets	512.0	509.2	326.2
Current assets	499.1	26.9	53.2
Non-current liabilities	464.8	619.4	341.4
Current liabilities	429.8	14.3	16.3
Net assets/equity	**116.5**	**-97.6**	**21.7**
Group's share of net assets	35.3	-43.9	8.7
Unabsorbed losses from reserves for hedging instruments		43.9	
Correction for minority interests / miscellaneous	-0.7		
Carrying amount of the investee using the equity method	**34.6**	**0.0**	**8.7**
Revenue	945.2	5.7	11.8
Profit from continuing operations	39.0	3.4	8.3
Other comprehensive income for the period	0.5	-58.6	-7.4
Total comprehensive income for the period	**39.5**	**-55.2**	**0.9**

The investments in Julius Berger Nigeria plc, M6 Tolna and M6 Duna were classified as 'held for sale' in the reporting year. The investments in M6 Duna and M6 Tolna were fully sold; the investment in Julius Berger Nigeria plc was partly sold (see Note 4.3).

Aggregated disclosure concerning insignificant associates:

	Dec. 31, 2015	Dec. 31, 2014
Carrying amount of the investee accounted for using the equity method	**9.8**	**12.9**
Group's share of profit / loss from continuing operations	6.4	2.9
Group's share of other comprehensive income for the period	45.0	0.0
Group's share of total comprehensive income for the period	**51.4**	**2.9**

If the proportionate losses – including other comprehensive income – exceed the carrying amount of the investment, neither losses nor gains are recognized. The cumulative amount of unrecognized losses from associates at December 31, 2014 was €36.2 million. Losses of €7.7 million exceeding the carrying amount of the investment were offset against loans granted to investees accounted for using the equity method. Unrecognized losses increased by €25.3 million in the previous year. These amounts resulted from unrealized losses recognized in other comprehensive income from hedging transactions for concession projects.

16.2 Joint ventures

Significant joint ventures:

Name		Tebodin & Partner LLC
Principal place of business		Muscat, Oman
Activity		Engineering
Bilfinger's share	50.0 %	50.0 %
	Dec. 31, 2015	Dec. 31, 2014
Dividends received from the investee	**9.6**	**5.0**
Non-current assets	2.9	3.5
Current assets not including cash and cash equivalents	19.6	29.4
Cash and cash equivalents	4.6	4.2
Non-current liabilities not including financial debt	3.7	2.8
Non-current financial debt	0.7	–
Current liabilities not including financial debt	9.3	10.5
Net assets / equity	**13.4**	**23.8**
Group's share of net assets	6.7	11.9
Carrying amount of the investee using the equity method	**6.7**	**11.9**
Revenue	76.1	73.2
Depreciation and amortization (property, plant and equipment and intangible assets)	-1.1	-0.9
Interest expense	-0.1	–
Income tax expense	-1.4	-1.8
Remaining income (loss) from continuing operations	11.6	16.6
Profit from continuing operations	9.0	13.9
Total comprehensive income for the period	**9.0**	**13.9**

Aggregated disclosure concerning insignificant joint ventures:

	Dec. 31, 2015	Dec. 31, 2014
Carrying amount of the investee accounted for using the equity method	**1.9**	**2.4**
Group's share of profit / loss from continuing operations	8.0	9.4
Group's share of other comprehensive income for the period	-1.9	0.0
Group's share of total comprehensive income for the period	**6.1**	**9.4**

As of the balance-sheet date, there were no obligations to contribute capital or resources to joint ventures or obligations to purchase ownership interests in joint ventures from another party in the event certain future conditions are met.

17. Other financial assets

	2015	2014
Loans	8.2	18.6
Equity interests (available for sale, at cost)	1.5	14.2
Derivative financial instruments in hedging relationships	0.0	1.3
Derivative financial instruments not in hedging relationships	0.2	0.0
Securities (available for sale)	0.2	0.6
Securities (held to maturity)	0.0	0.1
Other financial assets	52.1	33.4
Total	62.2	68.2

Equity interests (available for sale at cost) include shares in non-listed companies, which are measured at cost of acquisition.

Other financial assets primarily comprise amounts that serve to fulfill pension obligations.

18. Inventories

Inventories are comprised as follows:

	2015	2014
Real-estate properties held for sale	10.2	37.6
Finished goods and work in progress	14.0	20.2
Raw materials and supplies	64.9	87.2
Advance payments made	5.8	36.5
Total	94.9	181.5

Cost of sales includes cost of inventories, recognized in expenses, in the amount of €2,467.3 million (previous year: €2,484.7 million).

19. Receivables and other financial assets

	2015	2014
Receivables		
trade receivables (including receivables from percentage of completion)	1,380.3	1,755.2
from consortiums and joint ventures	15.0	23.8
from companies in which equity is held	21.1	26.0
	1,416.4	1,805.0
Derivatives		
in hedging relationships	2.7	3.6
not in hedging relationships	2.9	7.2
	5.6	10.8
Other financial, non-derivative assets	65.6	60.2
Total	**1,487.6**	1,876.0

Construction contracts measured according to the percentage-of-completion method but not yet finally invoiced are recognized as follows:

	2015	2014
Costs incurred plus recognized profits	2,845.1	5,293.9
Less advance billings	2,686.1	5,105.9
Balance	**159.0**	188.0
thereof future receivables from construction contracts	275.7	427.6
thereof advance payments received from construction contracts	116.7	239.6

The amount of future receivables from construction contracts is included under trade receivables. Advance payments received totaled €2,531.3 million (previous year: €4,917.3 million). Receivables include security deposits in the amount of €9.6 million (previous year: €13.5 million).

Details of days overdue and impairments of trade receivables are as follows:

	2015	2014
Receivables neither overdue nor impaired	1,075.3	1,361.8
Receivables overdue but not impaired		
less than 30 days	182.7	253.1
30 to 90 days	54.6	68.7
91 to 180 days	17.3	24.4
more than 180 days	47.0	43.3
	301.6	**389.5**
Residual value of impaired receivables	3.4	3.9
Total	**1,380.3**	**1,755.2**

Impairments of trade receivables for default risks developed as follows:

	2015	2014
Opening balance	**24.8**	**27.1**
Changes in the consolidated group, currency differences	-1.4	-2.3
Allocations (impairment losses)	5.4	4.5
Utilization	6.5	1.8
Withdrawals (gains on impairment reversals)	2.4	2.7
Closing balance	**19.9**	**24.8**

All losses and gains from the impairment of trade receivables are recognized under other operating income and other operating expenses.

No default risk is recognizable for the receivables that are not impaired.

Other financial non-derivative assets comprise receivables and assets outside the field of supplying goods and services.

20. Other assets

Other assets primarily include value-added tax claims of €33.8 million (previous year: €55.2 million) and prepaid expenses of €21.9 million (previous year: €30.1 million).

21. Equity

The classification of equity and changes in equity are presented in the consolidated statement of changes in equity.

Share capital remains unchanged at €138.1 million. It is divided into 46,024,127 bearer shares with an arithmetical value of €3.00 per share.

By resolution of the Annual General Meeting of May 8, 2014, the Executive Board is authorized with the consent of the Supervisory Board until May 7, 2019 to increase the share capital of the company by up to €69.0 million (Approved Capital 2014). The capital increase serves to issue new shares against cash and / or non-cash contributions.

By resolution of the Annual General Meeting of April 18, 2013, the share capital was increased by up to €13.8 million by the issue of up to 4,602,412 new bearer shares with a proportionate amount of the share capital of €3.00 per share (Contingent Capital 2013). It serves to grant shares upon the exercise of conversion rights or option rights or upon the fulfillment of conversion obligations or option obligations in connection with bonds until April 17, 2018.

With the approval of the Supervisory Board and on the basis of the authorization granted by the Annual General Meeting of May 23, 2007, the Executive Board of Bilfinger SE bought back 1,884,000 shares through the stock exchange at an average price of €53.07 per share in February 2008. Of these, a total of 48,682 shares was issued during financial years 2013 and 2014 as part of employee stock ownership plans and another 10,935 were issued for the same purpose during the reporting period. Since then, the company has held 1,824,383 treasury shares, equivalent to 3.96 percent of current voting rights. The company has no rights from these shares (Section 71 b AktG). No cancellation of the treasury shares is currently planned.

We refer to the explanation given in the management report pursuant to Section 289 Subsection 4 and Section 315 Subsection 4 of the German Commercial Code (HGB) with regard to the authorization for the Executive Board to issue shares out of approved capital and out of contingent capital as well as the possibilities to buy back and use the company's own shares.

Retained and distributable earnings

	2015	2014
Retained and distributable earnings	312.5	92.0
Remeasurement of net defined pension plans	-134.2	-140.5
Employee share program	0.8	0.8
Other retained earnings	420.6	1.218.5
Total	599.7	1.170.8

Distributable earnings and proposal on the appropriation of earnings

It is proposed that the reported distributable earnings of Bilfinger SE for the 2015 financial year of €313 million be carried forward to new account and that no dividend be paid out. In the prior year, the dividend amounted to €2.00 per share entitled to a dividend. The total dividend distribution was €88.4 million.

Remeasurements include the deviations fully included in the retirement benefit obligation (actuarial gains and losses) between the amount of the retirement benefit obligation expected at the beginning of the year and the actual amount of the retirement benefit obligation at the end of the year, as well as the difference between the income recognized from plan assets based on the amount of the discount rate for the retirement benefit obligation and the income actually achieved from the plan assets.

The accumulated losses from remeasurement recognized in other comprehensive income and attributable to the shareholders of Bilfinger SE amount to €186.0 million before deferred taxes (previous year: €195.1 million) and €134.2 million after consideration of deferred taxes (previous year: €140.5 million).

As part of an employee share program 2012, employees of Group companies in Germany, once the relevant plan conditions were met, were granted the right to free bonus shares. The share buyback carried out through the stock exchange in 2012 for the issue of free shares to the employees, the periodic recognition of expenses from the program in financial years 2012 to 2014 as well as the first-time granting of these bonus shares in the reporting period led to changes in retained earnings.

Other retained earnings principally comprise amounts established from earnings in the reporting period or in previous financial years.

Other reserves

The fair-value measurement of securities reserve includes unrealized gains and losses on financial assets classified as 'available for sale' and primarily related to shares in listed investment funds in the previous year.

The reserve from hedging transactions contains unrealized profits and losses from hedging highly probable future payments, taking into consideration any deferred-tax effects.

The currency translation reserve reflects all currency differences arising from the translation of financial statements of foreign subsidiaries.

22. Provisions for pensions and similar obligations

Various retirement benefit obligations exist at the Bilfinger Group, the heterogenic nature of which is historically based in the development of the Group with numerous corporate acquisitions. They comprise both defined contribution pension plans and defined benefit pension plans.

With defined contribution pension plans, the company makes fixed contributions on a contractual or voluntary basis to an external pension fund. Beyond those contributions, the company has no legal or constructive payment obligations in the case that the pension fund should not be sufficient to provide the retirement benefit in full. The contributions are recognized as an expense for pension provision when they fall due.

Pension plans that do not meet the definition of defined contribution pension plans are deemed to be defined benefit plans and are recognized at the balance-sheet date at the present value of the defined benefit obligation (DBO). If assets are set aside solely to pay or fund these obligations, those assets are defined as plan assets and are deducted at their fair value and the net amount is presented in the balance sheet. Any amount in excess of the obligation is presented as other financial assets – with due consideration of any asset ceilings.

Obligations from pension commitments are calculated separately for each plan by estimating the amounts of future pension entitlements, which are discounted to their present values at the end of the reporting period. A discount rate is used equivalent to the rate of return on high-grade corporate bonds with an AA rating denominated in the same currency as the pension obligations and with similar maturities. At the end of the reporting period, the amount of the pension obligations is actuarially calculated with consideration of assumptions on future developments and with application of the so-called projected-unit-credit method. The assumptions underlying the calculations are based on published country-specific statistics and on experience. In addition to estimates of future income and pension developments, they also include biometric assumptions. The latter are based on locally recognized mortality tables; these are the 2005 G Guideline Tables by Klaus Heubeck in Germany and the BVG 2010 Generation Tables in Switzerland.

ACTUARIAL ASSUMPTIONS	Eurozone	Switzerland	Other countries (weighted)	Eurozone	Switzerland	Other countries (weighted)
			2015			2014
Discount rate	2.25%	0.90%	2.35%	2.00%	1.40%	2.80%
Projected increase in wages and salaries	2.75%	0.60%	2.55%	2.75%	0.60%	2.70%
Projected pension increase	1.50%	0.00%	0.75%	1.50%	0.00%	1.20%

Gains and losses from changes in actuarial assumptions and from experience adjustments are recognized in other comprehensive income in the period in which they occur. Past service cost due to the curtailment, introduction or amendment of plans is recognized in profit or loss as incurred. The same applies to gains or losses from the settlement of plans.

COMPOSITION BY REGION	Eurozone	Switzerland	Other countries	Total	Eurozone	Switzerland	Other countries	Total
				2015				2014
Defined benefit obligation of funded pension plans	167.2	117.9	31.3	316.4	181.9	113.0	33.0	327.9
Defined benefit obligation of non-funded pension plans	300.4	–	48.4	348.8	430.5	–	49.0	479.5
Defined benefit obligation of all pension plans	**467.6**	**117.9**	**79.7**	**665.2**	**612.4**	**113.0**	**82.0**	**807.4**
in percent	70%	18%	12%	100%	76%	14%	10%	100%
Defined benefit obligation of funded pension plans	167.2	117.9	31.3	316.4	181.9	113.0	33.0	327.9
Fair value of plan assets	167.7	84.7	28.3	280.7	169.0	88.3	31.6	288.9
Funded status	**-0.5**	**33.2**	**3.0**	**35.7**	**12.9**	**24.7**	**1.4**	**39.0**
thereof provisions for pensions	11.6	33.2	3.0	47.8	18.1	24.7	1.4	44.2
thereof net assets	12.1			12.1	5.2			5.2
Provision for funded pension plans	11.6	33.2	3.0	47.8	18.1	24.7	1.4	44.2
Provision for non-funded pension plans	300.4	–	48.4	348.8	430.5	–	49.0	479.5
Provisions for pensions and similar obligations, total	**312.0**	**33.2**	**51.4**	**396.6**	**448.6**	**24.7**	**50.4**	**523.7**

Of gross defined benefit obligations of €665.2 million (previous year: €807.4 million), 70 percent (previous year: 76 percent) relates to the countries of the Eurozone. A further 18 percent (previous year: 14 percent) relates to Switzerland and 12 percent (previous year: 10 percent) relates to other non-Eurozone countries, especially Scandinavian countries and the United Kingdom. In the Eurozone, the majority of the pension plans in the amount of €419.5 million relates to Germany (previous year: €527.1 million) and €30.4 million relates to obligations in Austria (previous year: €66.0 million).

The pension plans of Group companies in Germany are generally structured so that employees receive commitments to retirement, invalidity and dependants pensions in the form of lifetime annuities whose amount depends on the length of time worked at the Group and partially also on an employee's level of wage or salary. In addition to direct pension commitments, generally to managerial staff, commitments exist at the Bilfinger Group in the context of company agreements often reached indirectly through relief and pension funds or in the form of direct insurance. The adjustment of pensions to price developments takes place in line with the provisions of applicable law at the latest after three years.

For the employees of Bilfinger SE and some domestic subsidiaries, plans exist for occupational retirement, invalidity and dependants pensions granting the employees entitlement to annual contribution credits to an individual retirement benefit account. The amount of the contribution credits is staggered by contribution group or for managerial staff is contractually agreed. Furthermore, employees have the possibility to make additional contributions out of their wages or salaries in order to improve their company pensions. The interest paid on the respective retirement benefit account balances is based on the returns achieved on the related plan assets, whereby a minimum return of 2 percent per annum is guaranteed by the company. Pension payments can, if applicable and desired by the employee, be made in a lump sum, in installments or in the form of an annuity after the employee has left the company, but at the earliest at the age of 60. The direct benefit obligation (DBO) at the end of the reporting period amounts to €107.7 million. Due to the fact that payments are made on a defined contribution basis, risks from deviations of the actual developments from biometric assumptions are largely excluded.

In order to protect employees' rights from these pension commitments, assets in a total amount of €118.6 million have been placed in a contractual trust arrangement (CTA), based on the model of a two-way trust and protected against insolvency. In this context, Bilfinger SE had previously transferred assets to the administration of an independent trustee. With regard to investment policy, the trustee is bound by the decisions of an investment committee commissioned by the trustor. The investment strategy follows a total return approach with strict risk limitation. No obligations exist to make further payments into the plan assets.

In Switzerland, company pensions are subject to the Federal Act on Company Retirement, Dependants and Invalid Provision (BVG), whereby such plans are to be administered by legally independent funds. These funds are managed by a board of directors comprising equal numbers of representatives of the employees and of the employers, and are subject to state supervision. The plan benefits include retirement pension, invalidity pension and dependants pension. The BVG sets certain minimum thresholds in this respect and obliges employers and employees to pay appropriate wage-related contributions into a fund. Employees' pension rights exist solely in relation to the fund; there is no liability on the part of the employer. In the case of the fund having insufficient cover, however, suitable remediation measures are to be taken in order to eliminate the deficit within an appropriate time. Within the context of these measures, additional contributions may have to be paid by employees and employer. Retirement benefits are defined by the contribution primacy, risk benefits are defined by the benefit primacy. The plan assets are invested together with the assets of other pension plans. For each employee, an individual retirement benefit account exists, to which the annual contributions are credited and accrue interest. As of the balance-sheet date, obligations of €117.9 million are recognized (previous year: €113.0 million) while plan assets are measured at €84.7 million (previous year: €88.3 million). There is thus a cover shortfall of €33.2 million (previous year: €24.7 million), primarily due to the lower level of interest rates and increased life expectancy following the introduction of the generation-specific BVG 2010 mortality table in 2011. The cover shortfall is to be eliminated in the medium term by taking suitable measures, in particular by reducing the interest credits on pension accounts. The employer contributions to the Swiss pension plans anticipated in 2016 amount to €5.6 million (previous year: €4.2 million).

Pension obligations in Austria are claims to severance payments in accordance with national regulations which arose before 2003 and are to be paid as lump sums following termination of employment by the employer or upon retirement. Since 2003, employers have had to pay wage-related contributions to an employee benefit fund in order to finance those claims. These plans qualify as defined contribution plans and the related expenses are therefore recognized as soon as a payment obligation arises.

PENSION PLANS	Funded	Non-funded	Total	Funded	Non-funded	Total
			2015			2014
Defined benefit obligation at January 1	**327.9**	**479.5**	**807.4**	285.2	393.8	679.0
Reclassification to liabilities classified as held for sale	-2.9	-122.6	-125.5	-18.4	-4.1	-22.5
Interest cost on DBO	6.2	7.2	13.4	8.4	13.5	21.9
Service cost	4.0	5.0	9.0	5.0	7.5	12.5
current service cost	7.3	6.0	13.3	6.0	7.2	13.2
past service cost	1.7	-0.9	0.8	-1.1	0.3	-0.8
gains / losses on settlements	-5.0	-0.1	-5.1	0.1	0.0	0.1
Settlement payments	-24.7	-1.3	-26.0	-0.1	0.0	-0.1
Pension payments	-14.8	-12.6	-27.4	-12.0	-19.3	-31.3
Employee contributions	6.8	0.2	7.0	4.1	0.0	4.1
Currency adjustments	12.5	1.5	14.0	1.1	-1.1	0.0
Additions to the consolidated group	0.0	0.0	0.0	0.0	14.0	14.0
Disposals from the consolidated group	0.0	-1.6	-1.6	-0.9	0.0	-0.9
Transfers to / from other companies	0.1	0.0	0.1	12.7	0.0	12.7
Actuarial gains (-) / losses (+)	1.3	-6.5	-5.2	42.8	75.2	118.0
from changes in demographic assumptions	0.0	-0.1	-0.1	1.1	3.4	4.5
from changes in financial assumptions	2.4	-11.1	-8.7	42.5	71.5	114.0
from experience adjustments	-1.1	4.7	3.6	-0.8	0.3	-0.5
Defined benefit obligation at December 31	**316.4**	**348.8**	**665.2**	327.9	479.5	807.4
Fair value of plan assets at January 1	**288.9**		**288.9**	274.3		274.3
Reclassification to assets classified as held for sale	-1.6		-1.6	-16.6		-16.6
Interest income on plan assets	5.7		5.7	8.4		8.4
Settlement payments	-22.5		-22.5	-0.1		-0.1
Pension payments	-14.8		-14.8	-12.0		-12.0
Allocations to fund (company contributions)	12.2		12.2	12.6		12.6
Allocations to fund (employee contributions)	6.8		6.8	4.2		4.2
Currency adjustments	9.5		9.5	0.5		0.5
Additions to the consolidated group	0.0		0.0	0.0		0.0
Disposals from the consolidated group	0.0		0.0	-0.9		-0.9
Transfers to / from other companies	0.2		0.2	12.8		12.8
Remeasurements	-3.7		-3.7	5.7		5.7
Changes from asset ceiling	0.0		0.0	0.0		0.0
Fair value of plan assets at December 31	**280.7**		**280.7**	288.9		288.9
Defined benefit obligation at December 31	**316.4**	**348.8**	**665.2**	327.9	479.5	807.4
Fair value of plan assets at December 31	**280.7**		**280.7**	288.9		288.9
Funded status at December 31	-35.7	-348.8	-384.5	-39.0	-479.5	-518.5
Net pension provisions at December 31	**47.8**	**348.8**	**396.6**	44.2	479.5	523.7
Net plan assets at December 31	**12.1**		**12.1**	5.2		5.2
Gains / losses recognized in profit or loss						
Current service cost	-7.3	-6.0	-13.3	-6.0	-7.2	-13.2
Past service cost	-1.7	0.9	-0.8	1.1	-0.3	0.8
Gains / losses from plan settlements	5.0	0.1	5.1	-0.1	0.0	-0.1
Net interest cost (-) / income (+)	-0.5	-7.2	-7.7	0.0	-13.5	-13.5
Net pension cost	**-4.5**	**-12.2**	**-16.7**	-5.0	-21.0	-26.0

In the income statement, service costs and any gains or losses from settlements are allocated to the respective functional areas and are thus included in EBIT. The net interest cost from the interest accrued on the net pension obligation is presented under interest expense.

The defined contribution pension expense amounted to €41.4 million (previous year: €33.4 million).

The weighted average duration of the pension obligations is 14.4 years.

COMPOSITION OF PLAN ASSETS

	Dec. 31, 2015	Dec. 31, 2014
Total assets	**280.7**	**288.9**
Assets with a quoted market price	**231.6**	**239.7**
Cash and cash equivalents	3.9	6.6
Equity instruments	22.4	21.7
thereof shares Europe, North America and Australia	22.3	21.6
thereof shares emerging markets	0.1	0.1
Debt instruments	88.0	87.8
thereof government bonds	36.1	28.8
thereof corporate bonds investment grade	38.6	44.2
thereof corporate bonds non-investment grade	0.7	0.8
thereof covered bonds	12.6	14.0
Investment funds	116.7	123.1
thereof equity funds	15.4	13.9
thereof bond funds	30.0	47.7
thereof money-market funds	5.4	5.9
thereof real-estate funds	0.0	2.7
thereof other funds	65.9	52.9
Other assets	0.6	0.5
Assets without a quoted market price	**49.1**	**49.2**
Equity instruments	3.6	4.1
thereof shares	3.4	3.9
thereof other equity instruments	0.2	0.2
Debt instruments	1.0	1.0
thereof bonds	0.0	0.0
thereof other debt instruments	1.0	1.0
Real-estate properties	17.8	15.0
thereof used by the Group	0.0	0.0
Qualifying insurance policies	23.5	26.3
Other assets	3.2	2.8

For 2016, contribution payments to pension plans in the amount of €16 million are planned.

The pension obligations, which exist as of the balance-sheet date, are expected to result in the following – undiscounted – cash outflows in the next 10 financial years:

EXPECTED PENSION PAYMENTS

	2016	2017	2018	2019	2020	2021-25
	30	29	29	31	32	171

Contributions of €113.8 million were paid to state pension insurance institutions (previous year: €98.4 million).

Due to the pension plans, the Group is exposed to various risks. A reduction in the interest rate used to discount the provisions for pensions (interest rate for high-grade corporate bonds) would cause the pension obligations to increase. There would be corresponding effects from higher-than-expected income and pension increases. Higher life expectancies than assumed would also lead to an increase in pension obligations, especially when fixed benefits are paid which are independent of the contributions paid in the past. If plan assets exist to cover the pension obligations, it is assumed that they accrue interest at the rate of interest used to discount defined benefit obligations. If the actual interest rate is lower, this leads to an increase in the net pension obligations. For pension plans denominated in foreign currencies, exchange-rate risks also exist.

The following sensitivity analysis shows the change in the pension obligations (DBO) in millions of euros caused by a change in one of the assumptions upon which the calculation is based when all the other assumptions remain unchanged. The calculation methods are otherwise unchanged.

SENSITIVITY ANALYSIS ON ACTUARIAL ASSUMPTIONS

	Defined benefit obligation Dec. 31, 2015	
	0.5 percentage point increase	0.5 percentage point decrease
Discount rate	-40.2	45.5
Projected wages and salaries	13.8	-12.8
Projected pension increase	24.4	-22.3
	1 year increase	1 year decrease
Life expectancy	27.0	-26.8

23. Current tax liabilities and other provisions

	Current tax liabilities	Risks relating to contracts and litigation	Warranty risks	Personnel-related obligations	Restructuring measures	Other uncertain liabilities	Other provisions	Total
As of January 1, 2015	**89.1**	**127.1**	**79.8**	**75.0**	**82.6**	**151.8**	**516.3**	**605.4**
Utilization	57.8	41.7	8.4	14.5	45.3	76.2	186.1	243.9
Release	7.7	11.5	15.2	4.1	5.8	10.9	47.5	55.2
Additions	32.3	60.8	24.9	28.2	38.2	133.8	285.9	318.2
Currency adjustments	1.3	0.0	0.4	0.8	-0.3	0.2	1.1	2.4
Changes in the consolidated group	-0.4	-2.2	-0.7	-2.2	-1.2	-2.6	-8.9	-9.3
Reclassification of Power activities	-5.3	-30.6	-20.2	-21.3	-17.1	-22.1	-111.3	-116.6
As of December 31, 2015	**51.5**	**101.9**	**60.6**	**61.9**	**51.1**	**174.0**	**449.5**	**501.0**

Maturities of current tax liabilities and other provisions

	Non-current		Current		Total	
	2015	2014	2015	2014	2015	2014
Current tax liabilities	0.0	0.0	51.5	89.1	51.5	89.1
Other provisions	49.7	55.0	399.8	461.3	449.5	516.3
Risks relating to contracts and litigation	9.0	7.9	92.9	119.2	101.9	127.1
Warranty risks	12.6	12.8	48.0	67.0	60.6	79.8
Personnel-related obligations	24.1	29.3	37.8	45.7	61.9	75.0
Restructuring measures	0.0	0.0	51.1	82.6	51.1	82.6
Other uncertain liabilities	4.0	5.0	170.0	146.8	174.0	151.8
Total	49.7	55.0	451.3	550.4	501.0	605.4

Risks relating to contracts and litigation primarily comprise provisions for risks from current projects, provisions for reworking and provisions for litigation risks.

Court proceedings in Vancouver, Canada, related to extensive claims regarding the construction of two tunnels for drinking water treatment were concluded through a settlement out of court. Bilfinger had sufficient balance-sheet provisions in place.

Warranty risks primarily comprise provisions for warranties related to individual cases from the valuation of projects.

Personnel-related obligations mainly consist of provisions for employee anniversaries and pre-retirement part-time employment as well as provisions for personnel severance compensation that do not relate to restructuring measures. The amount of employee anniversaries and pre-retirement part-time employment is calculated annually by external experts.

The provisions for restructuring measures relate to commitments associated with the efficiency-enhancement program Bilfinger Excellence in the amount of €12.7 million (previous year: €52.0 million) and other restructuring measures in the amount of €38.4 million (previous year: €30.6 million). In addition to costs for site closures, the provisions primarily relate to severance payments for departing employees.

Other contingent liabilities include a provision for risks in connection with discontinued operations, provisions for contingent losses, costs of annual financial statements, compensation for damages and consultant costs, and other miscellaneous provisions.

24. Financial debt

	Non-current		Current		Total	
	2015	2014	2015	2014	2015	2014
Bank debt (non-recourse)	12.5	12.6	0.7	26.9	13.2	39.5
Financial debt, non-recourse	12.5	12.6	0.7	26.9	13.2	39.5
Bonds (recourse)	500.0	500.0	0.0	0.0	500.0	500.0
Bank debt (recourse)	1.5	3.9	5.0	25.8	6.5	29.7
Finance leases	11.2	11.9	1.7	2.1	12.9	14.0
Financial debt, recourse	512.7	515.8	6.7	27.9	519.4	543.7

Project-related non-recourse financing is taken out solely on the respective financed project, without any recourse to Bilfinger.

The decrease in non-current financial debt non-recourse is a result of the sale of the project company Power Office in the reporting year.

Liabilities from bonds relate to an unsubordinated, unsecured bond placed in December 2012 in the amount of €500 million, for which repayment is due in December 2019.

25. Trade and other payables

	2015	2014
Liabilities from derivatives, non-current		
in hedging relationships	0.0	0.8
not in hedging relationships	0.3	1.8
	0.3	2.6
Other non-current financial, non-derivative liabilities	17.1	19.3
Other non-current liabilities	17.4	21.9
Trade payables	668.8	858.0
advance payments received from construction contracts	116.7	239.6
liabilities to joint ventures and consortiums	52.9	69.3
liabilities to companies in which equity is held	4.6	20.8
	843.0	1,187.7
Liabilities from derivatives, current		
in hedging relationships	1.7	2.0
not in hedging relationships	6.9	13.2
	8.6	15.2
Other current financial, non-derivative liabilities	235.1	274.2
Trade and other current payables	1,086.7	1,477.1

26. Other liabilities

	2015	2014
Liabilities for sales tax and other taxes	166.8	176.0
Personnel obligations	99.1	121.4
Social-security levies	46.0	40.8
Deferred income and / or accrued expenses	32.0	31.7
Total	343.9	369.9

27. Additional information on financial instruments

The carrying amounts and fair values of financial assets and financial liabilities, classified according to the categories of IAS 39 and indicating the fair value hierarchy according to IFRS 13, are as follows:

	Level according to IFRS 13 hierarchy	IAS 39 category	Carrying amount	Fair value	Carrying amount	Fair value
				2015		2014
Assets						
Equity interests (available for sale, at cost)	–	AfS-aC	1.5	–	14.2	–
Receivables	2	LaR	1,416.4	1,416.4	1,805.0	1,805.0
Other financial, non-derivative assets	2	LaR	73.9	73.9	112.2	112.2
Securities	1	AfS	0.2	0.2	0.6	0.6
Securities	2	HtM	0.0	0.0	0.1	0.1
Cash and cash equivalents	1	LaR	429.3	429.3	403.1	403.1
Derivatives						
in hedging relationships	2	(Hedge)	2.7	2.7	4.9	4.9
not in hedging relationships	2	FAHfT	3.1	3.1	7.2	7.2
Liabilities						
Financial debt, non-recourse	2	FLAC	13.2	15.7	39.5	41.0
Financial debt recourse, bonds	1	FLAC	500.0	499.1	500.0	532.5
Financial debt recourse, without bonds and finance leases	2	FLAC	6.5	6.5	29.7	29.7
Finance leases, recourse	2	(IAS 17)	12.9	18.2	14.0	20.3
Liabilities	2	FLAC	843.0	843.0	1,187.7	1,187.7
Other non-derivative liabilities	2	FLAC	252.2	252.2	293.5	293.5
Derivatives						
in hedging relationships	2	(Hedge)	1.7	1.7	2.8	2.8
not in hedging relationships	2	FLHfT	7.2	7.2	15.0	15.0
Valuation category						
Loans and receivables		LaR	1,919.6	1,919.6	2,320.3	2,320.3
Available-for-sale financial assets		AfS	0.2	0.2	0.6	0.6
Available-for-sale financial assets at cost		AfS-aC	1.5	–	14.2	–
Held-to-maturity financial investments		HtM	0.0	0.0	0.1	0.1
Financial assets held for trading		FAHfT	3.1	3.1	7.2	7.2
Financial liabilities held for trading		FLHfT	7.2	7.2	15.0	15.0
Financial liabilities at amortized cost		FLAC	1,614.9	1,616.5	2,050.4	2,084.4

AGGREGATED PRESENTATION ACCORDING TO IFRS 13 HIERARCHY LEVELS	Level	Recognized at fair value	Fair value for information only in the Notes	Recognized at fair value	Fair value for information only in the Notes
			2015		2014
Assets	1	0.2	429.3	0.6	403.1
	2	5.8	1,490.3	12.1	1,917.3
	3	0.0	0.0	0.0	0.0
Liabilities	1	0.0	499.1	0.0	532.5
	2	8.9	1,135.6	17.8	1,572.2
	3	0.0	0.0	0.0	0.0

For cash and cash equivalents, current receivables and liabilities and current other financial non-derivative assets and other non-derivative liabilities, the carrying amounts are approximately equal to the fair values due to the short residual terms.

The fair values of non-current financial assets and financial liabilities, which include the measurement categories *loans and receivables, held-to-maturity financial investments* and *financial liabilities at amortized cost*, correspond to the present values calculated using current market-based interest-rate parameters.

For derivatives, the fair values are determined with the use of recognized financial-mathematical methods on the basis of observable market data such as exchange rates, interest rates and commodity prices (forwards and swaps: present-value method; options: option-pricing models).

The fair values of the available-for-sale securities and of the recourse financial debt from the bonds issues in financial year 2012 are derived from the respective stock-exchange prices.

Equity interests are measured at cost of acquisition as fair values cannot be reliably determined.

Hierarchy of fair values by valuation inputs:
All assets and liabilities either measured at fair value or for which fair-value disclosures are required are categorized within a level of the following IFRS 13 measurement hierarchy based on the quality and objectiveness of the inputs used in valuation:

Level 1: Current (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Market data other than the inputs in Level 1 such as prices in active markets for similar assets or liabilities, prices for identical assets or liabilities in markets that are not active, market-corroborated inputs (interest rates, implied volatilities, credit spreads) and derived prices or valuation inputs. Level 2 inputs may have to be adjusted to reflect the features of the asset or liability being measured (condition, location, market activity, etc.).

Level 3: Unobservable inputs, i.e., not market data but estimates and the Group's own information. This data is to be adjusted so that it reflects the assumptions of the (fictive) market participants.

The assessment as to whether financial assets and liabilities are to be reclassified between the different levels of the IFRS 13 hierarchy levels is made at the end of the reporting period. No reclassifications between the IFRS 13 measurement hierarchy levels took place in the reporting year.

Net earnings from financial instruments classified according to IAS 39 measurement categories are as follows:

	IAS 39 category	2015	2014
Valuation category			
Loans and receivables	LaR	-20.0	-5.9
Available-for-sale financial assets	AfS	-12.0	7.1
Financial instruments held for trading	FAHfT & FLHfT	16.3	0.9
Financial liabilities at amortized cost	FLAC	-1.6	-0.7

Interest and dividends are not components of net earnings shown.

The net earnings of the measurement category *loans and receivables* include impairments (reporting year: €10.2 million, previous year: €5.7 million) reversals and income / expenses from currency translation.

The net earnings of the measurement category *available-for-sale financial assets* include gains / losses realized on disposals and impairments (reporting year €12.7 million, previous year: €0.1 million).

The net earnings of the measurement category *financial instruments held for trading* include gains / losses on measurement at fair value as well as gains / losses realized on disposals.

The net earnings of the measurement category *financial liabilities at amortized cost* primarily comprise gains / losses realized on currency translation.

With regard to impairment losses, see also the development of the account for allowances for non-collection of trade receivables (see Note 19).

The derivatives contracted by Bilfinger are partially subject to legally enforceable netting arrangements (ISDA agreement, German framework contract for currency futures), which, however, do not allow any offsetting of receivables and payables in the balance sheet under IAS 32.42, i.e., there is no current legally enforceable right to offsetting with the simultaneous intention to settle on a net basis, but the right to offset in the case of delayed payment or insolvency on the part of a contracted party. These items are therefore presented in the balance sheet on a gross basis. The carrying amount of the derivatives that were subject to offsetting agreements with positive fair values is €4.5 million (previous year: €4.5 million); the carrying amount of the corresponding derivatives with negative fair values is €7.2 million (previous year: 3.2 million). The offsettable amount is €3.1 million (previous year: €3.2 million). This results in arithmetical net assets of €1.4 million (previous year: €1.3 million) and net liabilities of €4.1 million (previous year: €0.0 million). No contractual arrangements exist with regard to offsetting other financial assets and liabilities.

28. Risks related to financial instruments, financial risk management and hedging relationships

We monitor financial risks (default risks, liquidity risks and market-price risks) with proven control mechanisms that allow for timely and transparent reporting. The Group's reporting system guarantees the regular identification, analysis, assessment and management of financial risks by Corporate Treasury. All relevant equity interests and joint ventures are included in this monitoring. There is no extraordinary concentration of risk.

Fundamental questions of risk management such as defining or reviewing methods, limits or risk strategies are dealt with by a steering committee with the direct involvement of the Executive Board.

Default risk is the risk that a contracting party of a financial instrument does not fulfill its payment obligations. Positive market values and the investment of liquid funds in banks result in credit risks from these banks. In the case of a default of the bank, there is the risk of a loss, which can have a negative impact on our results of operations, net assets and financial position. We counter such risks by entering into relevant financial transactions, as a rule, with banks that are classified by the Financial Stability Board as system relevant or that have a public rating of at least A. In addition, on the basis of an internal limit system, a diversification of volumes and maturities takes place.

The risk of default on receivables in our business operations is regularly monitored and controlled by the companies of the Group. In this context, use is made, for example, of guarantees and sureties.

In connection with receivables and other financial non-derivative assets, possible default risks are reflected by impairments.

The maximum default risk connected with financial assets (e.g., cash and cash equivalents, securities, loans, receivables, derivative financial instruments) is equal to their carrying amounts in the balance sheet.

Liquidity risk is the risk that a company will have difficulties fulfilling the payment obligations arising from its financial liabilities. As a result of an unexpected negative business development, increased financing needs can occur in the operating units. At the same time, a negative business development can also lead to a changed creditworthiness assessment of Bilfinger, particularly by rating agencies and banks, which can lead to more difficult and more expensive financing or more difficult and more expensive provision of securities and guarantees. In addition, external financing can result in a worsened dynamic gearing ratio. This metric is limited by the financial covenant. Any breach of the financial covenant can lead directly or, through cross-default clauses, indirectly to the repayment call of all financing on a recourse basis and can thereby also lead to an unplanned loss of liquidity.

We counter this risk by centrally monitoring liquidity development and risks in the Group using a rolling cash flow planning and introducing countermeasures at an early stage. Within the context of central financing, Bilfinger SE provides its subsidiaries with the required liquidity. With the exception of economically less relevant regions, the Group's internal equalization of liquidity in Europe and the USA is supported by cross-border cash pooling.

Investment financing is carried out with consideration of matching maturities. In financial year 2012, a €500 million bond with maturity in 2019 and a fixed interest rate throughout the entire term was issued. To finance working capital, we have a €500 million pre-approved credit line at attractive conditions that is in place until June 2018. It includes a financial covenant in the form of a limitation of the dynamic gearing ratio net debt/EBITDA. The value as of December 31, 2015 is substantially below the contractually agreed cap. Any breach of the financial covenant, if there is no adjustment agreed with the lenders, can lead directly or, through cross-default clauses, indirectly to the repayment call of all financing on a recourse basis.

The credit facilities of more than €2,000 million available for the execution of our project and services business are of sufficient size to provide support for continued corporate development. In addition, we have a US surety program in the amount of USD 700 million for the execution of our business in North America. All credit commitments can be called due prematurely in the case of a change of control.

The following chart shows the future contractual undiscounted payments on financial liabilities as of December 31, 2015 and December 31, 2014 (repayments, capital repayments, interest and derivatives with negative fair values). For derivative financial liabilities to be fulfilled on a gross basis (currency derivatives), payments received and payments made are shown; for derivative financial liabilities to be fulfilled on a net basis (interest-rate derivatives and commodity derivatives), net payments are shown.

	Carrying amount	Total	2016	2017	2018	2019- 22	> 2022
2015							
Financial debt, non-recourse	13.2	**18.1**	2.0	1.4	1.4	3.1	10.2
Financial debt, recourse, excluding finance leases	506.5	**554.1**	17.1	12.4	12.2	512.4	–
Finance leases, recourse	12.9	**18.8**	2.0	1.5	1.1	6.2	8.0
Liabilities	843.0	**843.0**	836.9	1.4	1.3	3.3	0.1
Other financial, non-derivative liabilities	252.2	**253.1**	237.2	3.1	6.1	3.5	3.2
Derivative financial liabilities to be fulfilled on a net basis	1.7	**1.7**	1.7	–	–	–	–
Derivative financial liabilities to be fulfilled on a gross basis	7.2						
Payments received		**301.3**	293.8	6.9	0.3	0.3	–
Payments made		**307.3**	299.3	7.3	0.3	0.4	–
		6.0	5.5	0.4	0.0	0.1	–

	Carrying amount	Total	2015	2016	2017	2018-21	> 2021
2014							
Financial debt, non-recourse	39.5	**42.6**	27.3	1.1	1.4	5.4	7.4
Financial debt, recourse, excluding finance leases	529.7	**589.1**	38.0	12.6	12.2	526.3	0.0
Finance leases, recourse	14.0	**20.5**	2.3	1.5	1.2	6.4	9.1
Liabilities	1,187.7	**1,187.7**	1,181.7	1.1	1.5	1.9	1.5
Other financial, non-derivative liabilities	293.5	**293.6**	274.3	6.5	0.1	9.1	3.6
Derivative financial liabilities to be fulfilled on a net basis	3.9	**3.9**	3.1	0.8	0.0	0.0	0.0
Derivative financial liabilities to be fulfilled on a gross basis	13.9						
Payments received		**382.1**	305.1	71.5	5.5	0.0	0.0
Payments made		**393.8**	314.2	73.7	5.9	0.0	0.0
		11.7	9.1	2.2	0.4	0.0	0.0

With its international operations, the Bilfinger Group is subject to various market-price risks, relating in particular to currency exchange rates, interest rates, raw-material prices and the market values of financial investments. We counteract market price risks by protecting against certain currency, interest rate and commodity risks through derivative financial instruments. Our centralized controlling of market price risks allows us to net out cash flows and financial positions to a large extent. We make use of derivative financial instruments to minimize residual risks and the resulting fluctuations in earnings, valuations and cash flows. Depending on the development of exchange rates and interest rates, hedging transactions could affect our results of operations, net assets and financial position. We therefore do not undertake any financial transactions beyond the underlying business risk. Hedging is primarily carried out via micro-hedges.

Currency risk is the risk that the fair values or future payments of financial instruments might change due to exchange-rate movements. As a globally active company, we are subject to exchange rate fluctuations, e.g. between the euro and the US dollar, since a portion of our volume of business is generated in the USA. An appreciation of the euro, in particular against the US dollar, could thus have a negative impact on our earnings situation. We use currency futures or currency options to hedge risks relating to foreign-currency cash flows (not translation risks) and balance-sheet items denominated in foreign currencies. We generally hedge against transaction risks in the project business for the entire project period immediately after a contract is received. In some cases this is already done during the bidding phase. Risk management takes place with the use of specified risk limits for outstanding foreign-exchange items, their value at risk and marked-to-market results. All future cash flows that are not denominated in the functional currency of the respective company of the Group are subject to currency risk.

Interest-rate risk is the risk that the fair values or future payments of financial instruments might change due to movements in market interest rates. We counteract the risks of interest-rate changes by continually reviewing and, when required, adjusting the composition of recourse liabilities subject to fixed and variable interest rates. We assess risks in consideration of future needs for new financing or refinancing on the basis of a cash-flow-at-risk model. The borrowing costs budgeted within the scope of the cost-of-capital model serve as a point of reference. To manage this, we generally apply derivative financial instruments such as interest-rate swaps and swaptions.

Raw-material price risk is the risk of changes in the market prices of those raw materials that the Group purchases. Whenever possible, we hedge against the risk of price fluctuations of raw materials by using fixed-price agreements for materials purchases, or by stipulating clauses that allow for price adjustments when we invoice for the relevant services. If this is not possible, hedging is carried out with the use of commodity swaps, for diesel fuel or bitumen, for example.

Bilfinger uses the value-at-risk method to quantify market-price risks. The value at risk is the potential loss of a particular risk position that with a probability of 95 percent will not be exceeded during the next five days. The calculation takes place on the basis of the variance-covariance approach. The value at risk is the maximum possible loss on the basis of the specified parameters, but does not make a statement on the distribution of loss or expected extent of loss if it is actually exceeded.

When calculating the value at risk for currency risks, potential changes in the valuation of the monetary financial instruments (cash and cash equivalents, receivables, interest-bearing debt, liabilities) that are not denominated in the functional currency and currency derivatives are taken into consideration.

The value at risk for the risk of changes in interest rates takes into consideration potential changes in the valuation of financial instruments that are measured at fair value. In the reporting period, this involves interest-rate swaps designated as hedging instruments in the context of cash-flow hedges, so that the risk of a change in interest rates relates to other comprehensive income (unrealized gains / losses on hedging instruments) and not profit or loss.

The periodic effects are determined by relating the hypothetical changes in the risk variables to the volume of financial instruments held at the end of the reporting period. It is assumed that the volume at the balance-sheet date is representative of the whole year.

VALUE AT RISK

	2015	2014
Currency risk	0.9	3.8
Interest-rate risk	0.0	0.0

Due to this consistent application of the financing policy, there were no negative effects on the Group's financial position or earnings in the past financial year.

Hedging instruments

IAS 39 includes special accounting regulations that are intended to avoid a presentation of hedging relationships that does not properly reflect the financial situation by synchronizing or compensating for changes in the values of the underlying hedged items and hedging instruments (hedge accounting). Hedge accounting is applied if there are permissible hedged items and hedging instruments and a permissible hedging relationship, documentation of the hedging relationship, and evidence of an effective hedging context. An effective hedging relationship exists if changes in the value of the hedged item are largely compensated for by changes in the value of the hedging instrument.

Cash-flow hedges serve to hedge future cash flows against exposure to changes in currency exchange rates and interest rates.

The cash-flow hedges as of the balance-sheet date are applied to hedge exposure to changes of interest rates and currency risks in connection with firm commitments.

During 2015, unrealized losses on the measurement of derivative financial instruments of €4.8 million were recognized in equity outside of profit or loss (previous year: losses of €1.5 million). In this period, gains of €2.4 million (previous year: losses of €1.3 million) were reclassified from equity to gross profit and to earnings after taxes from discontinued operations in connection with disposals.

The following overviews show when the cash flows hedged against currency risks occur and are recognized in profit or loss:

EXPECTED FOREIGN CURRENCY PAYMENTS

	2016	2017	2018	2019-22	> 2022
2015	66.6	-0.8	–	–	–
	2015	**2016**	**2017**	**2018-21**	**> 2021**
2014	170.3	52.3	1.5	1.5	0.0

EXPECTED INTEREST PAYMENTS

	2016	2017	2018	2019 - 22	> 2022
2015	–	0.1	0.1	0.9	2.1

	2015	2016	2017	2018 - 21	> 2021
2014	–	–	–	–	–

The following table shows the fair values of the various types of derivative financial instruments that Bilfinger uses to hedge market-price risks. A difference is made depending on whether they are hedge-effective or hedge-ineffective pursuant to IAS 39.

	2015	2014
Derivatives with positive fair values		
in hedging relationships		
Currency derivatives	1.6	4.9
Interest-rate swaps	1.1	–
	2.7	4.9
not in hedging relationships		
Currency derivatives	3.1	7.2
	3.1	7.2
Total derivatives with positive fair values	**5.8**	12.1
Derivatives with negative fair values		
in hedging relationships		
Currency derivatives	1.7	2.8
	1.7	2.8
not in hedging relationships		
Currency derivatives	5.5	11.1
Commodity derivatives	1.7	3.9
	7.2	15.0
Total derivatives with negative fair values	**8.9**	17.8

Other disclosures*

29. Additional information on capital management

The goal of capital management at Bilfinger is to maintain a strong financial profile including adherence to the financial covenant. In addition to securing liquidity and limiting financial risks, the focus is on maintaining sufficient financial flexibility as a precondition for the continuous further development of our business portfolio. We aim to optimize the total cost of capital on the basis of an adequate capital structure. Since 2012, the credit quality of Bilfinger has been evaluated by rating agency Standard & Poor's. On July 17, 2015, the rating was adjusted to BB+ / negative outlook (December 31, 2014: BBB+ / stable outlook).

On the basis of mid-term corporate planning and with a view to various acquisition and development scenarios, the financial scope for action is regularly analyzed in terms of any action that might need to be taken.

30. Contingent liabilities and other financial obligations

	2015	2014
Liabilities from guarantees	47.3	25.4

Liabilities from guarantees generally relate to guarantees provided for former Group companies that were sold and 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.

Other contingent liabilities comprise in particular potential litigation charges. These include judicial, arbitrative, and out-of-court proceedings involving customers and subcontractors that file claims or may in future file claims under various contracts, for example under contracts for real-estate services, maintenance, servicing, and construction projects, or claims arising out of other supply and service relationships. At this time, however, Bilfinger does not expect that these legal disputes will result in any significant negative effects on its financial position, cash flows or profitability.

The other financial obligations from operating leases also include, in line with IAS 17, other forms of arrangements for the use of assets, in particular rental agreements.

	Minimum lease payments on operating leases	
	2015	2014
< 1 year	117.3	126.1
1-5 years	203.3	194.1
> 5 years	69.6	59.8

* Figures in € million, unless stated otherwise.

The future payments from non-terminable operating leases primarily relate to real estate, scaffolding, items of equipment and furnishings, and vehicles. Some of the contracts include extension options and price adjustments clauses.

The expenses recognized in profit or loss of operating leases amounted to €224.6 million in 2015 (previous year: €210.5 million).

31. Notes to the statement of cash flows

The cash flow from operating activities of continuing and discontinued operations includes the following items in the reporting year:

	2015	2014
Interest payments	25.6	26.5
Interest received	7.1	4.0
Dividends received	19.0	14.3
Income tax payments	86.8	99.9
Tax refunds	40.1	9.9

Of the proceeds from the disposal of concession projects, €96.1 million was generated through the sale of subsidiaries in the previous year.

32. Events after the balance-sheet date

In February 2016, we sold our *Water Technologies* division to the Chinese company Chengdu Techcent Environment Group. Net proceeds from the sale for Bilfinger will amount to approximately €200 million after deducting transaction-related expenses. Subject to the necessary approval from the responsible antitrust authorities, the transaction should be concluded in the first quarter of 2016 and the net proceeds from the sale will flow to Bilfinger as additional liquidity.

In addition, we have received offers for a possible acquisition of the *Building, Facility Services* and *Real Estate* divisions in the Building and Facility business segment from various interested parties. The Executive Board has decided to subject the offers to a careful review in the best interest of the Company. The review will be conducted without any fixed expectations regarding the results.

33. Executive and Supervisory Board

More details on the remuneration of members of the Executive Board and the Supervisory Board is included in the remuneration report which is a component of the combined management report.

Compensation for the members of the Executive Board is comprised of several components which are presented in the table below (remuneration pursuant to German accounting standard GAS 17).

€ thousand	Non-performance-related remuneration				Performance-related remuneration								Total remuneration		Expense recognized from share-based remuneration	
	Fixed remuneration		Fringe benefits		Short-term incentive 2015		Long-term incentive 2015 (share-based)		Profit-sharing 65% immediately		Profit-sharing 35% (share-based)					
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
Per H. Utnegaard (from June 1, 2015, Chairman)	700	–	6	–	1,167	–	339	–	–	–	–	–	2,212	–	68	–
Axel Salzmann (from April 1, 2015, Chief Financial Officer)	450	–	18	–	375	–	426	–	–	–	–	–	1,269	–	104	–
Michael Bernhardt (from November 1, 2015, Member of the Executive Board)	300[1]	–	5	–	36	–	44	–	–	–	–	–	385	–	3	–
Dr. Jochen Keysberg (Member of the Executive Board)	600	466	94	88	219	–	480	–	–	455	–	244	1,393	1,253	14	130
Herbert Bodner (August 9, 2014 to May 31, 2015, interim Chairman)	1,125	1,125	46	46	–	–	–	–	–	–	–	–	1,171	1,171	–	–
Roland Koch (until August 8, 2014, Chairman)	–	497	–	67	–	–	–	–	–	761	–	408	–	1,733	–	-24
Joachim Müller (until March 31, 2015, Chief Financial Officer)	125	499	12	45	–	–	–	–	–	438	–	235	137	1,217	-147	57
Joachim Enenkel (until October 2, 2015, Member of the Executive Board)	375	499	30	52	–	–	–	–	0	438	140	235	545	1,224	-147	1
Pieter Koolen (until August 24, 2015, Member of the Executive Board)	268	400	30	50	–	–	–	–	0	350	113	188	411	988	-68	161
Executive Board total	**3,943**	3,486	**241**	348	**1,797**	–	**1,289**	–	**0**	2,442	**253**	1,310	**7,523**	7,586	**-173**	325

[1] Including one-time payment of €200 thousand

Total remuneration as defined by IAS 24 was €12,006 thousand (previous year: €13,635 thousand). Of that amount, €5,981 thousand was accounted for by short-term employee benefits (previous year: €6,456 thousand), €2,632 thousand by post-employment benefits (previous year: €1,125 thousand), €3,566 thousand by termination benefits (previous year: €5,729 thousand) and minus €173 thousand by long-term share-based remuneration (previous year: €325 thousand). Termination benefits relate to Joachim Enenkel, Pieter Koolen and Joachim Müller.

The total remuneration paid to former members of the Executive Board or their surviving dependants amounted to €9,976 thousand (previous year: €6,639 thousand). This figure includes, among other things, severance payments and compensation for non-competition. The present value of future pension obligations for those persons calculated according to IAS 19 amounts to €28,138 thousand (previous year: €31,470 thousand).

The total remuneration of the members of the Supervisory Board amounts to €1,392 thousand (previous year: €1,338 thousand), including reimbursement of expenses of €92 thousand (previous year: €37 thousand).

34. Share-based payment

Members of the Executive Board receive variable remuneration according to a profit-sharing model. The members of the Executive Board therefore receive remuneration related to the average of the earnings before taxes (EBT) generated in the past three financial years, of which only 65 percent is paid out immediately. The remaining 35 percent (deferral) is paid out only after a waiting period of two years and depending on the relative development of Bilfinger's share price (in terms of total shareholder return) compared with the MDAX. The assessment of the deferral is made in accordance with the requirements of IFRS 2 for cash-settled share-based payments at the balance-sheet date; the fair value as of December 31, 2015 was €2,455 thousand (previous year: €4,712 thousand).

For members of the Executive Board appointed from financial year 2015, a long-term incentive plan (LTI) exists, which includes the annual issue of virtual shares of Bilfinger SE, so-called performance share units (PSU). The number of the PSUs is subject to adjustment during a three-year performance period depending on the achievement of the average ROCE target value as well as the development of the total shareholder return value (TSR value) of the Bilfinger share in relation to the TSR value of the shares of the remaining MDAX-listed companies. At the end of the performance period, members of the Executive Board receive a number of real shares corresponding to the final number of PSUs.

The determination of the fair value of a PSU is based on the requirements of IFRS 2 for equity-settled share-based payments at the time of granting. The measurement is conducted on the basis of a recognized method from financial mathematics. In the Monte Carlo simulation used for this purpose, a large number of possible development paths of the Bilfinger share are simulated, in addition to comparative values from the MDAX. The parameters underlying the measurement are derived in a systematic process. Annualized volatility and correlations are determined on the basis of historical daily returns. The risk-free interest rate was determined on the basis of the level of return of German government bonds with matching maturities. The following parameter values were taken into consideration when assessing the LTI:

Annualized volatility of the Bilfinger share	29.3 %
Average annualized volatility of remaining MDAX companies	25.4 %
Average correlation of the Bilfinger share to remaining MDAX values	53.8 %
Risk-free interest rate	0.1 %

The weighted average fair value of a PSU at granting was €33.24. Quantity changes as a result of non-market based conditions are considered on the balance-sheet date. On December 31, 2015, the following PSU-volumes were expected for the end of the performance period:

Per H. Utnegaard (from June 1, 2015, Chairman)	14,180
Axel Salzmann (from April 1, 2015, Chief Financial Officer)	8,204
Michael Bernhardt (from November 1, 2015, Member of the Executive Board)	1,823
Dr. Jochen Keysberg (Member of the Executive Board)	10,939
Total	**35,146**

More details on the above-mentioned components of remuneration for members of the Executive Board are included in the remuneration report, which is a component of the combined management report.

Equity-settled share-based payments also exist in the context of an employee share program 2012. Under this program, employees of German Group companies were able to acquire Bilfinger shares for up to 10 percent of their annual gross salary for an average price of €75.13 (own investment). For a maximum of five share packages each of five shares, the plan participants received one bonus share per package, totaling 12,250 shares. In addition, for each share package, participants were granted the right to one Bilfinger share free of charge (matching share) after two, four and six years (vesting periods). A precondition for the granting of matching shares is that the plan participants do not dispose of their own investment until the end of the respective vesting period and continue to be employed at the Bilfinger Group. The shares to be issued free of charge from the program have been measured at their fair value at the time of issue. That fair value for future matching shares is the result of the stock-market price of Bilfinger shares less the present value of the dividends expected during the vesting period. The average fair value of the future matching shares was €65.11 when granted. At the end of 2015, 11,285 share packages each of five shares were owned by employees, which allow them to receive the corresponding number of Bilfinger shares in 2016 and 2018 at no cost, provided the vesting conditions are met.

Within the framework of an additional employee share program in the reporting period, 2,187 employees were issued with a total of 10,935 of the company's treasury shares with certain tax advantages. Of that total, 1,980 employees acquired the shares by offsetting their price against an upcoming bonus payment. Executives were able to acquire the shares at the current stock-exchange price.

The costs resulting for Bilfinger from the share programs are deferred pro rata over the vesting period. The income recognized through profit or loss of cash-settled and equity-settled share-based payments was €0.9 million in the reporting year (previous year expense: €1.7 million).

35. Related-party disclosures

Related parties as defined by IAS 24 are persons or entities that can be influenced by the reporting company or that can exert a significant influence on the reporting company.

The significant transactions between fully consolidated companies of the Group and related parties mainly involved associates, joint ventures and non-consolidated subsidiaries. They are shown in the table below.

	Associates		Joint ventures		Non-consolidated subsidiaries	
	2015	2014	2015	2014	2015	2014
Revenue	43.0	37.7	31.1	19.8	5.9	5.6
Services received	2.1	2.1	0.0	0.0	3.3	3.5
Receivables	6.3	20.3	5.5	3.1	10.7	14.1
Liabilities	1.1	16.9	0.4	0.6	2.9	3.3
Guarantees granted	0.9	5.6	1.3	1.3	7.8	10.1

Remuneration of the Executive Board and the Supervisory Board is explained in the previous note and in the remuneration report. No further transactions with the Executive Board, the Supervisory Board and their close relations who are subject to disclosure took place in the reporting year.

Pursuant to the notification in accordance with Section 21 Subsection 1 of the German Securities Trading Act (WpHG) dated September 29, 2014, the investment company Cevian Capital II GP Limited, St. Helier, Jersey, Channel Islands, holds 25.62 percent of voting rights with respect to Bilfinger SE capital. Over the past financial year, no business was conducted between Bilfinger SE or, respectively, its Group companies and Cevian Capital.

36. Auditors' fees

The amounts listed below cover all of the services provided to the companies of the Bilfinger Group by our external auditors, Ernst & Young, in the 2015 financial year. The amounts of these services provided by Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft are shown as 'thereof' in the following table.

	2015	2014
Audit fees	5.6	6.4
thereof in Germany	2.4	3.1
Other assurance fees	3.8	2.4
thereof in Germany	3.3	1.5
Tax-consulting services	0.8	0.7
thereof in Germany	0.4	0.3
Other services	0.3	0.4
thereof in Germany	0.1	0.3
Total	10.5	9.9

37. Declaration of compliance

Bilfinger SE is included in the consolidated financial statements as a listed company.

On December 16, 2015, the Executive Board and the Supervisory Board issued the annual declaration of compliance required pursuant to Section 161 of the German Stock Corporation Act (AktG) and made this permanently available to shareholders on our website as of that date.

38. List of subsidiaries and equity interests of Bilfinger SE

The list of subsidiaries and equity interests of Bilfinger SE pursuant to Section 313 Subsection 2 of the German Commercial Code (HGB) is an integral part of the audited consolidated financial statements, which have been submitted for publication in the online version of the German Federal Gazette (Bundesanzeiger). It is also published on the Internet site of Bilfinger at: http://www.bilfinger.com/en/investor-relations/reporting.