



BILFINGER

Press Release

May 9, 2016

Bilfinger restructures administration in the Group – and clearly commits itself to Mannheim location

- Administration in the Group will be structured more competitively
- Multi-million euro future investments planned in IT spread over three years
- Efficiency program will save roughly €100 million annually
- Mannheim will remain location of the headquarters
- Review process for Building and Facility at an advanced stage

The Executive Board of Bilfinger SE today agreed on the restructuring of administration in the Group. In line with the new strategy, processes, structures and systems will be given a more uniform, leaner and efficient structure. To this end, one-time expenses in the high double-digit million euro range are planned. Included in this amount are investments in the future for standardized and more powerful IT systems totaling several million euro over a period of three years; these investments are subject to approval from the Supervisory Board, which must discuss them and take a decision.

“The package of measures is an important component of our new strategy. Through intelligent investments in the future and leaner cost structures, we enhance the performance of our business model and position Bilfinger more competitively”, says **Chief Financial Officer Axel Salzmann**.

With the restructuring, Bilfinger seeks to substantially increase its efficiency in the medium term and reduce administrative expenses by approximately €100 million annually. Initial savings will take effect from 2017, with the main portion of savings taking effect in 2018. They are comprised of personnel expenses and, to a not insignificant extent, non-personnel administrative expenses. The measures will be closely coordinated with the social partners and will be implemented in a socially responsible manner.

Bilfinger SE is a leading international engineering and services group. With the comprehensive technological expertise and experience of its nearly 60,000 employees, the company offers customized services for industrial facilities and real estate. Bilfinger generates an annual output volume of more than €6 billion in its Industrial and Building and Facility business segments.

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Group headquarters in Mannheim will be streamlined and restructured. The number of jobs will be reduced and the independence of decentralized units in selected operational areas will be increased. At the same time, the Executive Board has made a clear commitment to the Mannheim location. “The company has been headquartered in Mannheim since 1892. The name Bilfinger is inextricably linked to this city. This will continue to be the case in the future, we stand by our roots”, says **Chief Human Resources Officer Michael Bernhardt**.

In the Industrial business segment, too, administrative tasks will be bundled on the basis of the new divisional structure. The number of operating companies will be reduced through various mergers. Administrative tasks will in future be carried out by defined lead companies in selected countries. The bundling of processes in finance, accounting and human resources in shared service centers, which has already proven effective in Germany, will be expanded Europe-wide. As a result, the organization will become more transparent and agile. Industrial consists of four (formerly six) strong divisions:

- (1) Industrial Maintenance delivers a range of management, execution and consulting services for the process industry. The division is also active in turnaround projects for the modernization of plants.
- (2) Engineering solutions provides services in engineering, prefabrication and assembly. The division supports its customers in the planning and implementation of investment projects.
- (3) Insulation, Scaffolding and Painting offers individually tailored services in the areas of insulation, scaffolding and corrosion protection.
- (4) Oil and Gas offers customized services for the offshore and onshore oil industry as well as for the petrochemical industry and in the energy sector. The focus is on the maintenance and modernization of industrial plants.

The unbiased review process in connection with the possible sale or retention of the Building and Facility segment in the Group is currently at an advanced stage. A decision has not yet been taken. Talks with the bidders will be



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continued with great diligence, for the well-being of the company and in the interest of shareholders and employees. The Executive Board expects that the process in connection with a possible sale or retention of the Building, Facility Services and Real Estate divisions in the Group can be completed within the next two to three weeks.