



BILFINGER

**ENGINEERING
AND SERVICES**

Bilfinger SE

Capital Markets Day 2012

Bilfinger Industrial

Thomas Töpfer | Member of the Executive Board of Bilfinger SE

Rotterdam/ Amsterdam | November 23, 2012

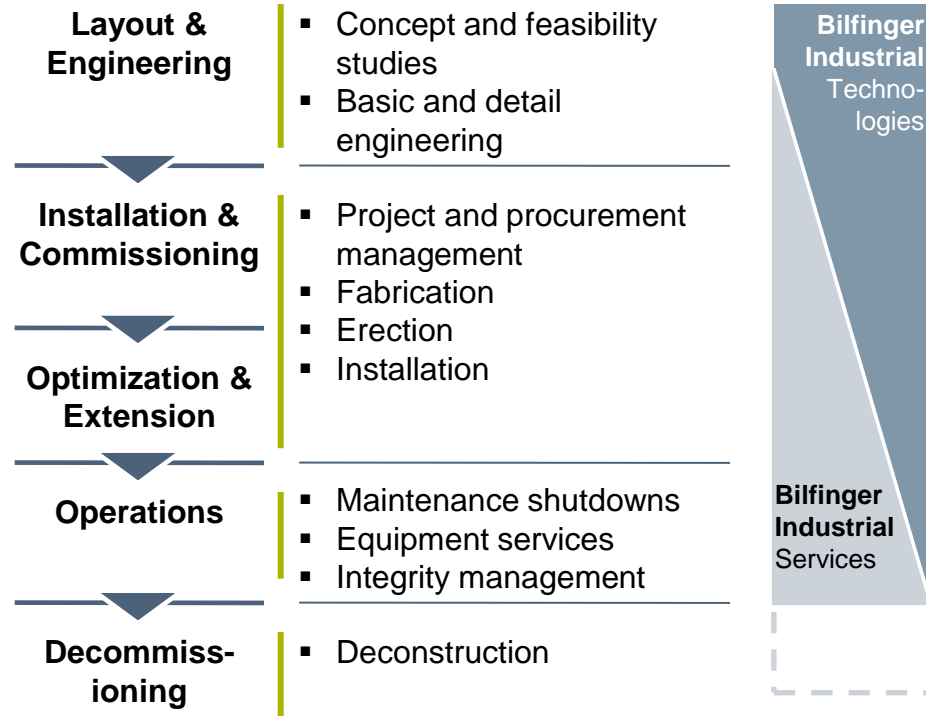
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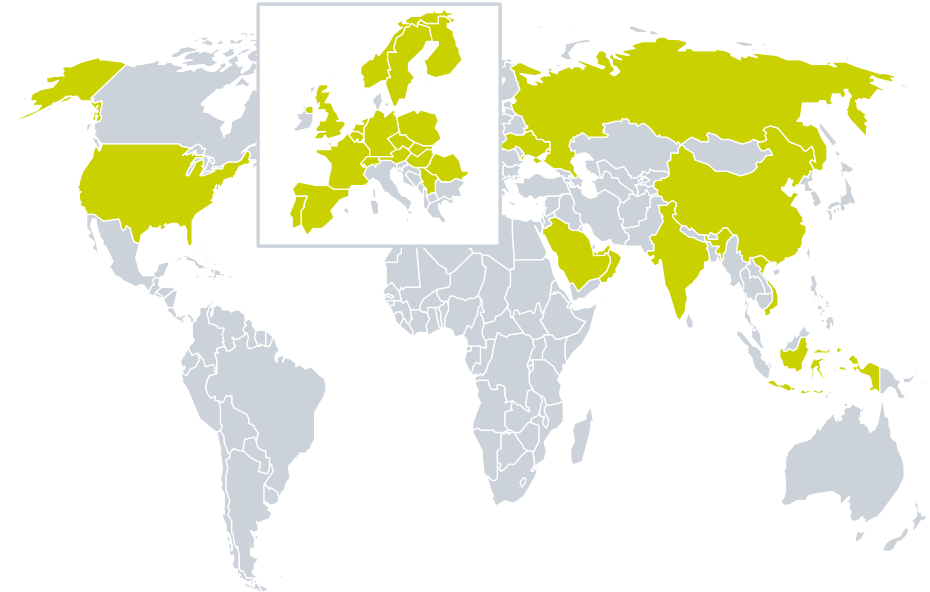
A. Overview of Bilfinger Industrial

“We Make Industrial Solutions Work“ – Bilfinger Industrial is a leading provider of integrated industrial services

Broad service portfolio throughout the plant lifecycle

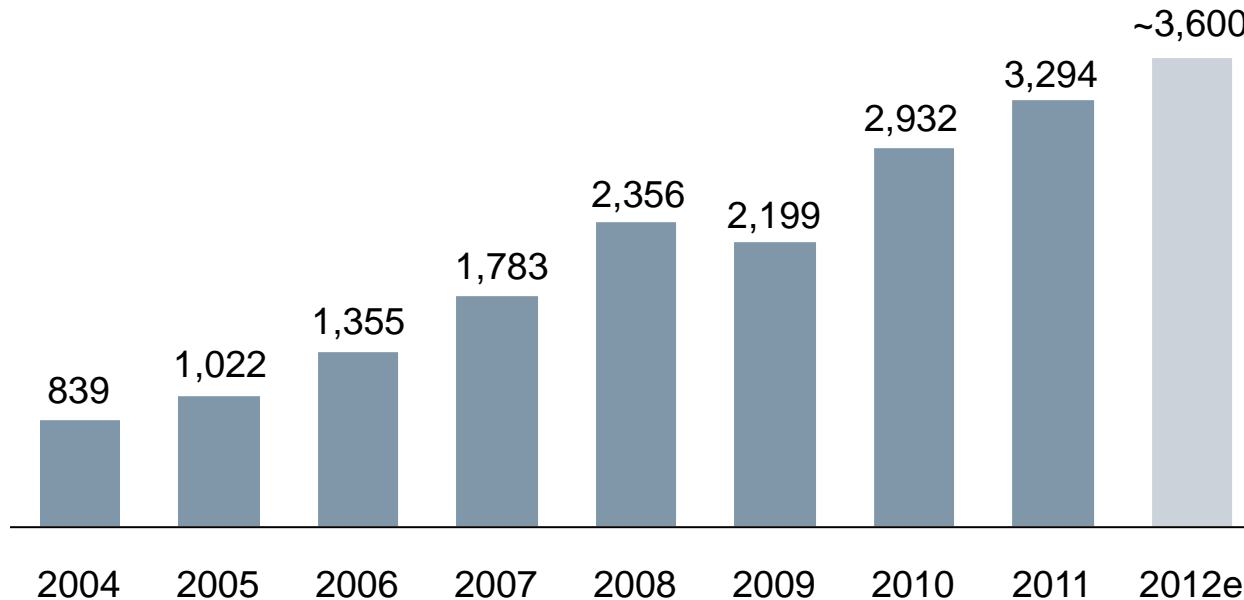


Local presence in key regions

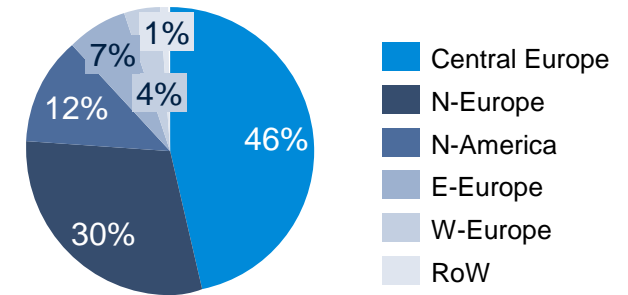


We have continuously grown our output volume and created a diversified market portfolio

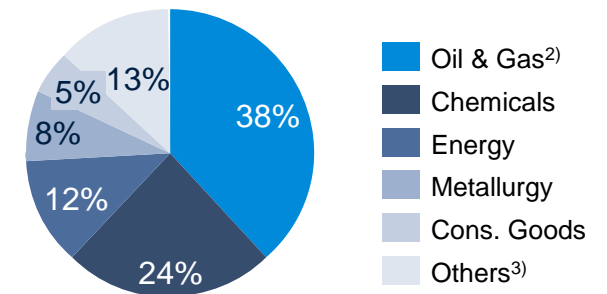
Bilfinger Industrial – Output volume 2004-2012 [EUR m]



Output volume by region [%]



Output volume by industry [%]

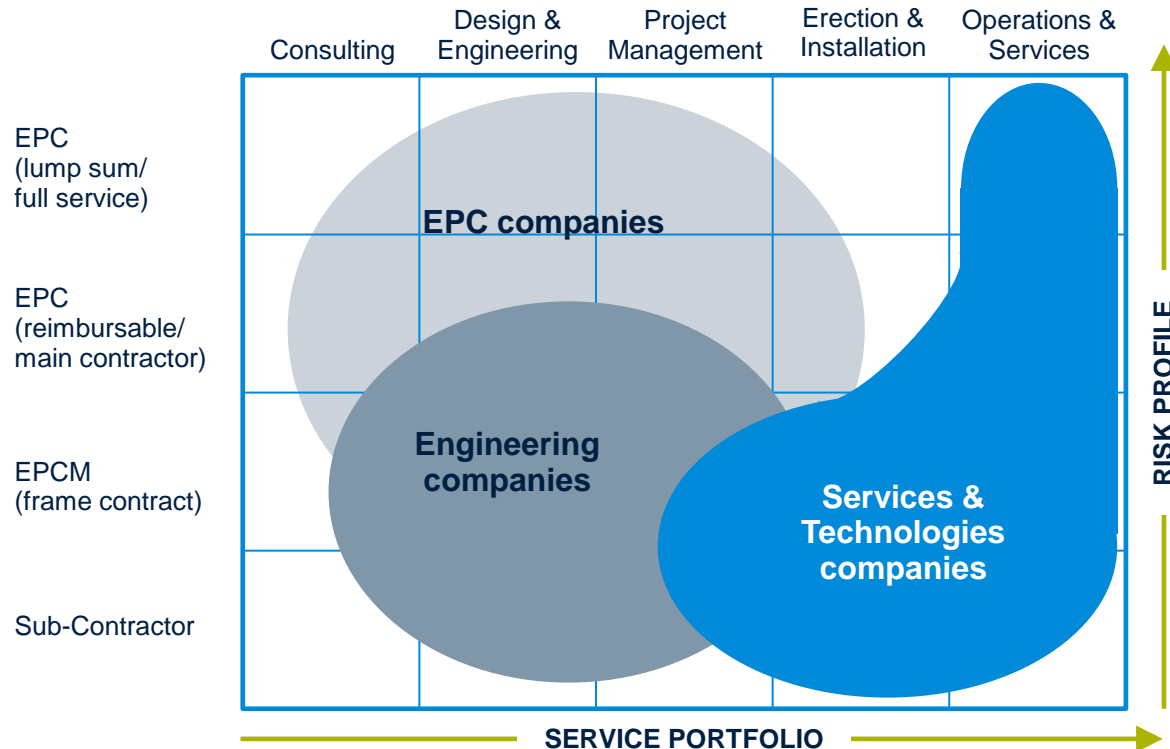


2) Includes Refineries

3) Includes Pharma, Food & Bever., Pulp & Paper

Our business model is based on a specified service portfolio with a limited risk profile

Business models in industrial services



Selected examples

EPC companies

- AMEC
- Bechtel
- Bonatti Group

Engineering companies

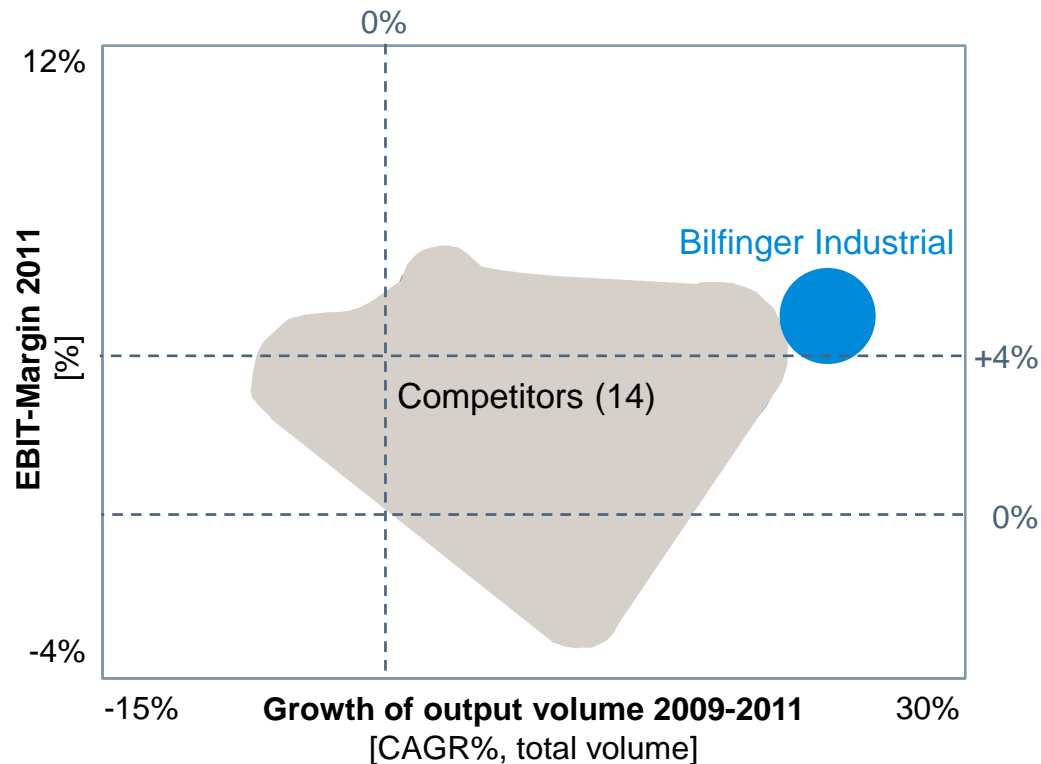
- **Tebodin Group**
- Jacobs Engineering
- S&B Engineers&Constructors

Services and Technologies companies

- **Bilfinger Industrial Services**
- Stork Technical Services
- Hertel

We are outperforming most of our competitors in growth and margin

Benchmarking of financial performance 2009-2011



Remarks:
Competitor cloud includes Stork, Weber, Voith IS, Redhall, Fluor IS, G+H, Bonatti, Kaefer, Hertel, Fabricom, YIT IS, Norisol, Hertel and Bocard; Excludes Cape due to recent extraordinary incidents

A) Large full service competitors

Only a handful of comparable players offer integrated services from a multi-national footprint (Voith Industrial Services, Kaefer, Stork Technical Services)

B) Specialized regional competitors

Many small to mid sized companies offering stand alone/ specialized services on a local basis

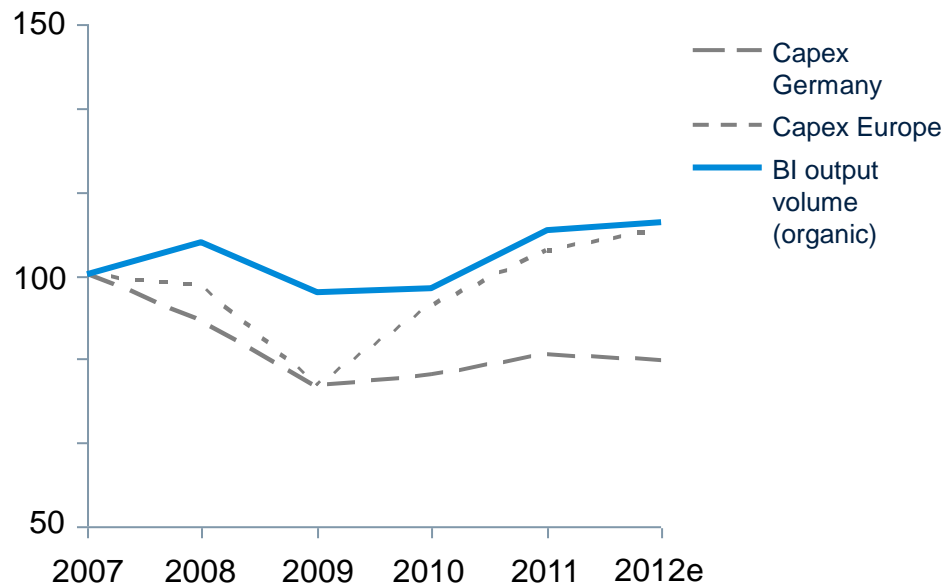
C) Niche competitors

Some competitive overlaps with OEMs⁴⁾ and EPC contractors

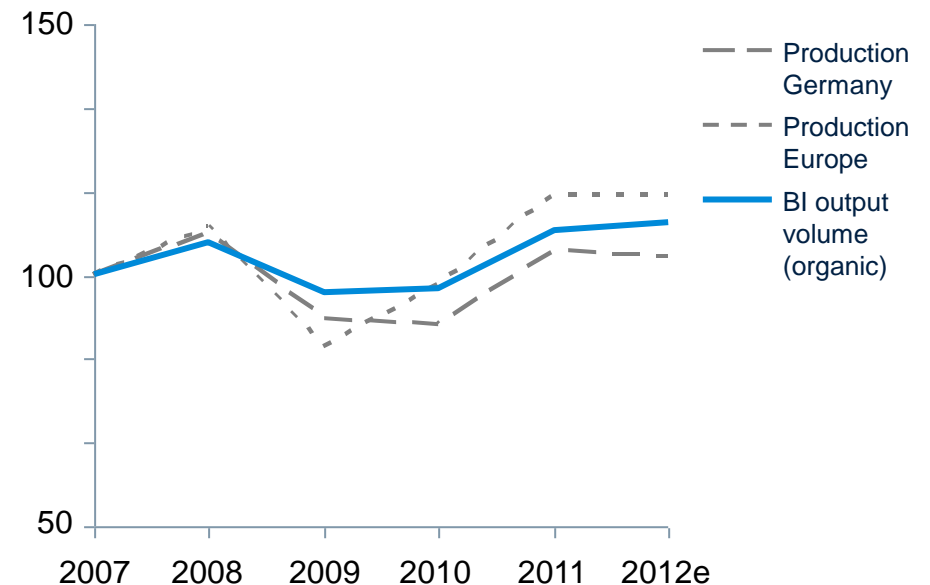
4) Original Equipment Manufacturer

Our output volume is less volatile than selected demand indicators from our end markets

Comparison to capital expenditure [Index] (refineries and chemicals)



Comparison to production values [Index] (refineries and chemicals)



Our customers are leading players in their industries and have valued our support for many years

Overview of top ten customers in 2011

Customer	Number of main contracts ¹⁾			Output [€ million]	Share [% total]	Customer since
	service	project	total			
Statoil	20	8	28	145	4.2	1980
Shell	17	5	22	142	4.1	1980
Enterprise	18	1	19	131	3.7	1998
P&G	19	0	19	129	3.7	1945
BP	10	3	13	103	2.9	1980
Borealis	9	2	11	79	2.3	1992
Siemens	1	8	9	68	1.9	1995
Unipetrol, Ceska Rafinerska	10	7	17	63	1.8	1993
Salzgitter	1	1	2	60	1.7	2007
Ineos	10	3	13	59	1.7	1987
Top 10				979	28.0	

1) Contracts with volume above € 0.25 million

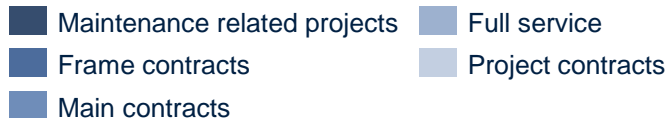
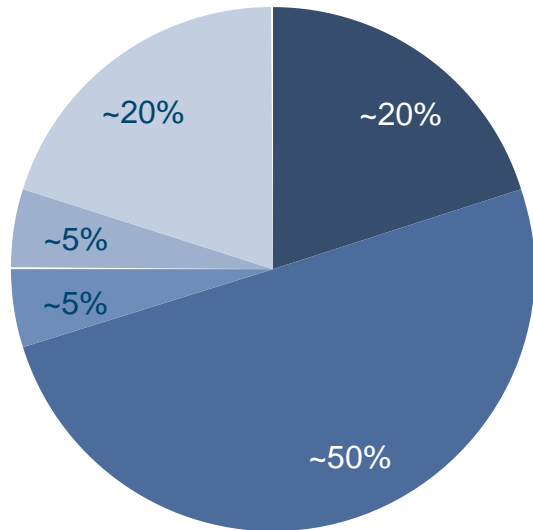
2) Unipetrol, Ceska Rafinerska

Highlights

- Broad and diverse customer base from blue chip customers to small and medium sized companies
- Significant proportion of output is generated with large organizations that demand high quality industrial services
- Most services provided by Bilfinger Industrial are considered essential from customer's point of view
- Usually, there are a number of active contracts with any given customer – loss of individual contracts therefore does not imply loss of customer relationship

About half of our output volume is generated by stable frame contracts

Revenue share per contract type [%]
(based on output volume 2011)



Maintenance related projects...

- ...are based on individual contracts and generally cover projects with small volumes

Frame contracts...

- ...specify pricing for designated service types for a given period, usually enjoy stable demand and high renewal rates

Main contracts...

- ...typically include management and analysis services and are often the first step to a full service contract

Full service contracts...

- ...are a full replacement of the customer's own internal maintenance department

Project contracts...

- ...often have turnkey character and typically cover the construction of a component or parts of a plant

B. Market trends and strategy

Long term structural demand drivers support our business

Structural demand drivers – Global

- Customers' focus on core competencies and outsourcing maintenance activities
- Environmental and legal requirements drive market for modernization and upgrades of production plants
- Growing demand for integrated services from a single supplier favors large scale providers
- Standardization of integrated services offers room for leading players to define quality standards

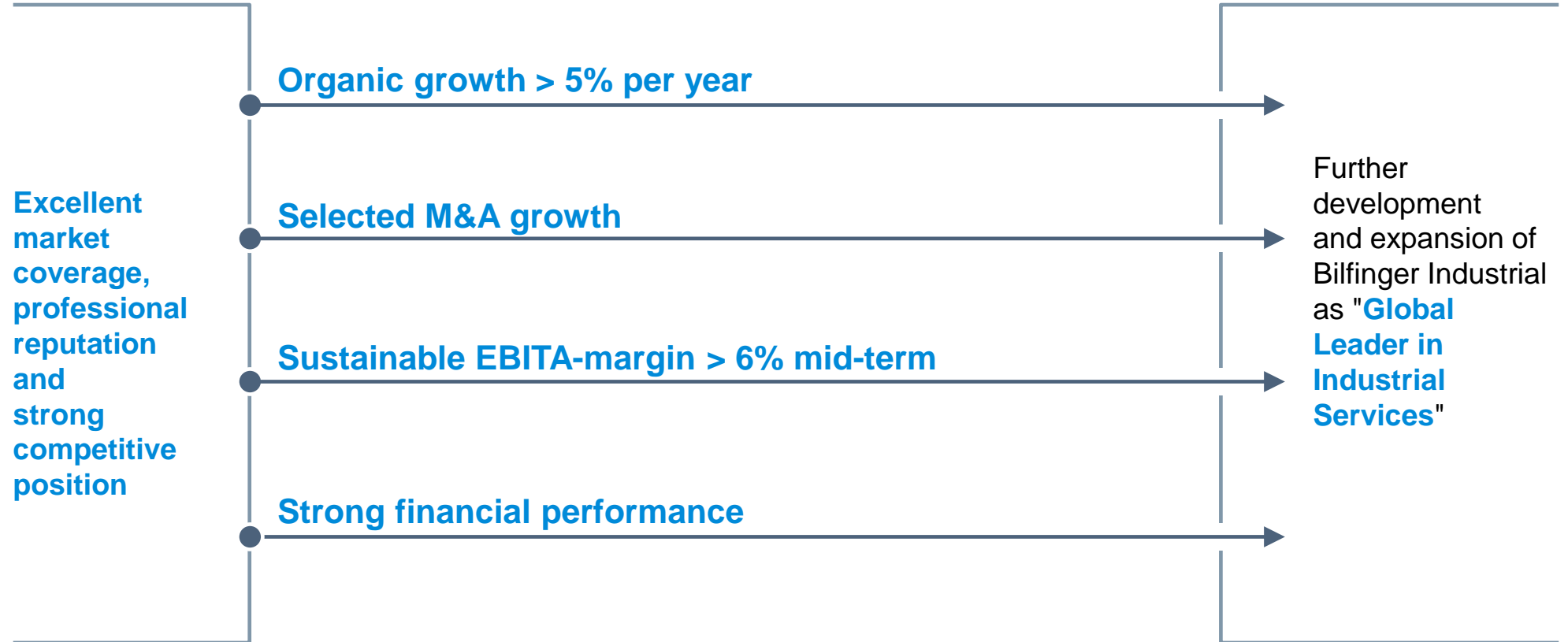
Structural demand drivers – Developing countries

- Global players are expanding their footprint in developing economies and require industrial service levels comparable to established economies
- Local players in developing countries are expanding capabilities and require high quality services to be internationally competitive

Expected market developments (mid term)

Focus markets	Industrial Technologies	Industrial Services
Oil & gas - Upstream	➔	➔
Oil & gas - Refineries	➔	➔
Chemicals	➔	➔
Energy	➔	➔
Metallurgy	➔	➔
Pharma	➔	➔
Food & beverages	➔	➔

Following our strong position and proven strategic approach, we will further grow our output volume and profitability



Growth strategy: We are continuously strengthening our market position with organic and M&A growth initiatives

Examples of organic growth strategy

Market and service portfolio development

- Internationalization of turnaround business (France, Middle East, Asia)
- Development of capabilities for inspection and non-destructive testing with focus on offshore North Sea
- Market introduction of green energy and biomass portfolio
- Internationalization of hydro power

Organizational development

- Introduction of new Subgroup Bilfinger Industrial Technology and establishment of segment
- Strengthening of sales activities and market penetration (Business Development, CRM,...)
- Excellence Centers for operative and technological key areas
- Further strengthening of cooperation within the Group

Examples of M&A growth strategy

M&A growth in existing markets

- Regional strengthening in EI&C business in Europe
- Selected expansion of energy business in North America (oil & gas)
- Further market penetration in India

M&A growth in new markets

- Representation in Middle East to develop local business
- First selected acquisitions in ASEAN countries
- Entry into Turkish and Russian markets

Growth strategy: We support our organic growth through selected acquisitions in defined growth markets



Neo Structo

Surat, India

- Provider of maintenance, manufacturing and installation services
- Coverage of multiple process industries
- Growing presence in Indian and Asian markets
- Approx. € 60 million output volume
- Approx. 1,600 employees

Entry into growing **Asian markets**



Tebodin

The Hague, Netherlands

- Leading European provider of consulting and engineering services
- Coverage of industries similar to that of Bilfinger Industrial Services
- Strong position in Europe, Middle East and Asia Pacific; presence in 22 countries
- Approx. € 225 million output volume
- Approx. 4,000 employees

Expansion of **engineering and consulting** competencies and scaling of **international footprint**



Westcon Inc.

Bismarck/ North Dakota, USA

- Leading specialist for assembly and industrial services
- Focus on oil & gas (unconventional oil & gas production/ fracking) and related industries
- Strong position in North American markets
- Approx. € 150 million output volume
- Approx. 1,000 employees

Expansion of **regional presence** in North America, access to a **booming market** and **new clients**

Example North America: We regularly evaluate market potentials and define our growth strategy accordingly

Example North America:

Major market developments

- “Further development of gas production and offshore production has the highest political and economic priority“ (Barack Obama's Address to the Nation, January 24, 2012)
- Significant expansion of **shale gas** capacities expected (from 23% of national gas production to ~50% in 2035)
- Expansion of **pipeline network** from ~2,500 miles per year to ~4,000 miles per year
- Expected expansion of production capacities in the **chemical industry** as a consequence of reduced oil and gas prices
- In addition, significant growth of **renewables capacities**, mainly wind and biomass

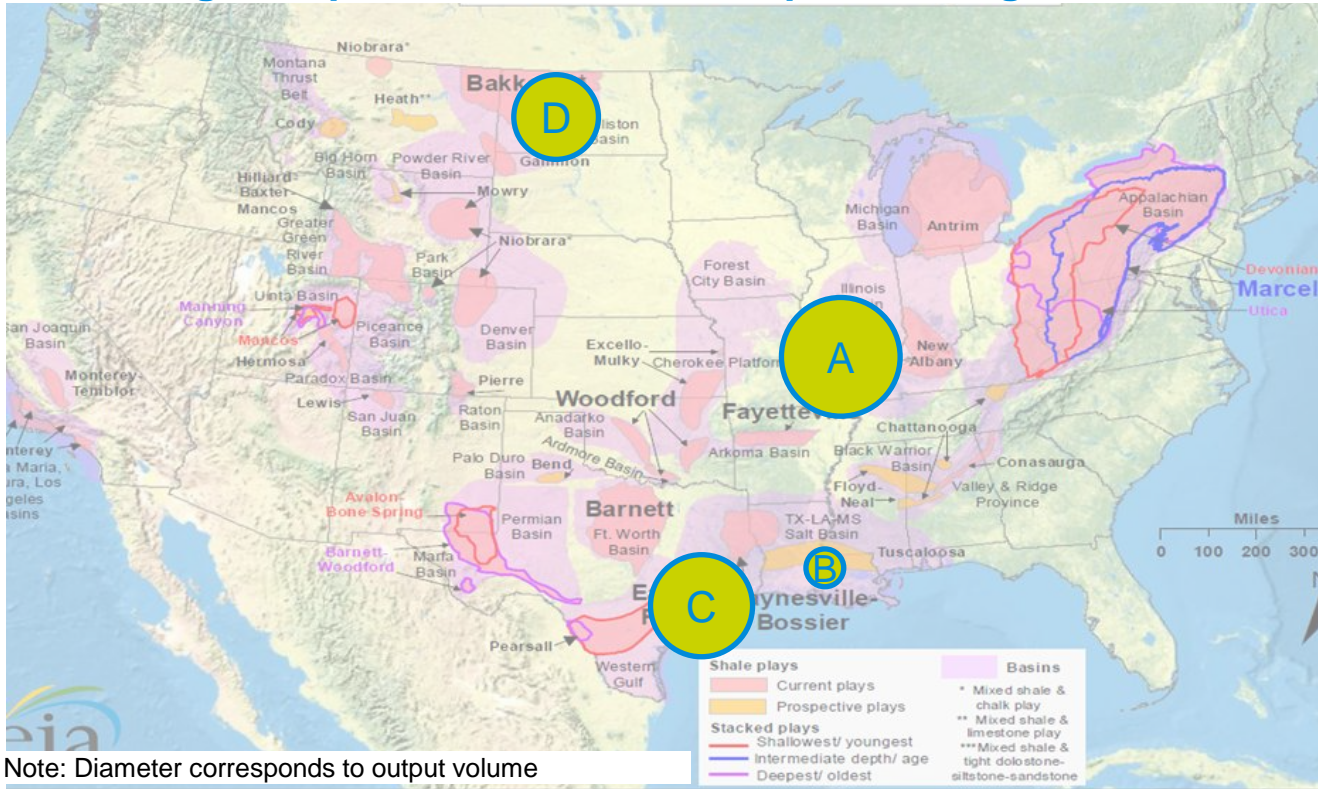
Example North America:

Market specific strategy of Bilfinger Industrial

- **Expansion of competencies** from mid stream towards upstream and downstream and further development of competencies in renewable energy
- Strong **focus on organic growth** by expanding the current customer base
- **Selective M&A activities** further developing footprint and service portfolio
- **Integration** of recently acquired businesses
- Continuous **professionalization** of management systems

Example North America: We are expanding our footprint into the focus regions of our clients and end markets

Shale gas deposits in USA and footprint Bilfinger Industrial



- **BIS Industrial Services Inc. (A)**
Ballwin, Missouri
- **BIS Salamis Inc. (B)**
Broussard, Louisiana
- **BIS Tepsco Inc. (C):**
Houston, Texas
- **Westcon Inc. (D)**
Bismarck, North Dakota
acquired in July 2012

Performance improvement: Several initiatives continuously improve our financial performance

▶ Reduction of direct and indirect cost

- Comprehensive cost reduction program and efficiency enhancement in 2012
- Expansion of program into 2013

▶ Management of portfolio

- Regular assessment of our portfolio according to financial performance and strategic significance

▶ Optimization of structures and fix cost

- Common usage of structures and overhead between operational entities within segment

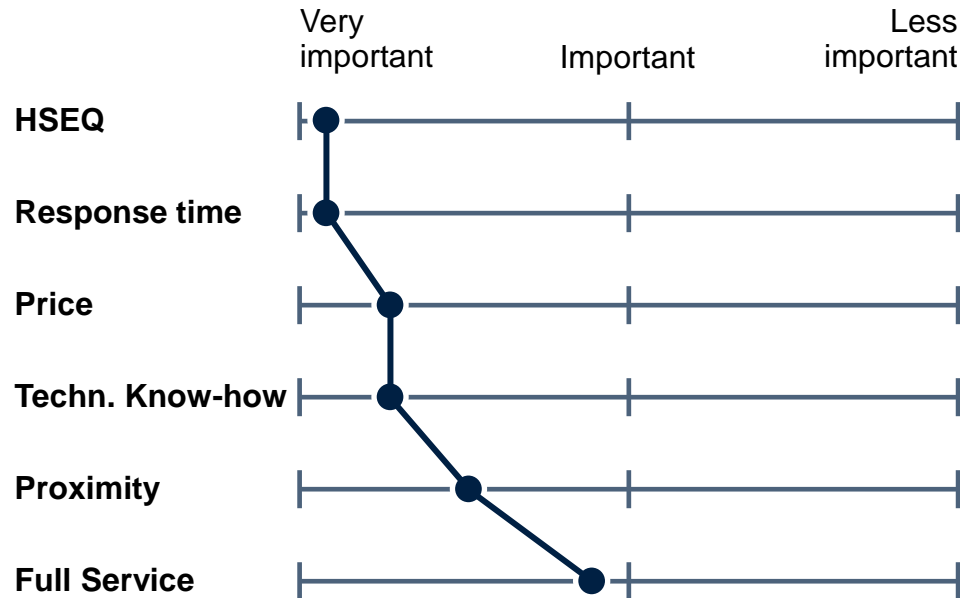
▶ Realization of market synergies

- Common development of key accounts and focus industries across operational units, divisions and subgroups

Ongoing improvement of performance and profitability of Bilfinger Industrial

Bilfinger Industrial meets the demands of the market and offers a unique selling proposition

Selected purchasing criteria for industrial services¹⁾



1) Roland Berger Strategy Consultants (market study including 30 companies in process and automotive industry)

Unique selling proposition of Bilfinger Industrial

- Integration of successful players in the industrial service market in the recent years
- Significant pool of capacities, therefore high flexibility
- Offering integrated services along the value chain within the project
- Regular exchange of best practices within the segment
- Strong regional presence in defined core markets
- Broad service portfolio throughout the life cycle of a process plant

C. Organization

Our organizational setup has been further developed to ease the implementation of our strategic objectives

Common vision

Business scope

Common position

Bilfinger Industrial

“Professional one-stop solution for services in process and other industries”

Bilfinger Industrial **Technologies**

“From engineering to installation” – Execution of broad engineering, project management services, fabrication and construction works

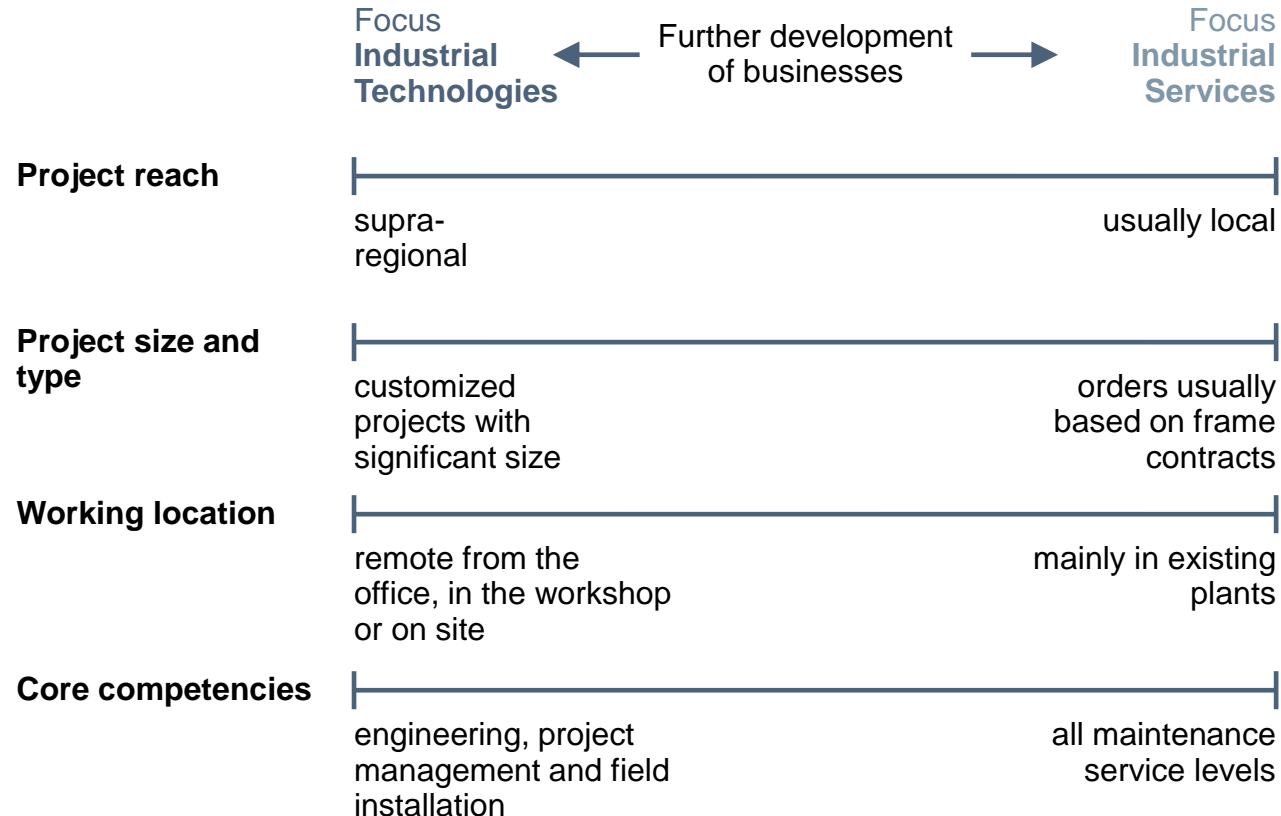
Bilfinger Industrial **Services**

“Full service maintenance ” for ensuring and optimizing plant availability

Two subgroups positioned as joint providers of industrial solutions

- To industries and clients
- To business partners and suppliers
- To other external stakeholders

The development of the Subgroup follows specific project types and business models



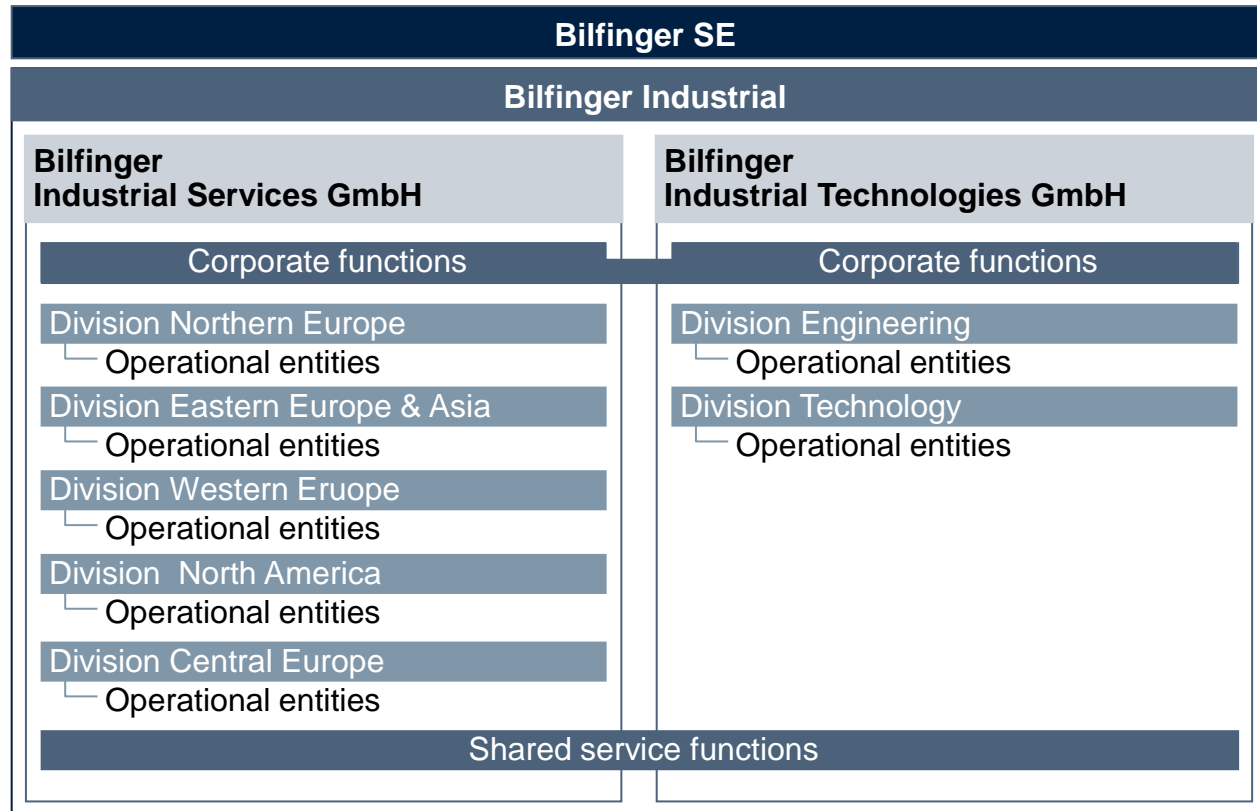
Bilfinger Industrial Services

- ~75% of segment output volume
- Division Northern Europe
- Division Eastern Europe & Asia
- Division Western Europe
- Division North America
- Division Central Europe

Bilfinger Industrial Technologies

- ~25% of segment output volume
- Division Engineering
- Division Technologies

The overall organization is integrated into the Bilfinger Group



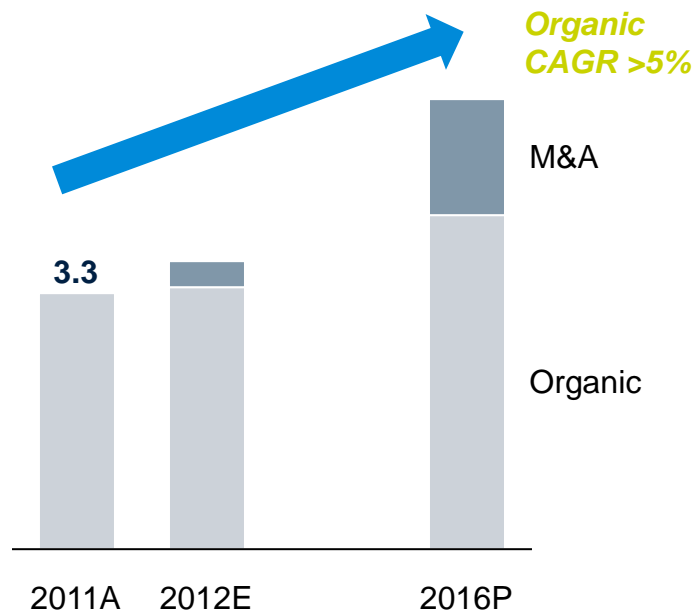
Comments

- **Bilfinger Industrial** as business segment with coordination of subgroups
- **Bilfinger Industrial Services GmbH** and **Bilfinger Industrial Technologies GmbH** as legal entities and subgroups with dedicated **corporate functions**
- **Divisions** as reporting units coordinating the strategy of the individual operational units
- **Operational units** as legal entities

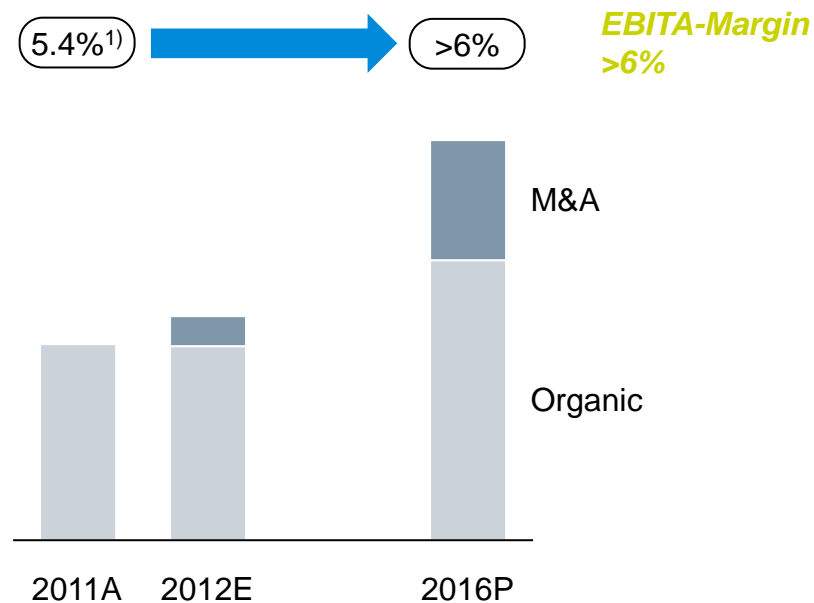
D. Outlook

Our target is to grow our output volume organically and by M&A and to enhance our EBITA over-proportionally

Output volume Bilfinger Industrial [€ billion] (assuming no deterioration of market environment)



EBITA margin Bilfinger Industrial [€ million] (assuming no deterioration of market environment)



1) Adjusted for reallocation of HQ costs



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Thank you for your attention

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