



**BILFINGER**

## Investor Relations News

May 8, 2014

### **> Bilfinger starts the year 2014 with stable first quarter**

#### **> Planned sale of Construction business segment**

- **Output volume and adjusted earnings increase slightly due to acquisitions**
- **Orders received and order backlog at prior-year levels**
- **Confirmation of positive outlook for 2014**

The engineering and services group Bilfinger started the year 2014 with a stable first quarter. Output volume and adjusted EBITA increased slightly due to acquisitions; orders received and order backlog were at the prior-year levels. "It is hereby necessary to consider that in our business, the first quarter is of only limited relevance for the development of the full year. Output volume is normally lower than in the following quarters, which also has an impact on earnings generated in the first quarter", says Roland Koch, Chief Executive Officer of Bilfinger SE.

### **Focus on core business: Significant parts of Bilfinger's civil engineering activities up for sale**

Bilfinger is intensifying its focus on its core business, which comprises engineering and services for industrial facilities, power plants and real estate. The company therefore intends to part with significant portions of its civil engineering business. Units from the Construction business segment which in 2013 generated a volume of approximately €800 million will be put up for sale.

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The civil engineering business was reduced from €4.2 billion in 2008 to €1.7 billion in 2010 and approximately €1 billion in 2013. "Even though innumerable successful projects throughout the world established the strong reputation of our company, this focus was necessary in order to continuously improve the risk profile of the Group", explains Roland Koch. "In civil engineering on an international scale, a certain critical mass is a decisive success factor. Today we must acknowledge that the consistent application of our risk criteria threatens to reduce the business to a size that, in the long term, could jeopardize its competitiveness." The Supervisory Board and the Executive Board therefore believe that the best solution is the transfer of the activities to new owners, in whose hands they can grow successfully. "We will pay very close attention to ensuring that, in addition to economic interests, the interests of employees are appropriately weighted", emphasizes Roland Koch.

The offshore wind business, the construction of power grids and units specialized in steel construction are not included in the planned sale. In the previous year, these accounted for an output volume of approximately €200 million. The offshore wind and power grids businesses, which in 2013 together generated an output volume of €140 million will be brought together in the new division, Offshore Systems and Grids, and allocated to the Power business segment.

The units available for sale will be divested in a structured process and initial talks with potentially interested parties will be held in the near future. The company expects that the selling process can be completed within one year.

### **Successful building construction business will continue**

Bilfinger continues to consider its successful building construction activities in Germany as part of its core business. "We are and will remain one of Germany's largest building construction companies, generating a volume of over €700 million annually in the design and construction of buildings, clearly putting us among the most profitable companies in its industry. This unit is



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irrevocably linked to our real-estate services", says Roland Koch. There are synergies throughout all stages in the lifecycle of real-estate properties which lead again and again to competitive advantages. Through the networking of their know-how, experts from Bilfinger systematically optimize the investment and operating costs of buildings and thus create particularly sustainable solutions for their clients.

## First quarter 2014: Slight growth in output volume

In the first three months of 2014, Bilfinger's output volume increased by 1 percent to €1,884 million. Orders received of €1,986 million were at the level of the prior-year period; the order backlog at the end of the first quarter totaled €7,511 million.

<b>Key figures for the Group</b>				
€ million				
	1-3/2014	1-3/2013	Δ in %	1-12/2013
Output volume	1,884	1,858	1	8,509
Orders received	1,986	1,980	0	8,296
Order backlog	7,511	7,570	-1	7,441
EBITA adjusted <sup>1,2</sup>	51	50	2	409
EBITA	22	50	-56	338
Adjusted net profit from continuing operations <sup>3</sup>	28	25	12	249
Net profit <sup>4</sup>	8	21	-62	173
Adjusted earnings per share from continuing operations <sup>2</sup> (in €)	0.63	0.57	11	5.64
Investments	44	99	-56	421
thereof in P, P & E	41	27	52	170
thereof in financial assets	3	72	-96	251
Employees	73,589	69,538	6	74,276

<sup>1)</sup> Adjusted in Q1 2014 for one-time expenses in connection with the Bilfinger Excellence efficiency-enhancing program of €29 million before taxes (Q1 2013: €0 million) and €20 million after taxes (Q1 2013: €0 million).

<sup>2)</sup> Adjusted in 2013 for one-time expenses in connection with the Bilfinger Excellence efficiency-enhancing program and for charges from the sale of road construction activities in Germany as well as for the capital gain on the reduction of the investment in Julius Berger Nigeria totaling €71 million before taxes and €45 million after taxes.

<sup>3)</sup> Adjusted for the special effects on EBITA referred to under 1 and 2 and for the amortization of intangible assets from acquisitions (Q1 2014: €7 million after taxes (Q1 2013: €9 million after taxes); FY 2013: €35 million after taxes).

<sup>4)</sup> Includes continuing operations and discontinued operations.



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### **Adjusted earnings slightly higher than in Q1 2013**

Adjusted EBITA for the first quarter of €51 million was slightly higher than the €50 million posted for the same period of last year. Due to the typical seasonal nature of the Industrial business, output volume and earnings were at relatively low levels, as in the prior-year period. In the Power business segment, output volume decreased due to the moderate level of orders received in 2013 and in the fourth quarter in particular. The commencement of some major projects which have not yet delivered any contributions to earnings also led to lower margins in this business segment. In the Building and Facility business segment, EBITA increased as a result of acquisitions. The Construction business segment posted positive earnings again, after a loss in the first quarter of 2013.

After deducting profit attributable to minority interest, net profit amounts to €8 million (Q1 2013: €21 million). Net profit from continuing operations adjusted for amortization of intangible assets from acquisitions and for the one-time expenses for Bilfinger Excellence amounts to €28 million (Q1 2013: €25 million); adjusted earnings per share from continuing operations amount to €0.63 (Q1 2013: €0.57).

### **Positive outlook for 2014**

For the year 2014, Bilfinger anticipates a generally positive development of the economic situation. Nonetheless, markets remain challenging. With its robust business model, the company remains confident that it is well equipped to reach its goals. Provided that the assessments with regard to the development of the global economy prove true and no recessionary tendencies appear, Bilfinger anticipates the following development in 2014, not including future acquisitions. The previous outlook for the current financial year has been adjusted for the planned volume and earnings contributions from the Construction business activities which have been put up for sale.

The Group's output volume will increase to at least €8 billion in 2014 (2013 comparison, without the activities up for sale: €7.7 billion). Bilfinger anticipates organic growth in all business segments. The acquisitions already made will additionally contribute to our growth.



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Adjusted EBITA (2013 comparison: €418 million) and adjusted net profit (2013 comparison: €255 million) will increase significantly. The expected positive effects from planned growth in output volume as well as from Group-wide measures taken to reduce costs will be realized over the course of the year and will therefore lead to a greater earnings contribution in the second half of the year.

**Note: Bilfinger SE Annual General Meeting on May 8, 2014:**

**A livestream of the speech from Chief Executive Officer Roland Koch will be broadcast on the company's website [www.bilfinger.com](http://www.bilfinger.com) beginning at 10:00 am.**