

# INTERIM REPORT

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Q2 2016

## First half-year 2016: Business development in line with expectations

- Adjusted EBITA:  
Substantial improvement compared to weak prior year
- Industrial: Book-to-bill ratio at parity, earnings at prior-year level, efficiency measures taking effect
- Power: Orders received and output volume decline further; earnings still negative but improved
- Cash flow from operating activities below prior year
- Outlook for 2016 confirmed and specified

## Strategic course: Sale of Building and Facility

- Focus on the industrial sector opens new perspectives
- Cash inflow allows for strategic investments in growth fields
- Power business will be further developed to optimize value
- Investment program established for Group-wide harmonization of IT infrastructure
- Realignment of administration will reduce costs, simplify structures and increase performance

# Interim group management report

## KEY FIGURES FOR THE GROUP\*

€ million

	H1			Q2			Full year
	2016	2015	Δ in %	2016	2015	Δ in %	2015
Output volume	2,141	2,412	-11	1,097	1,281	-14	5,002
Orders received	2,039	2,297	-11	1,026	1,184	-13	4,301
Order backlog	2,677	3,537	-24	2,677	3,537	-24	2,902
EBITA adjusted <sup>1</sup>	-13	-59		2	-34		-23
Adjusted net profit from continuing operations <sup>1</sup>	-15	-48		-1	-26		-30
Adjusted earnings per share from continuing operations <sup>1</sup> (in €)	-0.34	-1.09		-0.04	-0.59		-0.68
Net profit <sup>2</sup>	-134	-439		-54	-423		-510
Cash flow from operating activities	-285	-139		-143	-69		39
Investments	31	34	-9	18	13	38	66
thereof in P, P & E	29	33	-12	17	13	31	62
thereof in financial assets	2	1	100	1	0		4
Number of employees	38,997	44,672	-13	38,997	44,672	-13	42,150

\* The key figures of the Building, Facility Services and Real Estate divisions as well as the Water Technologies division, which was sold in the first quarter of 2016, and the key figures of the former Concessions business segment, the former construction activities and Offshore Systems are no longer presented in the business segments, but under *Discontinued operations*. All of the figures presented in this report relate, unless otherwise stated, to the Group's continuing operations; the figures for the prior-year period have been adjusted accordingly.

<sup>1</sup> Adjustments see chapter *Reconciliation to adjusted earnings*.

<sup>2</sup> Includes continuing and discontinued operations.

**Reclassification of the Building and Facility and Power business segments:** The Building, Facility Services and Real Estate divisions were sold in June 2016 to financial investor EQT, the transaction is expected to be completed in the third quarter of 2016. The sold units of the former Building and Facility business segment are therefore presented under discontinued operations in the interim financial statements as of June 30, 2016. The remaining unit Government Services is presented under 'Consolidation / other'.

The selling process for the Power business segment begun in mid-2015 was refocused. Instead of concentrating on a total sale, as was

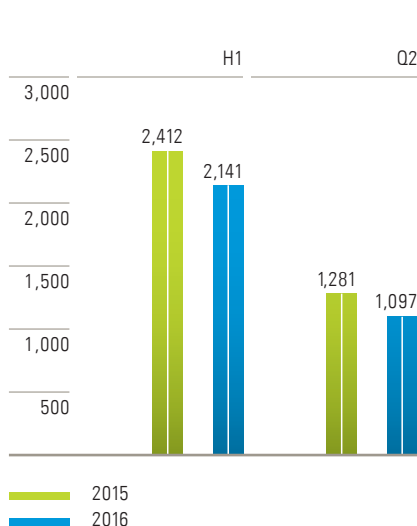
the case until recently, individual sales and value-optimizing further development will now be pursued. In accordance with the International Financial Reporting Standards (IFRS), Power will thus be once again presented as continuing operations in the financial statements as of June 30, 2016.

Against the backdrop of this reclassification, the previous year figures have been adjusted accordingly in this report.

Slight differences in some figures may occur in this interim report due to rounding.

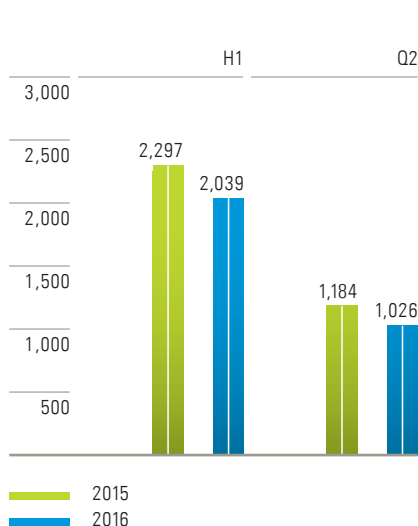
### OUTPUT VOLUME

€ million



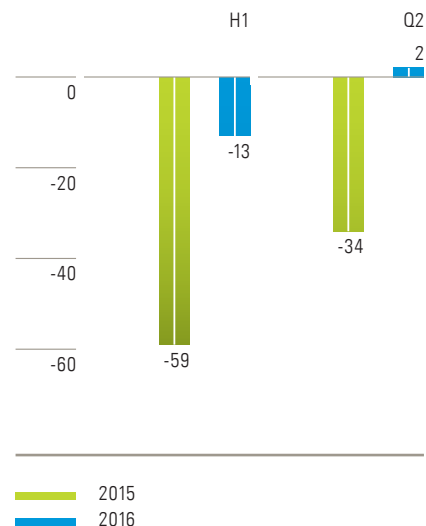
### ORDERS RECEIVED

€ million



### EBITA ADJUSTED

€ million



- **Output volume:** Decrease of 11 percent (organically -8 percent). Both segments declined as expected: Industrial as a result of lower demand for projects as well as the market situation in the oil and gas sector, Power primarily due to less project business, mainly for fossil fuel power plants.
- **Orders received:** 11 percent below the prior-year figure (organically -8 percent). At Industrial book-to-bill ratio at parity, at Power significantly declining as a result of continued limited demand for projects.
- **Order backlog:** Decrease of 24 percent (organically -20 percent).
- **EBITA adjusted / Adjusted net profit from continuing operations:** Significantly improved. In the Industrial segment at the magnitude of the previous year due to efficiency measures taken and despite lower output volume. In the Power business segment substantially improved; positive effects from capacity adjustments and lower project losses based on improved risk management.
- **Net profit:** Clear improvement as compared to the prior-year figure. In the reporting period, burdens for the most part from restructuring expenses and losses in the course of streamlining of the portfolio, in the previous year due to high goodwill impairments in the Power business segment.
- **Cash flow from operating activities:** Below prior-year level as a result of high payments for restructuring and a substantially higher cash outflow in working capital.
- **Investments:** Temporary further reduction of investments in property, plant and equipment. Increase planned for full year.
- **Employees:** In Germany a decrease in the number of employees of 12 percent to 9,239 (previous year: 10,542), outside Germany by 13 percent to 29,758 (previous year: 34,130).

## Strategic course

### Sale of Building and Facility

- Sale of Building and Facility to financial investor EQT in June 2016.
- Purchase price approximately €1.2 billion, corresponds to an enterprise value of about €1.4 billion.
- Purchase price components due following later sale by EQT
  - Deferred payment of €100 million with annual interest of 10 percent upon maturity
  - Earn-out like instrument of about €200 million
  - Bilfinger with 49 percent share of resale proceeds from EQT.
- Capital gain for Bilfinger of roughly €500 million.
- Completion of the transaction expected in third quarter 2016.

### Focus on the industrial sector

- Distinct customer base with strong management focus.
- Clear identity and focused market approach.
- Extensive standardization of internal structures.
- Faster decision-making processes.
- Reduced complexity and better comparability for investors.

### Strategic investments in growth areas

- Cash inflow allows for active role in ongoing market consolidation, also in the future.
- International expansion following consolidation in core markets.
- Targeted further development of the core business, mainly in the growth markets pharmaceutical, chemical and food industries.
- Investments in future-oriented fields, in Industry 4.0 for example.

### Value-optimizing further development of the Power business

- Selling process now geared toward individual sales instead of a total sale.
- Simultaneous restructuring and repositioning of individual areas.

### Harmonization of the IT infrastructure and realignment of administration

- Group-wide program to optimize the process and IT system landscape initiated.
- Enhanced competitiveness through standardized procedures and higher performance IT systems.
- Streamlining of Group headquarters.
- Bundling of operational legal entities and administrative tasks.
- One-time expenses in high double-digit million euro range, including IT investments of more than €50 million.
- Initial savings already in 2017, majority of the roughly €100 million annual savings to take effect from 2018.

# Performance

CONSOLIDATED INCOME STATEMENT (ABRIDGED VERSION)		H1		Q2		Full year
€ million		2016	2015	2016	2015	2015
Output volume		2,141	2,412	1,097	1,281	5,002
EBITA		-118	-44	-64	-19	-157
EBITA adjusted		-13	-59	2	-34	-23
EBITA margin adjusted (in %)		-0.6	-2.4	0.2	-2.7	-0.5
Amortization of intangible assets from acquisitions (IFRS 3) and goodwill impairment		-6	-338	-4	-334	-344
EBIT		-124	-382	-68	-353	-501
Interest result		-11	-17	-5	-10	-30
Earnings before taxes		-135	-399	-73	-363	-531
Income taxes		-11	-68	-5	-77	-60
Earnings after taxes from continuing operations		-146	-467	-78	-440	-591
Earnings after taxes from discontinued operations		10	23	24	12	64
Earnings after taxes		-136	-444	-54	-428	-527
thereof attributable to minority interest		-2	-5	0	-5	-17
Net profit		-134	-439	-54	-423	-510

RECONCILIATION TO ADJUSTED EARNINGS		H1		Q2		Full year
€ million		2016	2015	2016	2015	2015
EBITA		-118	-44	-64	-19	-157
Special items in EBITA		105	-15	66	-15	134
EBITA adjusted		-13	-59	2	-34	-23
Interest result		-11	-17	-5	-10	-30
Adjusted income tax expense		7	24	1	14	16
Minority interest		2	4	1	4	7
Adjusted net profit		-15	-48	-1	-26	-30
Adjusted earnings per share from continuing operations (in €)		-0.34	-1.09	-0.04	-0.59	-0.68

### Consolidated income statement (abridged version)

- Output volume: Decrease of 11 percent (organically -8 percent).
- Gross margin: 8.3 percent (previous year: 8.1 percent).
- Selling and administrative expenses: SG&A ratio 11.7 percent (previous year: 10.8 percent). Adjusted for one-time expenses, a decline to 10.4 percent (previous year: 10.6 percent).
- EBITA / EBITA margin adjusted: Significantly improved. Despite lower output volume, in the Industrial segment at the magnitude of the previous year due to measures taken to enhance efficiency. In the Power business segment substantially improved, positive effects from capacity adjustments and lower project losses based on improved risk management.
- Depreciation of property, plant and equipment and intangible assets: €54 million (previous year: €55 million), thereof special write-down Power of €14 million (previous year Industrial: €7 million).
- Amortization of intangible assets from acquisitions (IFRS 3) and goodwill impairment: €6 million, prior year figure of €338 million included a goodwill impairment in the Power business segment in the amount of €330 million.
- Interest result: Improved due to lower interest expenses.
- Income taxes: Income tax expense despite negative earnings because, for the most part, no deferred tax assets capitalized for tax losses.
- Earnings after taxes from discontinued operations: Current earnings in the Building, Facility Services and Real Estate divisions of €26 million (previous year: €24 million).

Earnings from the sale of the Water Technologies division at -€16 million.

Current earnings in the Water Technologies division of -€3 million (previous year: €3 million).

Earnings from the former construction activities and Offshore Systems of €2 million (previous year: -€14 million).

Prior-year figure also included earnings from the sale of the Construction division, following a risk provision, in the amount of €12 million as well as earnings from Concessions of -€2 million.

- Net profit: Clearly negative at -€134 million, but significantly improved as compared with the previous year.

### Reconciliation to adjusted earnings

- Special items in EBITA: Loss from the sale of Engineering Services Asia Pacific and MCE Stahlbau, from the reversal of the acquisition of Mauell as well as selling-related expenses for Power (€28 million).

Efficiency enhancement measures in administration (€12 million).

Restructuring costs, primarily in the Power business segment (€43 million).

Special write-downs on assets in the Power business segment (€14 million).

Expenses for the further development of the compliance system (€8 million).

- Adjusted income taxes: Adjusted for effects from the non-capitalization of deferred tax assets on losses in the reporting period. Adjusted effective tax rate of 31 percent.

**CONSOLIDATED BALANCE SHEET (ABRIDGED VERSION)**

€ million

	<b>June 30, 2016</b>	Dec. 31, 2015
		pro forma
<b>Assets</b>		
<b>Non-current assets</b>	<b>1,438</b>	1,525
Intangible assets	855	895
Property, plant and equipment	421	471
Other non-current assets	162	159
<b>Current assets</b>	<b>3,158</b>	3,660
Receivables and other current assets	1,378	1,380
Cash and cash equivalents	196	427
Assets classified as held for sale	1,584	1,853
<b>Total</b>	<b>4,596</b>	5,185
<b>Equity and liabilities</b>		
<b>Equity</b>	<b>1,167</b>	1,418
<b>Non-current liabilities</b>	<b>902</b>	901
Provisions for pensions and similar obligations	296	295
Non-current financial debt, recourse	510	513
Other non-current liabilities	96	93
<b>Current liabilities</b>	<b>2,527</b>	2,866
Current financial debt, recourse	13	13
Other current liabilities	1,466	1,707
Liabilities classified as held for sale	1,048	1,146
<b>Total</b>	<b>4,596</b>	5,185

For the analysis of net assets, in order to gain better comparability with the figures as of June 30, 2016, the assets and liabilities of discontinued operations at the Building, Facility Services and Real Estate divisions together with the sold Water Technologies division, the figures of the former construction activities and Offshore Systems are each shown separately in an item on the assets side and an item on the liabilities side of the pro-forma balance sheet as of December 31, 2015.

## Consolidated balance sheet (abridged version)

### Assets

- **Assets classified as held for sale:** Relates primarily to the Building, Facility Services and Real Estate divisions as well as Offshore Systems. Decrease due to the sale of the Water Technologies division.
- **Intangible assets:** Decrease due to deconsolidation and exchange rate effects.
- **Property, plant and equipment:** Decrease due mainly to deconsolidation effects as well as special write-downs on assets in the Power business segment.

### Equity and liabilities

- **Equity:** Reduction due to the after-tax loss (-€136 million) and through transactions recognized directly in equity (-€108 million), primarily losses from the remeasurement of defined benefit pension plans (-€58 million) and from currency translation (-€47 million). The equity ratio amounts to 25 percent (end of 2015: 27 percent).
- **Provisions for pensions and similar obligations:** Unchanged from the end of the previous year. Increase as a result of lower discount rates – in the euro zone from 2.25 to 1.30 percent and in Switzerland from 0.90 to 0.20 percent. Offset by deconsolidation of Mauell.
- **Financial debt, recourse:** Relates primarily to a bond in the amount of €500 million maturing in December 2019; net financial debt amounts to €327 million (end of 2015, pro forma: €99 million).

CONSOLIDATED STATEMENT OF CASH FLOWS (ABRIDGED VERSION) € million	H1		Q2		Full year
	2016	2015	2016	2015	2015
Cash earnings from continuing operations	-81	-49	-49	-29	-122
Change in working capital	-218	-51	-108	-3	203
Gains / losses on disposals of non-current assets	14	-39	14	-37	-42
Cash flow from operating activities of continuing operations	-285	-139	-143	-69	39
Net cash outflow for property, plant and equipment / intangible assets	-17	-19	-10	-5	-36
Proceeds from the disposal of financial assets	178	136	-12	59	214
Free cash flow from continuing operations	-124	-22	-165	-15	217
Investments in financial assets	-2	-1	-1	0	-4
Cash inflow / outflow from financing activities of continuing operations	-4	-3	-1	3	-105
Dividends	-2	-90	-2	-90	-92
Borrowing / repayment of financial debt	-2	87	1	93	-13
Change in cash and cash equivalents of continuing operations	-130	-26	-167	-12	108
Change in cash and cash equivalents of discontinued operations	-110	-93	-33	-7	-45
Change in value of cash and cash equivalents due to changes in foreign exchange rates	-1	4	0	-4	2
Change in cash and cash equivalents	-241	-115	-200	-23	65
Cash and cash equivalents at January 1	475	403	433	308	403
Change in cash and cash equivalents of assets classified as held for sale	-38	-51	-37	-48	7
Cash and cash equivalents at June 30 / December 31	196	237	196	237	475

#### Consolidated statement of cash flows (abridged version)

- Change in working capital: Typical intra-year but stronger increase in working capital in both segments; unusually high decrease at Power in the previous year.
- Cash flow from operating activities of continuing operations: Below prior-year level due to increased cash outflow in working capital.
- Net cash outflow for investments in property, plant and equipment / intangible assets: Includes investments of -€29 million (previous year: -€33 million). This was countered by proceeds from disposals of €12 million (previous year: €14 million).
- Proceeds from the disposal of financial assets: Cash inflow from the sale of the Water Technologies division (€190 million), cash outflow from the sale of Mauell (-€16 million); in the previous year cash inflow primarily from the sale of the Construction division (€73 million) and the shares in the Nigerian business (€50 million).
- Change in cash and cash equivalents of discontinued operations: Relates primarily to the Building, Facility Services and Real Estate divisions with -€61 million (previous year: -€46 million) as well as the former construction activities with -€27 million (previous year: -€49 million) and Offshore Systems with -€30 million (previous year: €9 million).



BUSINESS DEVELOPMENT IN 2016 € million	Output volume		EBITA adjusted	
	2015	expected 2016	2015	expected 2016
Industrial	3,650	significant decrease to about €3.1 billion	128	at prior-year level
Power	1,284	significant decrease to about €1.0 billion	-69	significant improvement, but still negative
Consolidation / other	68	–	-82	–
Group	5,002	significant decrease to about €4.1 billion	-23	significant improvement

Definition for the qualified comparative forecast: at prior-year level: +/- 0 % slight: 1-5 % significant: > 5 %

- **Industrial:** Despite a challenging environment in the North American project business, Bilfinger confirms its outlook for financial year 2016. Due to the weakness in demand in the oil and gas industry and expiring projects, the company expects a significant decrease in output volume to about €3.1 billion (previous year: €3.650 billion). With regard to adjusted EBITA, the company expects a higher margin and a figure at the level of the previous year (€128 million) due to positive effects from current programs for efficiency enhancement and process optimization.
- **Power:** As a result of the restrained orders received, Bilfinger again anticipates a significant decrease in output volume to about €1.0 billion (previous year: €1.284 billion). Adjusted EBITA will improve significantly as a result of effects from capacity adjustments and reduced project losses based on improved project risk management (previous year: -€69 million) – but will remain negative.
- **Group:** At Group level, Bilfinger anticipates a significant decrease in output volume to about €4.1 billion (previous year: €5.002 billion). In terms of adjusted EBITA, a significant improvement as compared to the previous year (-€23 million) is expected.
- A substantial portion of the one-time expenses in connection with the further development of our compliance system and the conclusion of older cases in the total amount of approximately €50 million.
- Reported net profit will also be burdened by the non-capitalization of deferred tax assets on the negative result of the holding.

## Opportunities and risks

- No significant changes have occurred with regard to opportunities and risks compared with the situation as described on pages 74ff of the 2015 Annual Report.
- Provisions have been recognized for all discernible risks; in our assessment, no risks exist that would jeopardize the continuing existence of the Bilfinger Group.
- On the basis of our business model, the decision on the part of the United Kingdom to leave the EU does not, from today's perspective, have a significant direct impact on Bilfinger. There are, however, uncertainties as regards the terms of the departure and their effects on the European market. Overall, our economic environment has not changed significantly.

In 2016, we expect the following significant special items from today's perspective:

- Capital gain from the sale of the Building and Facility segment in the amount of approximately €500 million.
- One-time expenses for the program to reduce administrative expenses in the high double-digit million euro range. This includes investments of over €50 million for the harmonization of our IT systems, of which a small portion will be incurred in 2016. Restructuring costs are also included, of which the majority will be recognized in profit or loss in the current year.
- In the Power business segment, restructuring expenses in the mid double-digit million euro range as well as non-cash impairments on property, plant and equipment in the amount of €14 million.

## Events after the balance-sheet date

- Our company continues to develop according to plan after the balance-sheet date. No events have occurred that are of particular significance for the Group's profitability, cash flows or financial position.
- At the end of July, the contract for the sale of activities related to the installation of offshore foundations was signed; completion of the transaction is expected to follow in the second half of 2016. In addition, the sale of the Polish production facility for steel foundations was completed at the beginning of August 2016.

## Development in the business segments

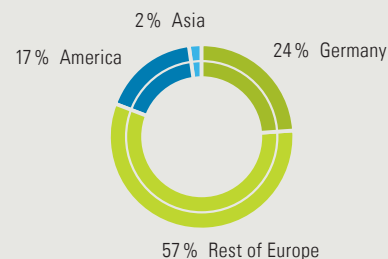
OVERVIEW OF OUTPUT VOLUME AND ORDER SITUATION: H1	Output volume		Orders received		Order backlog		Output volume
	€ million						
	H1 2016	Δ in %	H1 2016	Δ in %	H1 2016	Δ in %	FY 2015
Industrial	1,622	-9	1,607	-6	2,001	-17	3,650
Power	505	-17	419	-28	650	-38	1,284
Consolidation / other	14		13		26		68
<b>Continuing operations</b>	<b>2,141</b>	<b>-11</b>	<b>2,039</b>	<b>-11</b>	<b>2,677</b>	<b>-24</b>	<b>5,002</b>

OVERVIEW OF OUTPUT VOLUME AND ORDER SITUATION: Q2	Output volume		Orders received	
	€ million			
	Q2 2016	Δ in %	Q2 2016	Δ in %
Industrial	834	-12	825	-6
Power	258	-19	189	-28
Consolidation / other	5		12	
<b>Continuing operations</b>	<b>1,097</b>	<b>-14</b>	<b>1,026</b>	<b>-13</b>

ADJUSTED EBITA BY BUSINESS SEGMENT	H1			Q2			Full year
	€ million						
	2016	2015	Δ in %	2016	2015	Δ in %	2015
Industrial	45	48	-6	31	39	-21	128
Power	-17	-71		-11	-53		-69
Consolidation / other	-41	-36		-18	-20		-82
<b>Continuing operations</b>	<b>-13</b>	<b>-59</b>		<b>2</b>	<b>-34</b>		<b>-23</b>

KEY FIGURES € million	H1			Q2			Full year
	2016	2015	Δ in %	2016	2015	Δ in %	2015
Output volume	1,622	1,781	-9	834	946	-12	3,650
Orders received	1,607	1,716	-6	825	876	-6	3,302
Order backlog	2,001	2,416	-17	2,001	2,416	-17	2,101
Capital expenditure on P, P & E	23	25	-8	14	10	40	47
EBITA / EBITA adjusted	45	48	-6	31	39	-21	128
EBITA margin adjusted (in %)	2.8	2.7		3.7	4.1		3.5

## TARGET OUTPUT VOLUME BY REGION 2016



### Market situation Europe

- In the chemical and pharmaceutical industries, demand for ongoing maintenance of production facilities is stable.
- Good demand for turnarounds.
- Industrial scaffolding solid; highly-competitive environment for plant insulation in Germany.
- Business development in the British and Scandinavian oil and gas sector remains restrained, maintenance budgets currently stuck at a low level.
- Higher demand for projects in the biotech pharma industry, however generally limited willingness to invest on the part of our customers in the project business.

### Market situation United States

- Project business negatively impacted after the end of the shale gas boom.
- Demand for maintenance services for production facilities in the process industry more stable.

- Output volume: 9 percent below the prior-year figure (organically -7 percent).

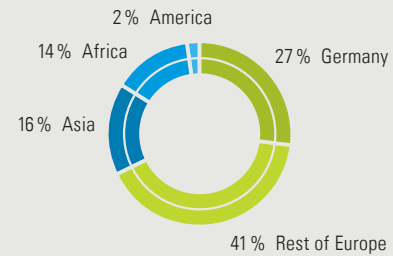
In the oil and gas sector, fewer maintenance service requests as a result of the low oil price in the first quarter and the resulting reduced maintenance budgets for 2016.

Slight increase in the maintenance of facilities in the chemical and pharmaceutical industries.

- Orders received: Decrease of 6 percent (organically -4 percent) as a result of savings measures in the oil and gas industry as well as limited propensity to invest in projects on the part of our customers.
- Order backlog: 17 percent below the prior-year figure (organically -12 percent).
- EBITA / EBITA adjusted: Despite significantly lower output volume, with €45 million at prior-year level (previous year: €48 million, organically -2 percent), measures taken to enhance efficiency taking effect. Margin increased slightly from 2.7 to 2.8 percent.
- Outlook: The forecast for the Industrial segment is described under *Outlook* on page 9.

KEY FIGURES € million	H1			Q2			Full year
	2016	2015	Δ in %	2016	2015	Δ in %	2015
Output volume	505	607	-17	258	320	-19	1.284
Orders received	419	586	-28	189	262	-28	986
Order backlog	650	1.050	-38	650	1.050	-38	762
Capital expenditure on P, P & E	3	5	-40	2	2	0	9
EBITA / EBITA adjusted	-17	-71		-11	-53		-69
EBITA margin adjusted (in %)	-3.4	-11.7		-4.3	-16.6		-5.4

#### TARGET OUTPUT VOLUME BY REGION 2016



#### Market situation fossil fuel power plants

- Demand in the project business remains extremely low.
- Germany and other European countries: Substantial price pressure due to market overcapacities, volume of the services requested declining especially in Germany as a result of insufficient capacity utilization and profitability of the power plants.
- South Africa and the Middle East: Demand in the services business stable.

#### Market situation nuclear power

- Individual projects in Germany and abroad offer medium-term prospects.

- Output volume: Reduction by 17 percent (organically -11 percent) against the backdrop of sustained weakness in orders received.
- Orders received: 28 percent below the prior-year figure (organically -24 percent), due for the most part to substantially fewer projects, mainly in the market for fossil fuel power plants. In view of the competitive and price pressure, highly-selective approach in the German and international project business.
- Order backlog: Decrease of 38 percent (organically -34 percent).
- EBITA / EBITA adjusted: Still negative, but significantly improved through positive effects from capacity adjustments and reduced project losses based on better risk management.
- Outlook: The forecast for the Power segment is described under *Outlook* on page 9.

Discontinued operations include the Building, Facility Services and Real Estate divisions, the sold Water Technologies division, the former Concessions business segment as well as the former construction activities and Offshore Systems.

## Water Technologies, Concessions, former construction activities, Offshore Systems

KEY FIGURES € million	H1			Q2			Full year
	2016	2015	Δ in %	2016	2015	Δ in %	2015
Output volume	145	302	-52	36	136	-74	553
Capital expenditure on P, P & E	4	21	-81	1	9	-89	73
EBITA	-14	1		4	-2		15

- Water Technologies: Sale at the end of the first quarter of 2016, net proceeds of €190 million received as additional liquidity.
- Offshore Systems: Sales agreements for activities related to the installation of offshore foundations signed at the end of July and sale of the Polish steel foundation production facility concluded at the beginning of August. Ongoing selling process for remaining marine construction.

## Building, Facility Services and Real Estate

KEY FIGURES € million	H1			Q2			Full year
	2016	2015	Δ in %	2016	2015	Δ in %	2015
Output volume	1,165	1,183	-2	611	612	0	2,501
Orders received	1,207	1,774	-32	582	926	-37	3,286
Order backlog	2,625	2,410	9	2,625	2,410	9	2,581
Capital expenditure on P, P & E	6	10	-40	4	4	0	16
EBITA adjusted	45	47	-4	32	29	10	126
EBITA margin adjusted (in %)	3.9	4.0		5.2	4.7		5.0

- Selling process: The Building, Facility Services and Real Estate divisions were sold in June 2016 to financial investor EQT, the transaction is expected to be completed in the third quarter of 2016.
- Output volume: In the magnitude of the prior year.
- Orders received: Below unusually high prior-year figure, typical volatility in this business.
- Adjusted EBITA: At prior-year level.

# Interim consolidated financial statements

CONSOLIDATED INCOME STATEMENT € million	January 1 - June 30		April 1 - June 30	
	2016	2015	2016	2015
Output volume (for information only)	2,141	2,412	1,097	1,281
<b>Revenue</b>	<b>2,149</b>	<b>2,413</b>	<b>1,102</b>	<b>1,280</b>
Cost of sales	-1,971	-2,218	-1,016	-1,180
<b>Gross profit</b>	<b>178</b>	<b>195</b>	<b>86</b>	<b>100</b>
Selling and administrative expenses	-251	-261	-127	-135
Other operating income and expense	-55	-327	-30	-325
Income from investments accounted for using the equity method	4	11	3	7
<b>Earnings before interest and taxes (EBIT)</b>	<b>-124</b>	<b>-382</b>	<b>-68</b>	<b>-353</b>
Net interest result	-11	-17	-5	-10
<b>Earnings before taxes</b>	<b>-135</b>	<b>-399</b>	<b>-73</b>	<b>-363</b>
Income tax expense	-11	-68	-5	-77
<b>Earnings after taxes from continuing operations</b>	<b>-146</b>	<b>-467</b>	<b>-78</b>	<b>-440</b>
<b>Earnings after taxes from discontinued operations</b>	<b>10</b>	<b>23</b>	<b>24</b>	<b>12</b>
<b>Earnings after taxes</b>	<b>-136</b>	<b>-444</b>	<b>-54</b>	<b>-428</b>
thereof minority interest	-2	-5	0	-5
<b>Net profit</b>	<b>-134</b>	<b>-439</b>	<b>-54</b>	<b>-423</b>
Average number of shares (in thousands)	44,200	44,189	44,200	44,189
<b>Earnings per share (in €) <sup>1</sup></b>	<b>-3.03</b>	<b>-9.93</b>	<b>-1.22</b>	<b>-9.57</b>
thereof from continuing operations	-3.26	-10.45	-1.76	-9.84
thereof from discontinued operations	0.23	0.52	0.54	0.27

<sup>1</sup> Basic earnings per share are equal to diluted earnings per share.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

€ million

	January 1 - June 30		April 1 - June 30	
	2016	2015	2016	2015
<b>Earnings after taxes</b>	<b>-136</b>	<b>-444</b>	<b>-54</b>	<b>-428</b>
<b>Items that will not be reclassified to the income statement</b>				
Gains / losses from remeasurement of net defined benefit liability (asset)				
Unrealized gains / losses	-84	13	-32	67
Income taxes on unrealized gains / losses	26	-4	10	-19
	<b>-58</b>	<b>9</b>	<b>-22</b>	<b>48</b>
<b>Items that may subsequently be reclassified to the income statement</b>				
Gains / losses on fair-value measurement of securities				
Unrealized gains / losses	-3	0	-7	0
Income taxes on unrealized gains / losses	0	0	0	0
	<b>-3</b>	<b>0</b>	<b>-7</b>	<b>0</b>
Gains / losses on hedging instruments				
Unrealized gains / losses	0	-7	1	3
Reclassifications to the income statement	0	2	-1	-2
Income taxes on unrealized gains / losses	0	2	0	1
	<b>0</b>	<b>-3</b>	<b>0</b>	<b>2</b>
Currency translation differences				
Unrealized gains / losses	-44	87	-3	-15
Reclassifications to the income statement	-3	-1	1	0
	<b>-47</b>	<b>86</b>	<b>-2</b>	<b>-15</b>
Gains / losses on investments accounted for using the equity method				
Gains / losses on hedging instruments				
Unrealized gains / losses	0	2	0	1
Reclassifications to the income statement	0	0	0	0
	<b>0</b>	<b>2</b>	<b>0</b>	<b>1</b>
Currency translation differences				
Unrealized gains / losses	0	2	0	0
Reclassifications to the income statement	0	1	0	1
	<b>0</b>	<b>3</b>	<b>0</b>	<b>1</b>
	<b>0</b>	<b>5</b>	<b>0</b>	<b>2</b>
	<b>-50</b>	<b>88</b>	<b>-9</b>	<b>-11</b>
<b>Other comprehensive income after taxes</b>	<b>-108</b>	<b>97</b>	<b>-31</b>	<b>37</b>
<b>Total comprehensive income after taxes</b>	<b>-244</b>	<b>-347</b>	<b>-85</b>	<b>-391</b>
attributable to shareholders of Bilfinger SE	<b>-242</b>	<b>-342</b>	<b>-84</b>	<b>-387</b>
attributable to minority interest	<b>-2</b>	<b>-5</b>	<b>-1</b>	<b>-4</b>

## CONSOLIDATED BALANCE SHEET

€ million

	June 30, 2016	Dec. 31, 2015 <sup>1</sup>
<b>Assets</b>		
<b>Non-current assets</b>		
Intangible assets	855	1,693
Property, plant and equipment	421	586
Investments accounted for using the equity method	11	20
Other financial assets	22	63
Deferred taxes	129	173
	<b>1,438</b>	<b>2,535</b>
<b>Current assets</b>		
Inventories	82	142
Receivables and other financial assets	1,180	1,782
Current tax assets	39	41
Other assets	77	83
Cash and cash equivalents	196	475
Assets classified as held for sale	1,584	126
	<b>3,158</b>	<b>2,649</b>
	<b>4,596</b>	<b>5,184</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Equity attributable to shareholders of Bilfinger SE	1,211	1,457
Minority interest	-44	-39
	<b>1,167</b>	<b>1,418</b>
<b>Non-current liabilities</b>		
Provisions for pensions and similar obligations	296	513
Other provisions	32	60
Financial debt, recourse	510	515
Financial debt, non-recourse	0	12
Other liabilities	6	17
Deferred taxes	58	83
	<b>902</b>	<b>1,200</b>
<b>Current liabilities</b>		
Current tax liabilities	36	55
Other provisions	429	603
Financial debt, recourse	13	18
Financial debt, non-recourse	0	1
Trade and other payables	766	1,374
Other liabilities	235	401
Liabilities classified as held for sale	1,048	114
	<b>2,527</b>	<b>2,566</b>
	<b>4,596</b>	<b>5,184</b>

<sup>1</sup> The figures as of December 31, 2015 have been adjusted due to the reclassification of the Power business segment as continuing operations. See Note 3.



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ million

	Equity attributable to the shareholders of Bilfinger SE							Minority interest	Equity	
	Share capital	Capital reserve	Retained and distributable earnings	Other reserves			Treasury shares			Total
				Fair-value measurement of securities reserve	Hedging instruments reserve	Currency translation reserve				
<b>Balance at January 1, 2015</b>	138	760	1,171	0	-44	10	-97	1,938	-21	<b>1,917</b>
Earnings after taxes	0	0	-439	0	0	0	0	-439	-5	<b>-444</b>
Other comprehensive income after taxes	0	0	9	0	-1	89	0	97	0	<b>97</b>
<b>Total comprehensive income after taxes</b>	<b>0</b>	<b>0</b>	<b>-430</b>	<b>0</b>	<b>-1</b>	<b>89</b>	<b>0</b>	<b>-342</b>	<b>-5</b>	<b>-347</b>
Dividends paid out	0	0	-88	0	0	0	0	-88	-3	<b>-91</b>
Employee share program	0	0	0	0	0	0	0	0	0	<b>0</b>
Changes in ownership interest without change in control	0	0	0	0	0	0	0	0	0	<b>0</b>
Other changes	0	0	-1	0	0	0	0	-1	0	<b>-1</b>
<b>Balance at June 30, 2015</b>	<b>138</b>	<b>760</b>	<b>652</b>	<b>0</b>	<b>-45</b>	<b>99</b>	<b>-97</b>	<b>1,507</b>	<b>-29</b>	<b>1,478</b>
<b>Balance at January 1, 2016</b>	<b>138</b>	<b>760</b>	<b>579</b>	<b>0</b>	<b>-2</b>	<b>79</b>	<b>-97</b>	<b>1,457</b>	<b>-39</b>	<b>1,418</b>
Earnings after taxes	0	0	-134	0	0	0	0	-134	-2	<b>-136</b>
Other comprehensive income after taxes	0	0	-58	-3	0	-47	0	-108	0	<b>-108</b>
<b>Total comprehensive income after taxes</b>	<b>0</b>	<b>0</b>	<b>-192</b>	<b>-3</b>	<b>0</b>	<b>-47</b>	<b>0</b>	<b>-242</b>	<b>-2</b>	<b>-244</b>
Dividends paid out	0	0	0	0	0	0	0	0	-3	<b>-3</b>
Employee share program	0	0	0	0	0	0	0	0	0	<b>0</b>
Changes in ownership interest without change in control	0	0	0	0	0	0	0	0	0	<b>0</b>
Other changes	0	0	-4	0	0	0	0	-4	0	<b>-4</b>
<b>Balance at June 30, 2016</b>	<b>138</b>	<b>760</b>	<b>383</b>	<b>-3</b>	<b>-2</b>	<b>32</b>	<b>-97</b>	<b>1,211</b>	<b>-44</b>	<b>1,167</b>

CONSOLIDATED STATEMENT OF CASH FLOWS € million	January 1 - June 30		April 1 - June 30	
	2016	2015	2016	2015
Earnings after taxes from continuing operations	-145	-467	-77	-440
Depreciation, amortization and impairments	60	71	37	41
Income from revaluation of equity investments	0	-30	0	-30
Increase / decrease in non-current provisions and liabilities	-2	0	0	1
Deferred tax expense / benefit	-3	48	-4	68
Adjustment for non-cash income from equity-method investments	2	-1	2	1
Other goodwill impairments	7	330	-7	330
<b>Cash earnings from continuing operations</b>	<b>-81</b>	<b>-49</b>	<b>-49</b>	<b>-29</b>
Increase / decrease in inventories	0	-4	5	-1
Increase in receivables	-75	-4	-166	-77
Increase / decrease in current provisions	-47	12	15	36
Increase / decrease in liabilities	-96	-55	38	39
<b>Change in working capital</b>	<b>-218</b>	<b>-51</b>	<b>-108</b>	<b>-3</b>
Gains / losses on disposals of non-current assets	14	-39	14	-37
<b>Cash flow from operating activities of continuing operations</b>	<b>-285</b>	<b>-139</b>	<b>-143</b>	<b>-69</b>
Proceeds from the disposal of property, plant and equipment	12	14	7	8
Proceeds from the disposal of subsidiaries net of cash and cash equivalents disposed of	178	86	-12	11
Proceeds from the disposal of other financial assets	0	50	0	48
Investments in property, plant and equipment and intangible assets	-29	-33	-17	-13
Acquisition of subsidiaries net of cash and cash equivalents acquired	-1	0	-1	0
Investments in other financial assets	-1	-1	0	0
<b>Cash flow from investing activities of continuing operations</b>	<b>159</b>	<b>116</b>	<b>-23</b>	<b>54</b>
Dividends paid to the shareholders of Bilfinger SE	0	-88	0	-88
Dividends paid to minority interest	-2	-2	-2	-2
Borrowing	1	90	0	91
Repayment of financial debt	-3	-3	1	2
<b>Cash flow from financing activities of continuing operations</b>	<b>-4</b>	<b>-3</b>	<b>-1</b>	<b>3</b>
<b>Change in cash and cash equivalents of continuing operations</b>	<b>-130</b>	<b>-26</b>	<b>-167</b>	<b>-12</b>
Cash flow from operating activities of discontinued operations	-100	-70	-28	4
Cash flow from investing activities of discontinued operations	-8	-31	-3	-14
Cash flow from financing activities of discontinued operations	-2	8	-2	3
<b>Change in cash and cash equivalents of discontinued operations</b>	<b>-110</b>	<b>-93</b>	<b>-33</b>	<b>-7</b>
Change in value of cash and cash equivalents due to changes in foreign exchange rates	-1	4	0	-4
Cash and cash equivalents at January 1 / April 1	475	403	433	308
Cash and cash equivalents classified as assets held for sale at January 1 / April 1 (+)	5	13	6	16
Cash and cash equivalents classified as assets held for sale at June 30 (-)	43	64	43	64
<b>Cash and cash equivalents at June 30</b>	<b>196</b>	<b>237</b>	<b>196</b>	<b>237</b>

## 1. Segment reporting

Segment reporting is prepared in accordance with IFRS 8. The reportable segments of the Bilfinger Group reflect the internal reporting structure. The definition of the segments is based on products and services.

The type and number of business segments and divisions has changed as compared to June 30, 2015. As of June 30, 2016, there are five divisions allocated to two business segments. The divisions of the former Building and Facility business segment are presented as discontinued operations or have been sold. Power was reclassified as continuing operations. The former divisions Engineering, Automation and Control and Industrial Fabrication have been combined to create the new Engineering Solutions division. The former Support Services division was formally dissolved and its companies were allocated to the Industrial Maintenance, Engineering Solutions and Insulation, Scaffolding and Painting divisions. The prior-year figures have been adjusted accordingly.

*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.

SEGMENT REPORTING JANUARY 1 - JUNE 30 € million	Output volume		External revenue		Internal revenue		EBITA		Amortization of intangible assets from acquisitions and goodwill impairment		EBIT	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	Industrial	1,622	1,782	1,596	1,757	33	31	45	48	-4	-7	41
Power	505	607	509	603	1	5	-17	-71	-2	-331	-19	-402
Consolidation / other	14	23	44	53	-34	-36	-146	-21	0	0	-146	-21
Continuing operations	2,141	2,412	2,149	2,413	0	0	-118	-44	-6	-338	-124	-382

SEGMENT REPORTING APRIL 1 - JUNE 30 € million	Output volume		External revenue		Internal revenue		EBITA		Amortization of intangible assets from acquisitions and goodwill impairment		EBIT	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	Industrial	834	947	823	933	15	17	31	39	-2	-3	29
Power	258	320	260	318	1	2	-11	-53	-2	-331	-12	-384
Consolidation / other	5	14	19	29	-16	-19	-84	-5	0	0	-85	-5
Continuing operations	1,097	1,281	1,102	1,280	0	0	-64	-19	-4	-334	-68	-353

## 2. Significant accounting policies

The interim consolidated financial statements as of June 30, 2016 have been prepared in accordance with the International Financial Reporting Standards (IFRSs) as they are to be applied in the EU, as were the consolidated financial statements for the year 2015, and comply with the requirements of IAS 34. They do not provide all of the information and disclosures included in complete consolidated financial statements and are therefore to be read in conjunction with the consolidated financial statements as of December 31, 2015. The accounting policies explained in the notes to the consolidated financial statements for the year 2015 have been applied unchanged.

### 3. Reclassification of the Power business segment as continuing operations

The Executive Board of Bilfinger SE has decided to reposition the selling process for Power, which began in mid-2015. Rather than continuing to focus on the sale of the whole business, individual sales will now be pursued. At the same time, individual areas will be further restructured and repositioned. As a result of this decision, the conditions for the presentation of the Power business segment as discontinued operations are no longer met. Accordingly, the Power business segment will once again be presented as continuing operations.

In the course of the reclassification, the items in the financial statements for the prior-year period will be adjusted in such a way as if the presentation as discontinued operations had never occurred (among other things, consideration of depreciation and amortization). In addition, impairment losses on non-current assets of €29 million, of which €14 million applies to financial year 2015, were recognized as a result of the valuation at the lower value of the carrying amount calculated under consideration of scheduled depreciation and amortization and the recoverable amount. In addition, goodwill of the business segment was tested for impairment; the test did not result in any need for impairment. In total, depreciation, amortization and impairments in the amount of €25 million were retroactively recognized for financial year 2015. This led to a reduction of earnings after taxes for financial year 2015 in the amount of €24 million, of which €3 million is allocated to minority interest. Further, this also resulted in an increase in currency translation reserve in the amount of €2 million. The carrying amounts of the assets and equity as of December 31, 2015 have been adjusted accordingly.

The comparative figures for previous periods presented in these interim consolidated financial statements have, as a result of the reclassification, been adapted as follows:

- Consolidated income statement and consolidated statement of comprehensive income: In contrast to the consolidated income statement published in the interim consolidated financial statements as of March 31, 2016, earnings for the first half-year and second quarter of 2016 presented in these interim consolidated financial statements include the retroactive depreciation and amortization on depreciable assets, which was suspended during the period of accounting as a disposal group. An adjustment to the comparative figures from the prior-year period was not necessary because the classification took place as of June 30, 2015. The comparative figures presented in the consolidated statement of comprehensive income are affected accordingly as a result of the impact on earnings after taxes.
- Consolidated balance sheet: In contrast to the consolidated balance sheet published in the consolidated financial statements for 2015, the individual items presented for the consolidated balance sheet as of December 31, 2015 in these interim consolidated financial statements also include the carrying amounts of the Power business segment rather than a combined presentation under *Assets classified as held for sale* and *Liabilities classified as held for sale*.
- Consolidated statement of changes in equity: In contrast to the consolidated statement of changes in equity published in the interim consolidated financial statements as of March 31, 2016, the consolidated equity as of January 1, 2016 presented in these interim consolidated financial statements considers the retroactively adjusted earnings after taxes from financial year 2015 as well as the resulting effects on the currency translation reserve.
- Consolidated statement of cash flows: In contrast to the consolidated statement of cash flows published in the interim consolidated financial statements as of March 31, 2016, the comparative figures for the consolidated statement of cash flows in these interim consolidated financial statements consider the effects from the changed values of the consolidated income statement and the consolidated balance sheet.

### 4. Acquisitions, disposals, discontinued operations

#### 4.1 Acquisitions

As was the case in the prior-year period, no acquisitions were made during the interim reporting period.

#### 4.2 Disposals

In the reporting period, the former Water Technologies division, the steel and mechanical engineering activities and portions of the Asia-Pacific activities from the Engineering Solutions division were sold and the sale of the Mauell Group was reversed.

The former Construction division was sold to the Swiss construction and construction services company Implenia in the prior-year period.

The overall effects of the sales were as follows:

<b>EFFECTS AT THE TIME OF SALE</b>		
€ million	<b>June 30, 2016</b>	June 30, 2015
Disposal of goodwill	-108	
Disposal of other non-current assets	-46	
Disposal of current assets	-115	
Disposal of cash and cash equivalents	-28	
Disposal of assets classified as held for sale	-160	-256
Disposal of assets	-457	-256
Disposal of non-current liabilities	13	
Disposal of current liabilities	66	
Disposal of liabilities classified as held for sale	102	205
Disposal of liabilities	181	205
<b>Disposal of net assets</b>	<b>-276</b>	<b>-51</b>
Disposal of intercompany receivables	-6	-88
Reclassification of other comprehensive income to the income statement	3	1
<b>Other changes</b>	<b>-3</b>	<b>-87</b>
Sale price less selling transaction expenses	260	218
<b>Capital gain / loss after selling transaction expenses</b>	<b>-19</b>	<b>80</b>
Impairment of assets	-13	
<b>Capital gain / loss including impairment</b>	<b>-32</b>	<b>80</b>

The capital gain / loss including impairment in the amount of -€16 million is reported in earnings from discontinued operations and in the amount of -€16 million in other operating expense. The latter had already been considered as of March 31, 2016 as impairment losses from the measurement of fair value less cost to sell, which was also presented in other operating expense.

#### 4.3 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,
- the disposed former Water Technologies division,
- the significant portions of the former Offshore Systems and Grids division put up for sale,
- the divisions Building, Facility Services and Real Estate from the former Building and Facility Services business segment put up for sale as well as
- abandoned construction activities.

The former Water Technologies division was sold to the Chinese company Chengdu Techcent Environment Group on March 31, 2016. It is retrospectively reported as discontinued operations.

On June 2, 2016, a contract for the sale of the Building, Facility Services and Real Estate divisions to EQT was signed. The transaction remains subject to approval from the responsible authorities. Accordingly, these divisions are presented as discontinued operations.

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.

Earnings from discontinued operations are comprised as follows:

€ million	January 1 - June 30		April 1 - June 30	
	2016	2015	2016	2015
Construction activities and Concessions	2	-4	3	-9
Building and Facility	26	24	21	18
Water Technologies	-18	3	0	3
<b>Earnings after taxes from discontinued operations</b>	<b>10</b>	<b>23</b>	<b>24</b>	<b>12</b>

Minority interests account for a proportionate loss of €0 million (previous year: €0 million) of earnings after taxes from discontinued operations.

All discontinued operations with the exception of Building and Facility and Water Technologies are reported together under *Construction activities and Concessions*.

#### 4.3.1 Construction activities and Concessions

€ million	January 1 - June 30		April 1 - June 30	
	2016	2015	2016	2015
Output volume (for information only)	92	167	36	64
Revenue	100	165	41	63
Expenses / income	-107	-259	-47	-66
Impairments / reversals	10	-3	10	-3
Capital gain on disposal	0	80	0	0
<b>EBIT</b>	<b>3</b>	<b>-17</b>	<b>4</b>	<b>-6</b>
Net interest result	0	0	0	0
<b>Earnings before taxes</b>	<b>3</b>	<b>-17</b>	<b>4</b>	<b>-6</b>
Income tax income / expense	-1	13	-1	-3
<b>Earnings after taxes</b>	<b>2</b>	<b>-4</b>	<b>3</b>	<b>-9</b>

### 4.3.2 Building and Facility

€ million	January 1 - June 30		April 1 - June 30	
	2016	2015	2016	2015
Output volume (for information only)	1,165	1,183	611	612
Revenue	1,162	1,167	611	603
Expenses / income	-1,127	-1,135	-585	-581
<b>EBIT</b>	<b>35</b>	<b>32</b>	<b>26</b>	<b>22</b>
Net interest result	-4	-4	-2	-2
<b>Earnings before taxes</b>	<b>31</b>	<b>28</b>	<b>24</b>	<b>20</b>
Income tax income / expense	-5	-4	-3	-2
<b>Earnings after taxes</b>	<b>26</b>	<b>24</b>	<b>21</b>	<b>18</b>

### 4.3.3 Water Technologies

€ million	January 1 - June 30		April 1 - June 30	
	2016	2015	2016	2015
Output volume (for information only)	53	135	0	72
Revenue	54	136	0	74
Expenses / income	-55	-130	0	-69
Capital loss including impairment	-16	0	0	0
<b>EBIT</b>	<b>-17</b>	<b>6</b>	<b>0</b>	<b>5</b>
Net interest result	-1	-1	0	-1
<b>Earnings before taxes</b>	<b>-18</b>	<b>5</b>	<b>0</b>	<b>4</b>
Income tax income / expense	0	-2	0	-1
<b>Earnings after taxes</b>	<b>-18</b>	<b>3</b>	<b>0</b>	<b>3</b>

Under consideration of an impairment loss, a capital loss in the amount of €16 million resulted from the sale of the former Water Technologies division.

## 5. Output volume

In order to present the Group's entire output volume in the interest of more complete information, we disclose our output volume in the consolidated income statement. In addition to revenue, it includes the proportion of output volume generated by consortia and amounts to €2,141 million (previous year: €2,412 million).

## 6. Depreciation, amortization and impairments

Amortization of €5 million was carried out on intangible assets from acquisitions (previous year: €8 million) and is included in cost of sales. Depreciation of property, plant and equipment and the amortization of other intangible assets amount to €54 million (previous year: €55 million). This includes impairment losses of €14 million (previous year: €7 million). In addition, impairment losses on financial assets in the amount of €1 million (previous year: €9 million) were recognized. In the prior-year period, an impairment loss in the amount of €330 million was recognized on the goodwill of the Power business segment.

An impairment loss of €6 million (previous year: €0 million) resulted from the measurement of the Asia-Pacific activities of the Engineering Solutions division, which have been put up for sale (see Note 11). This is recognized in other operating income and expense.

## 7. Net interest result

€ million	January 1 - June 30		April 1 - June 30	
	2016	2015	2016	2015
Interest income	3	3	1	1
Current interest expense	-10	-16	-4	-9
Net interest expense from retirement benefit liability	-3	-3	-1	-1
Interest expense	-13	-19	-5	-10
Interest expense for minority interest	-1	-1	-1	-1
Other financial expense	-1	-1	-1	-1
Total	-11	-17	-5	-10

## 8. Income tax

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 losses incurred at Bilfinger SE and its tax group companies, so that no deferred tax assets on tax-loss carryforwards were recognized as of June 30, 2016.

## 9. Intangible assets

€ million	June 30, 2016	Dec. 31, 2015
	Goodwill	820
Intangible assets from acquisitions	24	84
Other intangible assets	11	31
Total	855	1,693



In the Engineering Solutions division there are indications as of June 30, 2016 that the recoverable amount for the division had fallen as compared to December 31, 2015 due to the worsening of the earnings situation in the current financial year 2016 and the prospects for the following years (mainly as a result of the development in the USA due to the low price of oil). Therefore, in accordance with IAS 36, an indication-based impairment test of the goodwill allocated to this division was conducted using updated planning figures and current parameters. The recoverable amount was calculated as fair value less cost to sell. A comparison of the recoverable amount with the carrying amount of the Engineering Solutions division revealed no impairment need as of the balance-sheet date June 30, 2016. An increase in the discount rate by more than 0.5 percentage points or a decline in planned EBITA in the steady state by more than 10 percent would not have resulted in impairments.

## 10. Net liquidity

€ million	June 30, 2016	Dec. 31, 2015
Cash and cash equivalents	196	475
Financial debt, recourse – non-current	510	515
Financial debt, recourse – current	13	18
<b>Financial debt, recourse</b>	<b>523</b>	<b>533</b>
<b>Net liquidity</b>	<b>-327</b>	<b>-58</b>

## 11. Assets classified as held for sale, 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 divisions Building, Facility Services and Real Estate from the former Building and Facility Services business segment put up for sale,
- the significant portions of the former Offshore Systems and Grids division put up for sale,
- the shares of Julius Berger Nigeria plc (16.5 percent) that have been put up for sale,
- the Asia-Pacific activities of the Engineering Solutions division that have been put up for sale and which have not yet been transferred to the buyer as well as
- assets and liabilities, which have not yet been disposed of as part of the already completed sale of the former Water Technologies division.

Contracts for the sale of the Asia-Pacific activities of the Engineering Solutions division were concluded on March 8, 2016. The transaction was partially completed in the second quarter of 2016, the rest will follow in the second half of 2016. The activities were classified as a disposal group accordingly and were measured at fair value less cost to sell. Fair value was measured on the basis of the determined selling price. This resulted in an impairment loss of €6 million (see Note 6).

Assets and liabilities classified as held for sale are allocated to the disposal group *Building and Facility* and the other disposal groups as follows:

€ million	June 30, 2016	Dec. 31, 2015
Building and Facility	1,417	0
Other disposal groups	167	126
<b>Assets classified as held for sale</b>	<b>1,584</b>	<b>126</b>
Building and Facility	928	0
Other disposal groups	120	114
<b>Liabilities classified as held for sale</b>	<b>1,048</b>	<b>114</b>

Accumulated other comprehensive income after taxes of the disposal groups as of the balance sheet date amounts to minus €97 million (December 31, 2015: -€1 million; June 30, 2015: €48 million), of which €1 million (December 31, 2015: €0 million; June 31, 2015: €0 million) was attributable to minority interest.

#### 11.1 Building and Facility

The assets and liabilities classified as held for sale of the *Building and Facility* disposal group are comprised as follows:

€ million	June 30, 2016	Dec. 31, 2015
Goodwill	607	0
Other non-current assets	207	0
Current assets	564	0
Cash and cash equivalents	39	0
<b>Assets classified as held for sale</b>	<b>1,417</b>	<b>0</b>
Non-current liabilities	323	0
Current liabilities	605	0
<b>Liabilities classified as held for sale</b>	<b>928</b>	<b>0</b>

## 11.2 Other disposal groups

The assets and liabilities classified as held for sale of the other disposal groups are comprised as follows:

€ million	June 30, 2016	Dec. 31, 2015
Goodwill	0	0
Other non-current assets	115	98
Current assets	47	23
Cash and cash equivalents	5	5
<b>Assets classified as held for sale</b>	<b>167</b>	<b>126</b>
Non-current liabilities	10	7
Current liabilities	110	107
<b>Liabilities classified as held for sale</b>	<b>120</b>	<b>114</b>

## 12. Equity

The classification of equity and changes in equity are presented in the interim consolidated financial statements in the *Consolidated statement of changes in equity*.

Earnings after taxes (-€136 million) and transactions recognized directly in equity (-€115 million) led to a net decrease in equity of €251 million.

The transactions recognized directly in equity primarily comprise the negative effects of currency translation at €47 million and losses from the remeasurement of defined-benefit pension plans at €58 million, which resulted from adjustments of the discount rate. The fair-value measurement of the securities resulted in losses of €3 million.

The company holds 1,824,383 treasury shares, equivalent to 3.96 percent of current voting rights. No cancellation of the treasury shares is currently intended.

## 13. Provisions for pensions and similar obligations

The decrease in provisions for pensions and similar obligations of €217 million to €296 million is mainly the result of the following: The obligations declined due to the presentation of the Building and Facility business segment as discontinued operations by €212 million, due to the reversal of the acquisition of the Mauell Group by €36 million and due to the sale of the Water Technologies division by €5 million. As a result of adjustments to the discount rate as of June 30, 2016 due to the lower interest rates – euro countries: 2.25 percent to 1.3 percent and Switzerland 0.9 percent to 0.2 percent – the obligations increased by €40 million. The remeasurement losses resulting from the adjustments to the discount rate are recognized in equity.

## 14. Additional information on financial instruments

The methods for the measurement of fair value remain fundamentally unchanged from December 31, 2015. Further explanations on the measurement methods can be found in the Annual Report 2015.

The fair values of financial assets and financial liabilities reflect for the most part the carrying amounts as of the balance-sheet date.

### 15. Related-party disclosures

Most of the transactions between fully consolidated companies of the Group and related companies or persons involve associated companies and joint ventures.

### 16. Contingent liabilities

Contingent liabilities of €79 million (December 31, 2015: €47 million) generally relate to guarantees provided for former Group companies that were sold and companies in which Bilfinger holds a minority interest. There are collaterals of buyers of the former Group companies in the amount of €55 million. 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, arbitral, 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.

### 17. Events after the balance-sheet date

At the end of July, the contract for the sale of activities related to the installation of offshore foundations was signed, completion of the transaction is expected to follow in the second half of 2016. In addition, the sale of the Polish production facilities for steel foundations was completed at the beginning of August 2016.

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group 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 in the remaining months of the financial year.

Mannheim, August 8, 2016

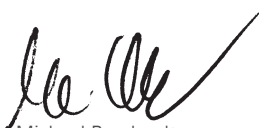
Bilfinger SE  
The Executive Board



Thomas Blades



Axel Salzmann



Michael Bernhardt



Dr. Jochen Keysberg

## Disclaimer

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All statements made in this report that relate to the future have been made in good faith and based on the best knowledge available. However, as those statements also depend on factors beyond our control, actual developments may differ from our forecasts.

# Review Report

We have reviewed the interim condensed consolidated financial statements, comprising the income statement, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes, and the interim group management report of Bilfinger SE, Mannheim, for the period from 1 January to 30 June 2016, which are part of the six-monthly financial report pursuant to Sec. 37w WpHG [“Wertpapierhandelsgesetz”: German Securities Trading Act]. The preparation of the interim condensed consolidated financial statements in accordance with IFRSs [International Financial Reporting Standards] on interim financial reporting as adopted by the EU and of the group management report in accordance with the requirements of the WpHG applicable to interim group management reports is the responsibility of the Company’s management. Our responsibility is to issue a report on the interim condensed consolidated financial statements and the interim group management report based on our review.

We conducted our review of the interim condensed consolidated financial statements and the interim group management report in accordance with German generally accepted standards for the review 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 review to obtain a certain level of assurance in our critical appraisal to preclude that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU and that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports. A review is limited primarily to making inquiries of company personnel and applying analytical procedures and thus does not provide the assurance that we would obtain from an audit of financial statements. In accordance with our engagement, we have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU or that the interim group management report is not prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

Mannheim, August 8, 2016

Ernst & Young GmbH  
Wirtschaftsprüfungsgesellschaft

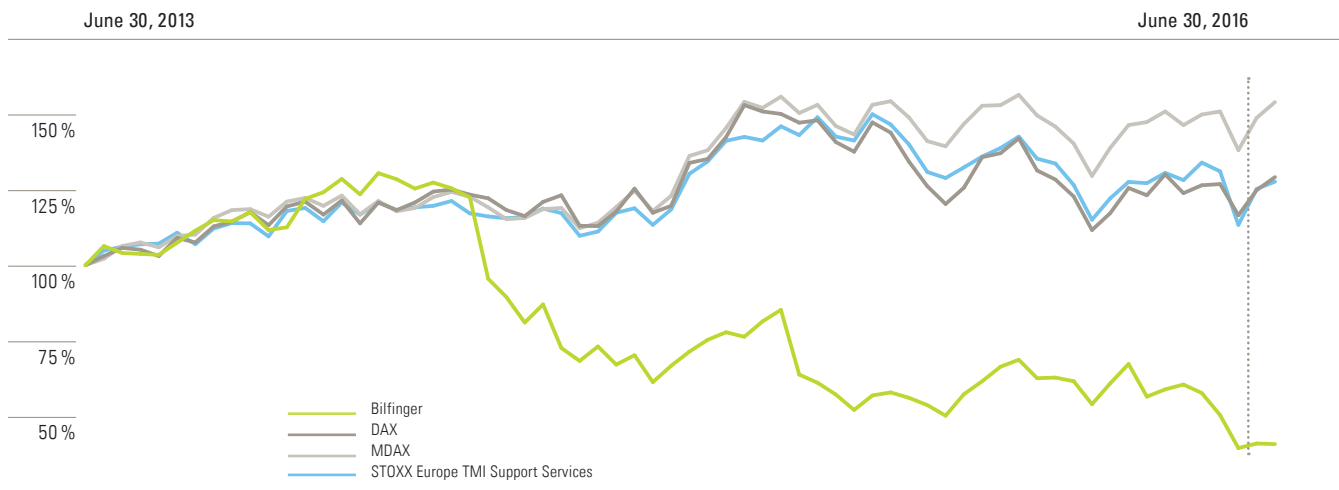


Mathieu Meyer  
Wirtschaftsprüfer  
[German Public Auditor]

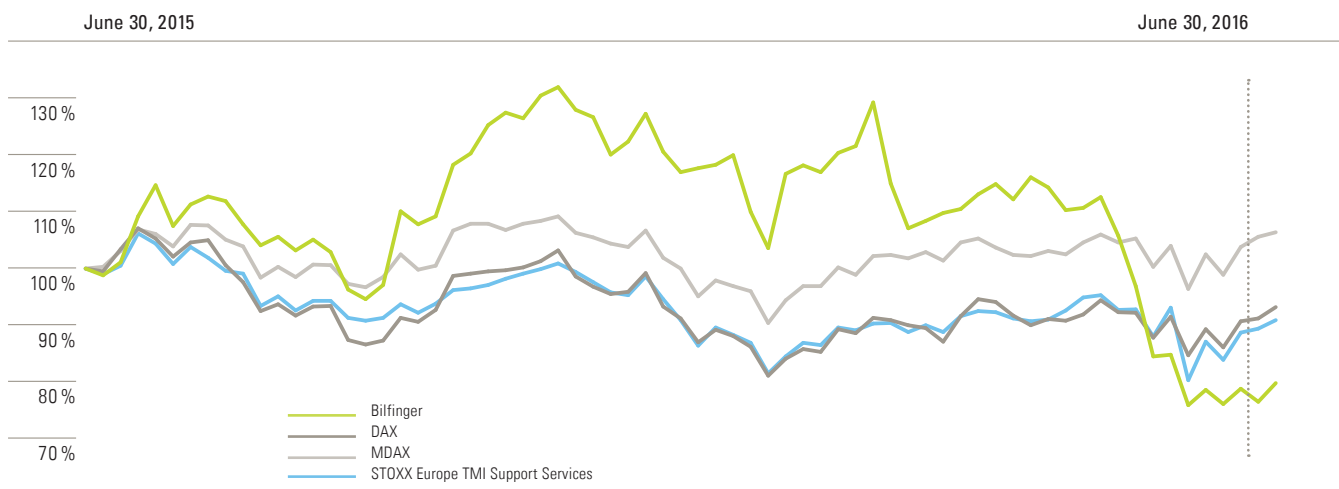


Karen Somes  
Wirtschaftsprüferin  
[German Public Auditor]

## RELATIVE PERFORMANCE OF OUR SHARES: 3 YEARS



## RELATIVE PERFORMANCE OF OUR SHARES: 1 YEAR



### BASIC SHARE INFORMATION

ISIN / stock exchange symbol	DE0005909006 / GBF
WKN	590 900
Main listing	XETRA / Frankfurt
Deutsche Börse segment	Prime Standard
Share indices	MDAX, DAXsubsector Industrial Products & Services Idx., STOXX Europe 600, Euro STOXX, Euro STOXX Low Carbon, STOXX EUROPE TMI Support Services

### KEY FIGURES ON OUR SHARES

€ per share

**Q2 2016**

Highest price	41.00
Lowest price	25.05
Closing price <sup>1</sup>	26.34
Book value <sup>2</sup>	27.40
Market value / book value <sup>1,2</sup>	1.0
Market capitalization in € million <sup>1,3</sup>	1,212
MDAX weighting <sup>1</sup>	0.55%
Number of shares <sup>1,3</sup>	46,024,127
Average daily trading volume in number of shares (XETRA)	259,577

All price details refer to XETRA trading

1) Based on June 30, 2016

2) Balance sheet shareholder's equity excluding minority interest

3) Including treasury shares

# Financial calendar

November 10, 2016

Interim Report Q3 2016

February 14, 2017

Preliminary report on the 2016 financial year

March 15, 2017

Press conference on financial statements

May 15, 2017

Interim Report Q1 2017

May 24, 2017

Annual General Meeting

August 14, 2017

Interim Report Q2 2017

November 14, 2017

Interim Report Q3 2017

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Date of publication

August 10, 2016

