



BILFINGER

Press Release

August 11, 2014

Bilfinger: Interim Report Q2 2014

- **First half of 2014 did not meet expectations**
- **Special items in Power business segment require forecast adjustment**
- **Measures initiated to adjust capacities and further reduce costs**
- **Positive development anticipated for the second half of the year**

Bilfinger is currently faced with a difficult economic environment in the energy market and in the European oil and gas sector. Against this backdrop and as a result of additional project burdens, the company's business development did not meet expectations in the first half of 2014, as previously announced at the end of June.

While output volume was at the prior-year level, adjusted EBITA for the first six months of the year was significantly lower than in the first half of 2013. The Group promptly initiated measures to adjust capacities and to further reduce costs, and anticipates a significantly stronger second half of the year 2014. Nevertheless, the repeated reduction in earnings expectations in the Power business segment necessitates an adjustment to the forecast of June 30 for financial year 2014.

Change in Executive Board Chairmanship

Roland Koch, Chairman of the Executive Board at Bilfinger SE since 2011, has offered the Supervisory Board of the company to step down on mutually agreed terms. In a meeting on August 7, 2014, the Supervisory Board accepted this offer with effect from August 8, 2014. The Supervisory Board emphatically thanked Roland Koch for his substantial contribution to the development of the company.

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BILFINGER

Page 2 / 4

In addition, the Supervisory Board appointed Herbert Bodner, Member of the Supervisory Board and former Chairman of the Executive Board, as Chairman of the Executive Board at Bilfinger SE on an interim basis with effect from August 9, 2014 until May 31, 2015.

Key figures for the Group € million	H1			Q2			1-12/2013
	2014	2013	Δ in %	2014	2013	Δ in %	
Output volume	3,628	3,637	0	1,907	1,961	-3	7,684
Orders received	3,516	3,728	-6	1,639	1,929	-15	7,543
Order backlog	6,392	6,539	-2	6,392	6,539	-2	6,506
EBITA adjusted ^{1,2}	111	150	-26	65	93	-30	419
EBITA	80	150	-47	63	93	-32	353
Adjusted net profit from continuing operations ³	71	84	-15	47	55	-15	255
Net profit ⁴	55	68	-19	47	47	0	173
Adjusted earnings per share from continuing operation ² (in €)	1.61	1.90	-15	1.06	1.25	-15	5.78
Investments	89	169	-47	49	76	-36	401
thereof in property, plant and equipment	81	66	+23	44	46	-4	150
thereof in financial assets	8	103	-92	5	30	-83	251
Employees	70,016	66,359	5	70,016	66,359	5	71,256

¹⁾ Adjusted in H1 2014 for one-time expenses in connection with the Bilfinger Excellence efficiency-enhancing program of €31 million before taxes (H1 2013: €0 million) and €21 million after taxes (H1 2013: €0 million).

²⁾ Adjusted in FY 2013 for one-time expenses in connection with the Bilfinger Excellence efficiency-enhancing program and for the capital gain on the reduction of our investment in Julius Berger Nigeria totaling €66 million before taxes and €40 million after taxes.

³⁾ Adjusted for the special effects on EBITA referred to under 1) and 2) and for the amortization of intangible assets from acquisitions (H1 2014: €15 million after taxes (H1 2013: €17 million after taxes); FY 2013: €35 million after taxes).

⁴⁾ Includes continuing and discontinued operations.



BILFINGER

Page 3 / 4

Stable output volume

Output volume for the first six months of this year was stable at €3,628 million. Orders received decreased due to the developments in the Industrial business segment by 6 percent to €3,516 million. The order backlog of €6,392 million was 2 percent lower than a year earlier.

Earnings significantly below prior-year period

Adjusted EBITA for the first half of the year of €111 million was significantly lower than the figure of €150 million achieved in the prior-year period. This was primarily the result of the negative development at the Power business segment due to considerable reticence to invest on the part of the European energy providers and some weak project earnings. Also at Industrial, earnings decreased due to the lack of German power-plant projects and the situation in the European oil and gas sector. In the Building and Facility segment, however, EBITA increased as a result of acquisitions and organic growth.

Net profit from continuing operations adjusted for amortization of intangible assets from acquisitions and for the one-time expenses for Bilfinger Excellence amounts to €71 million (H1 2013: €84 million).

Outlook: expectations for financial year 2014 adjusted

For the second half of 2014, Bilfinger anticipates unchanged difficult conditions in the European energy market and a rather worsening environment in parts of the European oil and gas sector, otherwise a generally stable development of economic conditions. Provided that our assessments are accurate and the global economy does not display any recessionary tendencies, the company anticipates the following developments in 2014, without taking future acquisitions into consideration.



BILFINGER

Page 4 / 4

For 2014, Bilfinger anticipates output volume of approximately €7.8 billion (2013 for comparison, excluding discontinued operations: €7.7 billion). Due to the additional project burdens in the Power business segment – from a power plant project in South Africa among other things – and the continuing strained situation in the energy market, Bilfinger now anticipates an adjusted EBITA of between €340-360 million (2013 for comparison: €419 million). Adjusted net profit will likely amount to between €205-220 million (2013 for comparison: €255 million). The cost-reducing measures that have now been initiated will have a positive impact on earnings in the second half of this year.