

# INTERIM REPORT

Q3 2013



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# Interim group management report

## Bilfinger details outlook for 2013

Increased earnings in the third quarter

Important steps initiated to increase competitiveness

Concessions: sales negotiations at an advanced stage

Divestment of loss-making road construction in Germany

KEY FIGURES FOR THE GROUP € million	9M			Q3			FY 2012
	2013	2012	Δ in %	2013	2012	Δ in %	
Output volume	6,235	6,289	-1	2,206	2,192	1	8,586
Orders received	6,095	6,037	1	2,072	1,881	10	8,304
Order backlog	7,291	7,363	-1	7,291	7,363	-1	7,388
EBITA adjusted <sup>1,2</sup>	253	268	-6	107	104	3	378
EBITA	241	313	-23	95	104	-9	423
Adjusted net profit from continuing operations <sup>3</sup>	151	169	-11	70	66	6	231
Net profit <sup>4</sup>	116	219	-47	48	57	-16	276
Adjusted earnings per share from continuing operations <sup>2</sup> (in €)	3.42	3.83	-11	1.58	1.50	5	5.23
Investments	248	438	-43	69	198	-65	521
thereof in P, P & E	111	88	26	35	35	0	143
thereof in financial assets	137	350	-61	34	163	-79	378
Number of employees	71,912	66,855	8	71,912	66,855	8	66,683

<sup>1</sup> Adjusted in 2013 for one-time expenses in connection with the Bilfinger Excellence efficiency-enhancing program as well as for charges from the sale of our road construction activities in Germany totaling €12 million before taxes and €9 million after taxes.

<sup>2</sup> Adjusted in 2012 for contributions to earnings from the sale of shares in the Nigerian business (Q3 2012: €0 million; 9M 2012 and FY 2012: €45 million before taxes and €37 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 (Q3 2013: €9 million after taxes (Q3 2012: €10 million after taxes); 9M 2013: €26 million (9M 2012: €24 million); FY 2012: €35 million after taxes).

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

### Improved economic environment

The economic situation in major industrialized countries such as the United States, Japan and the United Kingdom has improved significantly in recent months. The renewed compromise in the US budget dispute averted any immediate threats for the US and world economy. Somewhat moderate development is to be seen in most of the emerging economies, while China is returning to high growth rates. In the euro zone, indicators point to an end of the recession in crisis countries. Germany's domestic economy is profiting from strong growth in both consumer spending and investment.

### Positive development in the third quarter

Output volume, orders received and order backlog had caught up with the prior-year levels by the end of the third quarter, while adjusted EBITA for the third quarter was higher than in the same period of last year.

However, considerable efforts will continue to be necessary in the fourth quarter in order to achieve the goals that have been set for 2013. In view of the positive tendencies in our business development, we continue to assume that we will increase our adjusted earnings compared with the previous year. This will be supported by the initiatives we have implemented to increase our gross margin and to reduce overheads.

### Important steps initiated to increase competitiveness

We have initiated an efficiency-enhancing program (*Bilfinger Excellence*) to help us fundamentally optimize our structures and processes in the areas of sales and general administration and thus to secure our competitiveness over the long term. For this purpose, Bilfinger will discontinue its existing subgroup structure: The non-operational subgroup holding companies will be merged into Bilfinger SE as of January 1, 2014 and operational management will be conducted by 14 divisions within Bilfinger SE. The structure within our business segments will remain largely unchanged.

The newly formed divisions are oriented toward client groups and clearly focused on their operational activities. This creates an even greater level of client proximity. Administrative functions currently located at Group headquarters and in the subgroups will be streamlined and merged. By taking these measures, we will avoid duplicate work and harmonize the heterogeneous structures which had arisen in recent years in connection with our extensive acquisitional activities. This means that the Group will become leaner and more efficient.

In addition to enhanced efficiency in our business operations, the optimized structures will also be reflected by significantly reduced selling and administrative expenses. This will lead to a reduction of approximately 1,250 administrative employees worldwide over the next two years. The complete implementation of these actions will yield annual reductions in personnel costs of €80-90 million and reduce non-personnel costs by an amount in the low to middle double-digit million range.

### Negotiations on the sale of the concessions projects at an advanced stage

The Concessions segment's joint business opportunities with other units of the Bilfinger Group have decreased significantly. As previously reported, Bilfinger has therefore decided to divest these activities.

Negotiations with BBGI, an infrastructure fund listed on the London Stock Exchange, for the takeover of the project portfolio available for sale are at an advanced stage. BBGI is planning a capital increase to finance the transaction. According to current assessments and depending on the approval of the parties involved, several projects can be transferred to the buyer in the current year and the remaining portfolio can be transferred in 2014. As previously reported, two Canadian projects have already been sold to BBGI and the transaction will probably take effect in the fourth quarter of 2013. In total, we anticipate gross sale proceeds in the magnitude of €270 million from the two transactions with BBGI; the capital gain will be in excess of €50 million. Transaction costs and expenses for winding-up the discontinued operations amount to more than €10 million according to current estimates.

We still have the M6 Duna and M6 Tolna highways in Hungary and the A1 autobahn in Germany in our portfolio. In light of the development of traffic volumes, the A1 autobahn project is currently under review.

The key figures of the available-for-sale activities of the former Concessions segment are no longer presented in our business segments, but under *discontinued operations*. All of the figures presented in this interim group management report relate to the Bilfinger Group's continuing operations, unless otherwise stated.

#### Divestment of loss-making road construction in Germany

In addition to the aforementioned transactions, a contract has been signed on the sale of Bilfinger's road construction activities in Germany. Bilfinger Infrastructure GmbH is to be acquired by Betam GmbH in Frankfurt am Main. One reason is that the company's competitiveness is limited in the German market for road improvements and repairs, which is dominated by small and medium-sized enterprises. As a result, the Construction business segment has recognized a loss of €15 million in relation to Bilfinger Infrastructure GmbH as of September 30, 2013. The sale leads to an expense of €5 million, which is presented as a special item under adjusted EBITA. Bilfinger Infrastructure GmbH employs approximately 240 people and has generated annual output volume of approximately €100 million in recent years.

#### Changes in the Executive Board

The Supervisory Board of Bilfinger SE appointed Pieter Koolen to succeed Thomas Töpfer as member of the Executive Board with effect from September 19, 2013. Pieter Koolen was previously Managing Director of Tebodin, a The Hague-based company specializing in consulting and engineering that Bilfinger acquired in early 2012.

#### Output volume, orders received and order backlog reach prior-year levels

The shortfalls for output volume, orders received and order backlog that occurred in the first quarter had been largely offset by the end of September and key figures reached the levels of the prior-year period. Output volume amounted to €6,235 million. In an economic situation that continued to be challenging, orders received increased slightly to €6,095 million. Order backlog at the end of the third quarter amounted to €7,291 million.

#### Positive earnings trend during the course of the year

Adjusted EBITA of €253 million for the first nine months of the year was lower than the €268 million achieved in the prior-year period; but with an ongoing positive trend, it increased to €107 million in the third quarter (Q3 2012: €104 million). This was particularly the case for the Industrial business segment, in which both output volume and earnings also grew organically in the third quarter. In the Power business segment, output volume and earnings decreased slightly in the first nine months while the profit margin remained constant. The decrease in EBITA at the Building and Facility business segment is due solely to the deconsolidation of the Nigerian activities. On a comparative basis, earnings actually increased. In the Construction business segment, the situation in the field of infrastructure had a substantially negative impact on earnings. Please refer to the section on the Construction segment for further details. As of this year, the adjusted EBITA shown under *Consolidation, other* includes not only the costs of headquarters but also the equity-method earnings in the amount of €12 million from our investment in Julius Berger Nigeria, as well as the contributions to earnings from three concession projects that are not presented under *discontinued operations*. Taking consideration of the first one-time effects in connection with our Bilfinger Excellence efficiency-enhancing program and charges relating to the sale of our German road construction activities totaling €12 million, EBITA amounts to €241 million. In the prior-year period, additional contributions to earnings of €45 million from the reduction of our interest in the Nigerian business led to total EBITA of €313 million.

After deducting amortization of intangible assets from acquisitions of €38 million (9M 2012: €35 million), EBIT of €203 million remains (9M 2012: €278 million). With an unchanged gross margin of 12.8 percent, gross profit of €799 million is at the prior-year level (9M 2012: €808 million). Selling and administrative expenses amount to €632 million (9M 2012: €611 million), equivalent to 10.1 percent of output volume (9M 2012: 9.7 percent).

Net interest expense increased to €31 million (9M 2012: €20 million). Interest income fell due to lower levels of interest rates on investments, while interest expenses increased due to the issue of a corporate bond at the end of last year. As a result, earnings before taxes of continuing operations for the period amount to €172 million (9M 2012: €258 million) and earnings after taxes amount to €119 million (9M 2012: €181 million). The effective tax rate is 31 percent (9M 2012: adjusted for tax-free capital gains: 32 percent).

The discontinued operations of the former Concessions business segment broke even. In the prior year, this resulted in an additional contribution of €37 million after taxes, in particular from the sale of concession projects.

After deducting profit attributable to minority interest, net profit amounts to €116 million (9M 2012: €219 million). Net profit from continuing operations adjusted for amortization of intangible assets from acquisitions and for the special items described above amounts to €151 million (9M 2012: €169 million); adjusted earnings per share from continuing operations amount to €3.42 (9M 2012: €3.83).

### **Sound capital structure continues to offer considerable scope for investment**

The net cash outflow from operating activities of €139 million (9M 2012: €154 million) was affected by the increase in working capital during the year, which is typical of our business. Working capital continued to be significantly negative but at the lower level of minus €203 million (end of 2012: minus €587 million). This development reflects an increase in inventories and receivables accompanied by a reduction in payables.

Investing activities resulted in a net cash outflow of €235 million (9M 2012: €388 million), of which €137 million is accounted for by corporate acquisitions and other financial assets (9M 2012: €350 million). Investments in property, plant and equipment totaled €111 million (9M 2012: €88 million) while proceeds from disposals amounted to €8 million (9M 2012: €9 million). The disposal of subsidiaries and other financial assets resulted in a cash inflow of €5 million (9M 2012: €41 million).

The net cash outflow from financing activities of €305 million (9M 2012: €166 million) primarily reflects the dividend payment for the previous year of €132 million and the repayment of a promissory-note loan of €166 million.

Discontinued operations resulted in a net cash outflow of €31 million. In the prior-year period, proceeds from the disposal of concession projects resulted in a cash inflow of €79 million.

Cash and cash equivalents amounted to €342 million at the end of September (end of September 2012: €291 million). Financial debt – excluding project credit on a non-recourse basis, for which Bilfinger is not liable – amounted to €535 million (end of September 2012: €198 million). Net liquidity at the interim balance sheet date was minus €193 million (September 30, 2012: plus €93 million).

Available liquidity and the financing potential on the basis of a sound capital structure continue to offer considerable scope for investment in the expansion of our engineering and services activities.

Total assets decreased to €6,517 million (end of 2012: €6,850 million) while equity amounted to €2,043 million (end of 2012: €2,037 million). The equity ratio increased slightly to 31 percent.

### Workforce growth

At the end of the third quarter, 71,912 people were employed by the Bilfinger Group (end of September 2012: 66,855). This increase is primarily due to the start of major maintenance projects for industrial clients in the United States and the conclusion of new building-service contracts in Germany.

The number of people employed rose to 26,082 in Germany (end of September 2012: 23,542) and to 45,830 abroad (end of September 2012: 43,313). The number of employees outside Europe was 14,555 (end of September 2012: 11,856).

### Opportunities and risks

No significant changes have occurred with regard to opportunities and risks compared with the situation as described on pages 94ff of the 2012 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.

Our company has continued to develop according to plan since the interim balance sheet date. No events have occurred that are of particular significance for the Group's profitability, cash flows or financial position; our business and economic environment has not changed significantly.

### Detailed outlook for 2013

The assessment of the economic situation gives cause for cautious optimism. In their latest joint analysis, the economic-research institutes forecast growth for Germany of only 0.4 percent this year, but with significant acceleration towards the end of the year and in 2014. The euro zone is likely to find its way out of recession and China stands out favorably amongst the emerging economies with acceleration of economic growth. But despite the temporary agreement between the political parties, the US budget conflict is still a serious risk factor for global economic development.

Our earnings forecast relates to adjusted EBITA and adjusted net profit from continuing operations. This serves to enable comparability over time.

Despite the significant volume reduction in the Construction business segment and the effect of the deconsolidation of our Nigerian business in the Building and Facility segment, we anticipate stable output volume of close to €8.6 billion in full-year 2013. This development is also based on the acquisitions that have already taken place.

Adjusted EBITA will increase this year to approximately €400 million (FY 2012: €378 million). For adjusted net profit from continuing operations, we plan to achieve an increase to more than €240 million (FY 2012: €231 million). In a market environment that continues to feature investment restraint and price pressure, especially in the Industrial and the Building and Facility segments, we intend to achieve this earnings growth through the planned increase in output volume in the area of services as well as through continuous measures taken throughout the Group to enhance efficiency and optimize costs.

For Bilfinger, a sustainable dividend policy is an important value and will remain so in the future. Our general target is a distribution ratio of approximately 50 percent of the Group's net profit, adjusted for any special items if necessary.

## Developments in the business segments

### OVERVIEW OF OUTPUT VOLUME AND ORDER SITUATION

€ million

	Output volume		Orders received		Order backlog		Output volume
	9M 2013	Δ in %	9M 2013	Δ in %	9M 2013	Δ in %	FY 2012
Industrial	2,935	8	3,084	9	2,825	0	3,705
Power	916	-2	881	6	1,283	-6	1,319
Building and Facility	1,664	1	1,649	-1	2,224	16	2,249
Construction	786	-25	544	-31	983	-23	1,404
Consolidation / other	-66		-63		-24		-91
Continuing operations	6,235	-1	6,095	1	7,291	-1	8,586

### OVERVIEW OF OUTPUT VOLUME AND ORDER SITUATION

€ million

	Output volume		Orders received	
	Q3 2013	Δ in %	Q3 2013	Δ in %
Industrial	1,030	5	984	0
Power	314	-13	370	62
Building and Facility	607	16	523	7
Construction	278	-20	214	5
Consolidation / other	-23		-19	
Continuing operations	2,206	1	2,072	10

### ADJUSTED EBITA BY BUSINESS SEGMENT

€ million

	9M January-September			Q3			FY 2012
	2013	2012	Δ in %	2013	2012	Δ in %	
Industrial	158	148	7	68	56	21	206
Power	83	85	-2	30	34	-12	123
Building and Facility	65	69	-6	33	28	18	106
Construction	-6	18		-6	6		25
Consolidation / other	-47	-52		-18	-20		-82
Continuing operations	253	268	-6	107	104	3	378



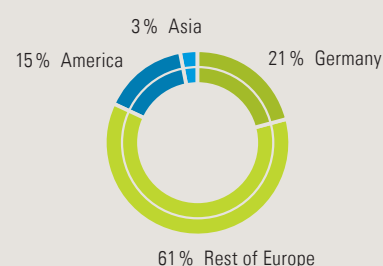
Growth in output volume and orders received

EBITA significantly above prior-year level

Strong business impetus from the United States

KEY FIGURES € million	9M January-September			Q3			FY 2012
	2013	2012	Δ in %	2013	2012	Δ in %	
Output volume	2,935	2,718	8	1,030	981	5	3,705
Orders received	3,084	2,821	9	984	987	0	3,737
Order backlog	2,825	2,831	0	2,825	2,831	0	2,733
Capital expenditure on P, P & E	51	48	6	18	16	13	77
EBITA / EBITA adjusted	158	148	7	68	56	21	206

TARGET OUTPUT VOLUME BY REGION IN 2013



### Performance

In the Industrial business segment, the positive trend that had already started in the second quarter became stronger. Output volume and orders received increased while the order backlog is at an unchanged sound level. EBITA of €158 million for the first nine months of the year was significantly higher than in the prior-year period (9M 2012: €148 million). In addition to the newly acquired companies, the consistent implementation of cost-reducing measures was an important factor behind the increased earnings in a continually difficult market environment.

### Outlook

For full-year 2013, we anticipate renewed growth in output volume to approximately €4.0 billion (FY 2012: €3.7 billion) and – despite the challenging economic environment – an EBITA margin that should at least remain stable.

### Major events

North America has made an important contribution to the positive development of the Industrial business segment. The US energy policy is resulting in the implementation of numerous investment projects in the oil and gas industry. In the Middle and Far East, we are faced with ongoing strong investment activity by international clients, which we support with consulting and engineering services. The business situation in the European markets is generally stable. A number of projects for the inspection of large-scale technical production plants are leading to good capacity utilization in this region in the second half of 2013. There is also positive impetus in the offshore business in the United Kingdom and in the process industry in the Benelux countries.

In the United States, we have received an order for project management and complete installation work at the new gas-processing plants in Garden Creek, North Dakota, and Harrison Hub, Ohio, with a total volume of more than €120 million. In addition, we have been entrusted with several projects in a total volume of €20 million to expand the infrastructure for the transport and storage of shale oil and gas from the Eagle Ford Field in the state of Texas.

In the European oil and gas business, we have extended for two years a framework agreement worth over €10 million for insulation, scaffolding and corrosion protection at the BP refinery at Europoort in Rotterdam. Another new framework agreement for such work with Tata Steel for the IJmuiden steel plant in the Netherlands runs for a term of five years and has a total volume of approximately €40 million.

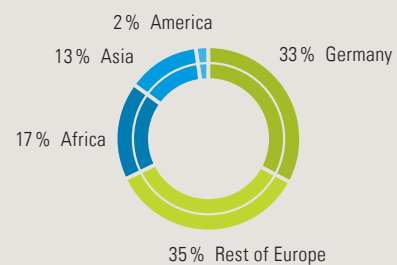
Return to growth in orders received

EBITA margin remains at a high level

Good capacity utilization due to modernization projects in Eastern Europe

KEY FIGURES € million	9M January-September			Q3			FY 2012
	2013	2012	Δ in %	2013	2012	Δ in %	
Output volume	916	937	-2	314	362	-13	1,319
Orders received	881	828	6	370	228	62	1,178
Order backlog	1,283	1,361	-6	1,283	1,361	-6	1,311
Capital expenditure on P, P & E	17	11	55	4	5	-20	20
EBITA / EBITA adjusted	83	85	-2	30	34	-12	123

TARGET OUTPUT VOLUME BY REGION IN 2013



### Performance

The output volume of the Power business segment was slightly lower than in the prior-year period. This is due to the planned lower volume for the Belchatov power plant in Poland, a long-term project which will expand significantly in the coming year. EBITA for the first nine months of 2013 amounted to €83 million with an unchanged margin (9M 2012: €85 million).

### Outlook

As a result of the acquisitions made so far, we plan to achieve a stable output volume of approximately €1.3 billion. The EBITA margin is expected to be above the previous year level.

### Major events

In Germany, electricity suppliers are still unwilling to invest in conventional power plants due to uncertainty about the country's future energy policy. It is to be hoped, however, that in connection with the coalition government now being formed, new key aspects of the energy transformation will be agreed upon to give Germany's power-plant operators more investment security.

We are conducting exclusive negotiations with EnBW, an energy company, on a strategic partnership for waste management with the upcoming dismantling of the Neckarwestheim and Philippsburg nuclear power plants. The longstanding cooperation between Bilfinger and EnBW has shown that the two companies' competencies complement each other very well: While EnBW has great experience with the operation and dismantling of nuclear power plants, Bilfinger has comprehensive expertise with nuclear installations and in dealing with the technical infrastructure required for the dismantling.

Outside Germany, demand for our power-plant services is as high as ever. In Poland, after receiving an order in July to renew another boiler at the Belchatov power plant, we have now been commissioned to supply three flue-gas desulfurization systems for the Turow power plant in Bogatynia. We are equipping the blocks operating on lignite and biomass with ultramodern desulfurization technology. The new plants are to go into operation in late 2015 and the total value of the order is approximately €120 million.

To increase our ability to offer longer-term repair and maintenance services for power plants in Poland in the future, we have acquired ELWO, a company specializing in providing local services for desulfurization equipment. ELWO employs approximately 180 people and its expertise and machinery make it a perfect fit in our services portfolio.

The European Center for Nuclear Research (CERN) is continuing its longstanding cooperation with Bilfinger. Our engineers and CERN experts will jointly develop and produce superconducting prototype magnets using the new niobium-tin technology for the next upgrade of the LHC particle accelerator in Geneva. With the new material combination, the strength of the magnetic field is to be increased by more than 30 percent. Our specialists have been working for CERN since 1990 and have produced more than 400 dipole magnets worth more than €90 million during that time.

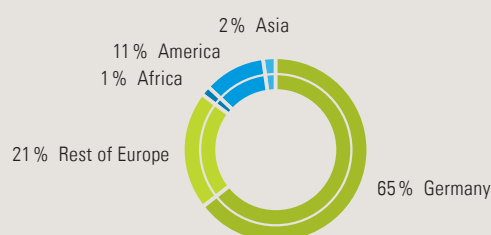
## Ongoing positive development

All key figures grow on a comparative basis

Rising demand for trans-national service offerings

KEY FIGURES € million	9M January-September			Q3			FY 2012
	2013	2012	Δ in %	2013	2012	Δ in %	
Output volume	1,664	1,651	1	607	522	16	2,249
Orders received	1,649	1,657	-1	523	490	7	2,373
Order backlog	2,224	1,923	16	2,224	1,923	16	2,147
Capital expenditure on P, P & E	13	9	44	5	4	25	14
EBITA / EBITA adjusted	65	69	-6	33	28	18	106

## TARGET OUTPUT VOLUME BY REGION IN 2013



## Performance

The positive development of the Building and Facility business segment has continued. Adjusted for the deconsolidation of the Nigerian business in mid-2012, output volume, orders received, order backlog and earnings all increased significantly compared with the prior-year period. EBITA for the first nine months amounted to €65 million (9M 2012: €69 million).

## Outlook

The segment's output volume and earnings are affected by the deconsolidation of the engineering and services activities of Bilfinger Nigeria GmbH in mid-2012. Nonetheless, due to the acquisitions that have taken place, output volume will increase slightly in 2013 to almost €2.3 billion (2012: €2.25 billion). Another factor to be considered is that the equity-method earnings of Julius Berger Nigeria Plc are no longer reported in this segment as of the year 2013, but under *Consolidation / other*. Overall, we plan to achieve an EBITA margin in 2013 at the level of the prior year.

## Major events

In the German-speaking countries, demand is rising for technical facility services and systems for the management of buildings' energy efficiency. Advisory services for construction-related facility management are also meeting with growing interest in the market.

We are pushing forward with the expansion of business with our major clients. Above all with internationally active key accounts, there is a growing need for cross-border services in order to optimize or even eliminate costly interfaces.

In Istanbul, Turkey's biggest metropolis, we have been commissioned with the management of the retail units of a planned shopping center, (Metropol Istanbul). By 2016, a 400-meter-long shopping mall will be created with 120,000 square meters of floor space and 350 retail units, for which we will take over the letting and center management on the basis of a comprehensive analysis of the market and the surrounding area. Furthermore, we have been commissioned with the coordination of facility management for all of the retail units. In Germany, we are in charge of the fund and real-estate management of the closed-end investment fund of HCI Capital AG with a total of 48 office and logistics units in the Netherlands, Austria and Switzerland.

North America and Eastern Europe continue to be the most important sales markets for our Water Technologies business unit. We are faced with a good demand situation in those regions. We are also experiencing increasing demand from Asia, South America and the Middle East.

In the area of building construction, we have received orders to construct a residential and office building in Neu-Ulm and a residential complex in Wiesbaden with a total volume of approximately €50 million.

## Construction

### Realignment of activities in Poland

### Divestment of loss-making road construction in Germany

### Positive EBITA planned for the full year

KEY FIGURES € million	9M January-September			Q3			FY 2012
	2013	2012	Δ in %	2013	2012	Δ in %	
Output volume	786	1,043	-25	278	350	-20	1,404
Orders received	544	788	-31	214	203	5	1,099
Order backlog	983	1,275	-23	983	1,275	-23	1,224
Capital expenditure on P, P & E	24	19	41	4	9	-56	29
EBITA / EBITA adjusted	-6	18		-6	6		25

### TARGET OUTPUT VOLUME BY REGION IN 2013



### Performance

Output volume, orders received and order backlog are generally decreasing in the Construction business segment, whereby the situation differs within the segment.

Our Bilfinger Construction unit, which is focused on projects in the areas of energy and mobility, has developed positively. This unit made a positive contribution to earnings, while the Infrastructure unit, which includes our road construction activities, made a loss. Against this backdrop, we are divesting this business in Germany and the activities in Poland have been realigned. The business segment's overall EBITA amounted to minus €6 million (9M 2012: plus €18 million).

### Outlook

In full-year 2013, output volume will decrease significantly to just under €1.1 billion (FY 2012: €1.4 billion). The loss posted by road construction in Germany and this year's breakeven of the Polish infrastructure unit will lead to a drop in the EBITA margin to about 1 percent, despite the good margins in the other Construction units.

### Major events

We are focusing our civil-engineering business on European markets with manageable competitive situations. That includes Sweden and Norway, as those countries continue to invest substantially in the expansion of their infrastructures. We continue to see good prospects in foundations for offshore wind turbines in the North Sea and the Baltic Sea, especially in the Scandinavian countries and the United Kingdom.

We signed a contract on the sale of road construction activities in Germany. Bilfinger Infrastructure GmbH is to be acquired by Betam GmbH in Frankfurt am Main. The reason for the sale is that the company's competitiveness is limited in the German market for road improvements and repairs, which is dominated by small and medium-sized enterprises. As a result, the unit has recognized a loss of €15 million as of September 30, 2013. The sale leads to an additional expense of €5 million, which is presented as a special item under adjusted EBITA. Bilfinger Infrastructure GmbH employs approximately 240 people and has generated annual output volume of approximately €100 million in recent years.

We have realigned our activities in Poland with a focus on a broader client base. For this reason and in view of the favorably developing order backlog, we anticipate a positive development in 2014.

## Discontinued operations: Concessions

### KEY FIGURES

€ million

	9/2013
Projects	13
thereof under construction	6
Committed equity	170
thereof paid-in	85

Due to the declining strategic role of the Concessions business segment, Bilfinger has decided to divest these activities. Negotiations with BBGI, an infrastructure fund listed on the London Stock Exchange, for the takeover of the project portfolio available for sale are at an advanced stage. BBGI is planning a capital increase to finance the transaction. According to current assessments and depending on the approval of the parties involved, several projects can be transferred to the buyer in the current year and the remaining portfolio can be transferred in 2014. The project-development activities will be discontinued and the asset-management units will be taken over within the Group by the Real Estate division as of January 1, 2014. As previously reported, two Canadian projects have already been sold to BBGI and the transaction will probably take effect in the fourth quarter of 2013. In total, we anticipate gross sale proceeds in the magnitude of €270 million from the two transactions with BBGI; the capital gain will be in excess of €50 million. Transaction costs and expenses for winding-up the discontinued operations amount to more than €10 million according to current estimates.

We still have the M6 Duna and M6 Tolna highways in Hungary and the A1 in Germany in our portfolio. In light of the development of traffic volumes, the A1 autobahn project is currently under review.

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# Interim consolidated financial statements

CONSOLIDATED INCOME STATEMENT € million	January 1 - September 30		July 1 - September 30	
	2013	2012	2013	2012
Output volume (for information only)	6,235	6,289	2,206	2,192
<b>Revenue</b>	<b>6,172</b>	<b>6,108</b>	<b>2,182</b>	<b>2,143</b>
Cost of sales	-5,373	-5,300	-1,875	-1,853
<b>Gross profit</b>	<b>799</b>	<b>808</b>	<b>307</b>	<b>290</b>
Selling and administrative expenses	-632	-611	-227	-206
Other operating income and expense	12	62	-4	-1
Income from investments accounted for using the equity method	24	19	6	6
<b>Earnings before interest and taxes (EBIT)</b>	<b>203</b>	<b>278</b>	<b>82</b>	<b>89</b>
Net interest result <sup>1</sup>	-31	-20	-7	-8
<b>Earnings before taxes <sup>1</sup></b>	<b>172</b>	<b>258</b>	<b>75</b>	<b>81</b>
Income tax expense <sup>2</sup>	-53	-77	-23	-26
<b>Earnings after taxes from continuing operations <sup>3</sup></b>	<b>119</b>	<b>181</b>	<b>52</b>	<b>55</b>
<b>Earnings after taxes from discontinued operations</b>	<b>0</b>	<b>37</b>	<b>-4</b>	<b>1</b>
<b>Earnings after taxes <sup>3</sup></b>	<b>119</b>	<b>218</b>	<b>48</b>	<b>56</b>
thereof minority interest	3	-1	0	-1
<b>Net profit <sup>3</sup></b>	<b>116</b>	<b>219</b>	<b>48</b>	<b>57</b>
Average number of shares (in thousands)	44,146	44,140	44,158	44,140
<b>Earnings per share (in €) <sup>4</sup></b>	<b>2.63</b>	<b>4.96</b>	<b>1.09</b>	<b>1.29</b>
thereof from continuing operations	2.63	4.12	1.18	1.27
thereof from discontinued operations	0.00	0.84	-0.09	0.02

<sup>1</sup> Following adjustment of the prior-year figure due to IAS 19R by +€0.5 million in Q3/2012 and +€1.5 million from January 1 - September 30, 2012.

<sup>2</sup> Following adjustment of the prior-year figure due to IAS 19R by -€0.1 million in Q3/2012 and -€0.4 million from January 1 - September 30, 2012.

<sup>3</sup> Following adjustment of the prior-year figure due to IAS 19R by +€0.4 million in Q3/2012 and +€1.1 million from January 1 - September 30, 2012.

<sup>4</sup> Basic earnings per share are equal to diluted earnings per share.

The adjustments due to IAS 19R only had an insignificant influence on earnings per share.

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ million

January 1 - September 30

July 1 - September 30

	2013	2012	2013	2012
<b>Earnings after taxes<sup>1</sup></b>	<b>119</b>	<b>218</b>	<b>48</b>	<b>56</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 <sup>2</sup>	-3	-51	1	-11
Income taxes on unrealized gains / losses <sup>3</sup>	1	14	0	3
	<b>-2</b>	<b>-37</b>	<b>1</b>	<b>-8</b>
<b>Items that may subsequently be reclassified to the income statement</b>				
Gains / losses on fair-value measurement of securities				
Unrealized gains / losses	2	3	2	1
Income taxes on unrealized gains / losses	0	0	0	0
	<b>2</b>	<b>3</b>	<b>2</b>	<b>1</b>
Gains / losses on hedging instruments				
Unrealized gains / losses	37	-14	4	-12
Reclassifications to the income statement	4	338	2	5
Income taxes on unrealized gains / losses	-11	-84	-2	2
	<b>30</b>	<b>240</b>	<b>4</b>	<b>-5</b>
Currency translation differences				
Unrealized gains / losses	-43	21	-18	7
Reclassifications to the income statement	0	-15	0	0
	<b>-43</b>	<b>6</b>	<b>-18</b>	<b>7</b>
Gains / losses on investments accounted for using the equity method				
Unrealized gains / losses	28	-34	1	-13
Reclassifications to the income statement	0	20	0	0
	<b>28</b>	<b>-14</b>	<b>1</b>	<b>-13</b>
	<b>17</b>	<b>235</b>	<b>-11</b>	<b>-10</b>
<b>Other comprehensive income after taxes</b>	<b>15</b>	<b>198</b>	<b>-10</b>	<b>-18</b>
<b>Total comprehensive income after taxes</b>	<b>134</b>	<b>416</b>	<b>38</b>	<b>38</b>
attributable to shareholders of Bilfinger SE	<b>131</b>	<b>416</b>	<b>38</b>	<b>38</b>
attributable to minority interest	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>1</sup> Following adjustment of the prior-year figure due to IAS 19R by +€0.5 million in Q3/2012 and +€1.5 million from January 1 - September 30, 2012.

<sup>2</sup> Following adjustment of the prior-year figure due to IAS 19R by -€0.1 million in Q3/2012 and -€0.4 million from January 1 - September 30, 2012.

<sup>3</sup> Following adjustment of the prior-year figure due to IAS 19R by +€0.4 million in Q3/2012 and +€1.1 million from January 1 - September 30, 2012.



# CONSOLIDATED BALANCE SHEET

€ million

		Sept. 30, 2013	Dec. 31, 2012	Sept. 30, 2012
<b>Assets</b>	<b>Non-current assets</b>			
	Intangible assets	1,945	1,890	1,855
	Property, plant and equipment	704	690	673
	Investments accounted for using the equity method	76	96	88
	Receivables from concession projects	0	508	503
	Other financial assets	131	158	240
	Deferred tax assets	166	177	180
		<b>3,022</b>	<b>3,519</b>	<b>3,539</b>
	<b>Current assets</b>			
	Inventories	217	172	184
	Receivables and other financial assets	2,086	1,953	2,087
	Current tax assets	31	32	31
	Other assets	104	87	97
	Marketable securities	0	0	0
	Cash and cash equivalents	342	1,087	291
	Assets classified as held for sale	715	0	51
		<b>3,495</b>	<b>3,331</b>	<b>2,741</b>
		<b>6,517</b>	<b>6,850</b>	<b>6,280</b>
<b>Equity and liabilities</b>	<b>Equity</b>			
	Equity attributable to shareholders of Bilfinger SE	2,028	2,029	2,052
	Minority interest	15	8	6
		<b>2,043</b>	<b>2,037</b>	<b>2,058</b>
	<b>Non-current liabilities</b>			
	Provisions for pensions and similar obligations	430	394	380
	Provisions	59	56	55
	Financial debt, recourse	520	519	20
	Financial debt, non-recourse	0	461	432
	Other liabilities	53	169	155
	Deferred tax liabilities	135	149	150
		<b>1,197</b>	<b>1,748</b>	<b>1,192</b>
	<b>Current liabilities</b>			
	Current tax liabilities	121	102	111
	Provisions	545	557	651
	Financial debt, recourse	15	192	178
	Financial debt, non-recourse	27	9	16
	Trade and other payables	1,671	1,836	1,728
	Other liabilities	304	369	346
	Liabilities classified as held for sale	594	0	0
		<b>3,277</b>	<b>3,065</b>	<b>3,030</b>
		<b>6,517</b>	<b>6,850</b>	<b>6,280</b>

# 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				Total		
				Fair-value measurement of securities reserve	Hedging instruments reserve	Currency translation reserve	Treasury shares			
Balance at January 1, 2012	138	759	1,338	2	-383	34	-100	1,788	5	1,793
Earnings after taxes	0	0	219 <sup>1</sup>	0	0	0	0	219 <sup>1</sup>	-1	218 <sup>1</sup>
Other comprehensive income after taxes	0	0	-37 <sup>2</sup>	3	225	6	0	197 <sup>2</sup>	1	198 <sup>2</sup>
Total comprehensive income after taxes	0	0	182	3	225	6	0	416	0	416
Dividends paid out	0	0	-150	0	0	0	0	-150	-1	-151
Changes in ownership interest without change in control	0	0	-2	0	0	0	0	-2	0	-2
Other changes	0	0	0	0	0	0	0	0	2	2
Balance at September 30, 2012	138	759	1,368	5	-158	40	-100	2,052	6	2,058
Balance at January 1, 2013	138	759	1,415	5	-211	23	-100	2,029	8	2,037
Earnings after taxes	0	0	116	0	0	0	0	116	3	119
Other comprehensive income after taxes	0	0	-2	2	58	-43	0	15	0	15
Total comprehensive income after taxes	0	0	114	2	58	-43	0	131	3	134
Dividends paid out	0	0	-132	0	0	0	0	-132	-3	-135
Employee share program	0	1	1	0	0	0	1	3	0	3
Changes in ownership interest without change in control	0	0	-2	0	0	0	0	-2	-2	-4
Other changes	0	0	-1	0	0	0	0	-1	9	8
Balance at September 30, 2013	138	760	1,395	7	-153	-20	-99	2,028	15	2,043

<sup>1</sup> Following adjustment due to IAS 19R by + €1.1 million

<sup>2</sup> Following adjustment due to IAS 19R by - €1.1 million

# CONSOLIDATED STATEMENT OF CASH FLOWS

€ million

January 1 - September 30

July 1 - September 30

	2013	2012	2013	2012
Earnings after taxes from continuing operations	119	181	52	54
Depreciation, amortization and impairments	139	127	50	49
Decrease in non-current provisions and liabilities	-12	-9	-9	-2
Deferred tax expense / benefit	-25	17	-5	-2
Adjustment for non-cash income from equity-method investments	-12	-7	-1	4
<b>Cash earnings from continuing operations</b>	<b>209</b>	<b>309</b>	<b>87</b>	<b>103</b>
Increase / decrease in inventories	-16	22	-6	-3
Increase in receivables	-127	-280	-7	-19
Decrease / increase in current provisions	-9	-52	21	12
Decrease / increase in liabilities	-190	-104	0	27
<b>Change in working capital</b>	<b>-342</b>	<b>-414</b>	<b>8</b>	<b>17</b>
Gains on disposals of non-current assets	-6	-49	-4	-1
<b>Cash flow from operating activities of continuing operations</b>	<b>-139</b>	<b>-154</b>	<b>91</b>	<b>119</b>
Proceeds from the disposal of property, plant and equipment	8	9	1	3
Proceeds from the disposal of subsidiaries net of cash and cash equivalents disposed of	5	17	5	0
Proceeds from the disposal of other financial assets	0	24	0	5
Investments in property, plant and equipment and intangible assets	-111	-88	-35	-35
Acquisition of subsidiaries net of cash and cash equivalents acquired	-135	-350	-34	-163
Investments in other financial assets	-2	0	0	0
<b>Cash flow from investing activities of continuing operations</b>	<b>-235</b>	<b>-388</b>	<b>-63</b>	<b>-190</b>
Issue of treasury shares as part of the employee share program	1	0	1	0
Dividends paid to the shareholders of Bilfinger SE	-132	-150	0	0
Dividends paid to minority interest	-6	-1	-3	0
Payments for changes in ownership interest without change in control	-4	0	-4	0
Borrowing	28	13	8	7
Repayment of financial debt	-192	-28	-166	-25
<b>Cash flow from financing activities of continuing operations</b>	<b>-305</b>	<b>-166</b>	<b>-164</b>	<b>-18</b>
<b>Change in cash and cash equivalents of continuing operations</b>	<b>-679</b>	<b>-708</b>	<b>-136</b>	<b>-89</b>
Cash flow from operating activities of discontinued operations	-7	-57	-9	-51
Cash flow from investing activities of discontinued operations	-24	136	-1	-13
<b>Change in cash and cash equivalents of discontinued operations</b>	<b>-31</b>	<b>79</b>	<b>-10</b>	<b>-64</b>
Change in value of cash and cash equivalents due to changes in foreign exchange rates	-5	5	-3	1
Cash and cash equivalents at January 1 / July 1	1,087	847	493	441
Cash and cash equivalents classified as assets held for sale (Concessions) at January 1 / July 1 (+)	0	68	28	2
Cash and cash equivalents classified as assets held for sale (Concessions) at September 30 (-)	30	0	30	0
<b>Cash and cash equivalents at September 30</b>	<b>342</b>	<b>291</b>	<b>342</b>	<b>291</b>

## Notes to the interim consolidated financial statements

### 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.

*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-SEPTEMBER € million	Output volume		External revenues		Internal revenues		EBITA		Amortization of intangible assets from acquisitions		EBIT	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Industrial	2,935	2,718	2,906	2,685	43	37	158	148	-21	-22	137	126
Power	916	937	921	930	1	2	83	85	-5	-3	78	82
Building and Facility	1,664	1,651	1,632	1,568	26	21	65	69	-11	-9	54	60
Construction	786	1,043	690	873	9	8	-6	18	-1	-1	-7	17
Consolidation / other	-66	-60	23	52	-79	-68	-59	-7	0	0	-59	-7
Continuing operations	6,235	6,289	6,172	6,108	0	0	241	313	-38	-35	203	278

SEGMENT REPORTING JULY-SEPTEMBER € million	Output volume		External revenues		Internal revenues		EBITA		Amortization of intangible assets from acquisitions		EBIT	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Industrial	1,030	982	1,021	965	15	16	68	56	-7	-9	61	47
Power	314	363	315	359	0	0	30	34	-2	-2	28	32
Building and Facility	607	522	593	514	11	8	33	28	-4	-3	29	25
Construction	278	350	241	300	3	2	-6	6	0	-1	-6	5
Consolidation / other	-23	-25	11	5	-29	-26	-30	-20	0	0	-30	-20
Continuing operations	2,206	2,192	2,181	2,143	0	0	95	104	-13	-15	82	89

## 2. Significant accounting policies

The interim consolidated financial statements as of September 30, 2013 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 2012, 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, 2012. The accounting policies explained in the notes to the consolidated financial statements for the year 2012 have been applied unchanged – with the exception of the changes mentioned below.

As of January 1, 2013 the following new or amended IFRSs with relevance for Bilfinger are applied for the first time:

- \_\_\_ Amendment to IAS 1 *Presentation of items of other comprehensive income*
- \_\_\_ Revision of IAS 19 *Employee benefits*
- \_\_\_ IFRS 13 *Fair value measurement*

The amendment to IAS 1 concerns the presentation of other comprehensive income for the period in the statement of comprehensive income. According to this amendment, within the consolidated statement of comprehensive income, other comprehensive income is divided into items that may subsequently be reclassified to the income statement (gains/losses on fair-value measurement of securities, gains/losses on hedging instruments, currency translation differences) and items that will not be reclassified to the income statement (gains/losses from the remeasurement of the net defined benefit liability (asset)).

The revised version of IAS 19 states that gains and losses from the remeasurement of the net defined benefit liability (asset) may only be recognized directly in equity (other comprehensive income). This corresponds to the method that has been applied to date in the Bilfinger Group. In addition, income due to the expected return on plan assets may only be recognized in the amount of the discount rate used for determining the defined benefit liability (net interest method). The amended regulations are to be applied retrospectively. Accordingly, this resulted in a shift between reserves from gains and losses from the remeasurement of the net defined benefit liability (asset) and other retained earnings in the amount of €9 million. In addition, this led to an improvement in the net interest result in the prior-year period from January 1 to September 30, 2012 of €1.5 million and to a corresponding increase in the loss from the remeasurement of the net defined benefit liability (asset) in other comprehensive income before taxes. For the prior-year period from January 1 to September 30, 2012, the income statement, the statement of comprehensive income and the consolidated statement of changes in equity have been adjusted accordingly. The change in method had no influence on the amount of the provisions for pensions and similar obligations presented in the balance sheet and no material influence on the period's profit or loss.

IFRS 13 for the first time sets out a uniform framework for the measurement of fair value, which is applied in various IFRSs (financial instruments, business combinations, disposal groups, changes in ownership interests with a change of status, investment property). Initial application has no significant effects on the financial statements.

## 3. Acquisitions, disposals, discontinued operations

### Acquisitions

In the first three quarters of 2013, the following acquisitions in particular were made:

With effect as of January 9, 2013, we acquired Helmut Mauell GmbH, Velbert, Wuppertal. This specialist for power plant control technology has 460 employees and annual output volume of approximately €60 million.

With effect as of February 26, 2013, we acquired the American water technology specialist Johnson Screens Inc., New Brighton, Minnesota. The company was founded in 1904; it has approximately 1,200 employees and annual output volume of approximately €160 million.

With effect as of March 22, 2013, we acquired GreyLogix GmbH, Flensburg. This specialist for automation technology generates annual output volume of €40 million with a workforce of 300 persons.

Significant acquisitions in the prior-year period included the Indian company Neo Structo Construction Private Ltd., Surat, the Dutch company Tebodin B.V., The Hague, the American company Westcon, Inc., North Dakota, and the German company Envi Con & Plant Engineering GmbH, Nuremberg.

The companies mentioned above as well as further smaller acquisitions affected the Group's assets and liabilities at the time of acquisition as follows:

€ million		
	Sept. 30, 2013	Sept. 30, 2012
Goodwill	57	263
Intangible assets from acquisitions	18	60
Property, plant and equipment and other intangible assets	36	31
Other non-current assets	10	8
Receivables	69	138
Other current assets	41	29
Cash and cash equivalents	31	33
<b>Total assets</b>	<b>262</b>	<b>562</b>
Retirement benefit liability	36	9
Provisions	26	2
Financial debt	9	37
Other liabilities	69	121
<b>Total liabilities</b>	<b>140</b>	<b>169</b>
<b>Total purchase price</b>	<b>122</b>	<b>393</b>

### Disposals

No disposals took place during the reporting period.

In the first quarter of 2012, 16 concession projects were sold to the listed Bilfinger Berger Global Infrastructure Fund, resulting in a capital gain of €47 million.

In addition, in the first quarter of 2012, Bilfinger's investment in Julius Berger Nigeria PLC, Abuja, Nigeria was reduced by 10 percentage points to 39.9 percent. This resulted in a capital gain of €18 million.

Furthermore, in the second quarter of 2012, 60 percent of the shares in Julius Berger International GmbH, Wiesbaden, were sold to Julius Berger Nigeria PLC, Abuja, Nigeria. This resulted in a capital gain of €15 million. In addition, a gain of €12 million was realized from the fair value measurement of the retained shares.

### Discontinued operations

On May 15, 2013, the Executive Board of Bilfinger SE decided to discontinue the activities in the Concessions business segment.

In these interim consolidated financial statements as of September 30, 2013, insofar as the relevant requirements of IFRS 5 have been met, the investments that have been put up for sale are presented as discontinued operations:

- \_\_\_ In the consolidated balance sheet the effected assets and liabilities (disposal group) are presented separately under Assets classified as held for sale and Liabilities classified as held for sale (see explanations under Note 9 *Assets classified as held for sale, 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.
- \_\_\_ The Concessions business segment is no longer presented in segment reporting.

As of the date of the reclassification (May 15, 2013), non-current assets classified as held for sale are no longer subject to systematic depreciation or amortization and for the investments accounted for using the equity method the equity accounting was ceased.

Insofar as the requirements of IFRS 5 have not been met, the investments will continue to be presented as continuing operations. In the segment reporting this is presented under Consolidation / other. This primarily affects three transport infrastructure concession projects accounted for using the equity method.

Earnings from discontinued operations are comprised as follows:

€ million	Jan. 1 - Sept. 30		July 1 - Sept. 30	
	2013	2012	2013	2012
Output volume (for information only)	32	42	8	14
Revenue	104	128	35	43
Expenses / income	-103	-91	-39	-42
<b>EBIT</b>	<b>1</b>	<b>37</b>	<b>-4</b>	<b>1</b>
Net interest result	1	1	0	0
<b>Earnings before taxes</b>	<b>2</b>	<b>38</b>	<b>-4</b>	<b>1</b>
Income tax expense	-2	-1	0	0
<b>Earnings after taxes</b>	<b>0</b>	<b>37</b>	<b>-4</b>	<b>1</b>

Earnings after taxes from discontinued operations were fully attributable to the shareholders of Bilfinger SE.

#### 4. Revenue

Revenue does not include our proportion of output volume generated by joint ventures and consortiums. In order to present the Group's entire output volume in the interest of more complete information, we therefore also disclose our output volume in the consolidated income statement. It amounts to €6,235 million (9M 2012: €6,289 million).

#### 5. Depreciation and amortization

Scheduled amortization of €38 million was carried out on intangible assets from acquisitions (9M 2012: €35 million) and is included in cost of sales. Depreciation of property, plant and equipment and the amortization of other intangible assets amount to €100 million (9M 2012: €93 million).

#### 6. Net interest expense

€ million	Jan. 1 - Sept. 30		July 1 - Sept. 30	
	2013	2012	2013	2012
<b>Interest income</b>	<b>5</b>	<b>9</b>	<b>2</b>	<b>2</b>
Current interest expense	-21	-15	-5	-5
Net interest expense from retirement benefit liability	-11	-9 <sup>1</sup>	-4	-3 <sup>2</sup>
<b>Interest expense</b>	<b>-32</b>	<b>-24<sup>1</sup></b>	<b>-9</b>	<b>-8<sup>2</sup></b>
Income on securities	1	1	1	1
Interest expense for minority interest	-5	-6	-1	-3
<b>Other financial expense</b>	<b>-4</b>	<b>-5</b>	<b>0</b>	<b>-2</b>
<b>Total</b>	<b>-31</b>	<b>-20<sup>1</sup></b>	<b>-7</b>	<b>-8<sup>2</sup></b>

<sup>1</sup> Following adjustment due to IAS 19R by + €1.5 million

<sup>2</sup> Following adjustment due to IAS 19R by + €0.5 million

## 7. Intangible assets

€ million			
	Sept. 30, 2013	Dec. 31, 2012	Sept. 30, 2012
Goodwill	1,808	1,744	1,701
Intangible assets from acquisitions	102	121	132
Other intangible assets	35	25	22
<b>Total</b>	<b>1,945</b>	<b>1,890</b>	<b>1,855</b>

## 8. Net liquidity

€ million			
	Sept. 30, 2013	Dec. 31, 2012	Sept. 30, 2012
Cash and cash equivalents	342	1,087	291
Financial debt, recourse – non-current	520	519	20
Financial debt, recourse – current	15	192	178
<b>Financial debt, recourse</b>	<b>535</b>	<b>711</b>	<b>198</b>
<b>Net liquidity</b>	<b>-193</b>	<b>376</b>	<b>93</b>

## 9. Assets classified as held for sale, liabilities classified as held for sale

The discontinued operations of the Concessions business segment presented as a disposal group relates primarily, in the reporting period, to investments in a total of 13 concessions projects (see explanations under Note 3 *Acquisitions, disposals, discontinued operations*). The concessions projects comprise availability-based road projects and social infrastructure projects in Europe, Canada and Australia. Of these, 6 companies have been fully consolidated and 7 have been accounted for using the equity method.

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

€ million			
	Sept. 30, 2013	Dec. 31, 2012	Sept. 30, 2012
Receivables from concession projects	549	0	0
Other non-current assets	115	0	51
Current assets	21	0	0
Cash and cash equivalents	30	0	0
<b>Assets classified as held for sale</b>	<b>715</b>	<b>0</b>	<b>51</b>
Financial debt, non-recourse	492	0	0
Other liabilities	102	0	0
<b>Liabilities classified as held for sale</b>	<b>594</b>	<b>0</b>	<b>0</b>



The other non-current assets consist mainly of shares in and loans to investments accounted for using the equity method.

The disposal group's cumulative other comprehensive income after taxes as of the balance sheet date amounts to minus €77 million (September 30, 2012: minus €2 million).

## 10. Equity

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

Equity increased by €6 million during the reporting period. Earnings after taxes (€119 million) and transactions recognized directly in equity (€15 million) increased equity by a total of €134 million. Dividend payments led to a decrease of €135 million.

Transactions recognized directly in equity are primarily comprised of positive effects from the reduction in the negative hedging instruments reserve in the amount of €58 million due to the increase in long-term interest rates, €28 million of which result from investments accounted for using the equity method. The hedging instruments relate primarily to interest-rate derivatives used in the concessions business for the long-term financing of project companies. The non-recourse character of this project financing calls for long-term, predictable interest cash flows and thus requires long-term, static hedging against the risk of interest-rate fluctuations. Changes in market values occurring in this context must be reflected in the financial statements, but they have no impact on the development of the Group due to the closed project structure. This was offset by currency translation effects which lowered equity by €43 million.

As part of an employee share program, 17,635 treasury shares were issued to employees. As a consequence, Bilfinger now holds 1,866,365 treasury shares. They account for €5,599,095 or 4.1 percent of the share capital at September 30, 2013. No cancellation of the treasury shares is planned.

## 11. Provisions for pensions and similar obligations

The increase in the provisions for pensions and similar obligations of €36 million as compared to December 31, 2012 is attributable to the initial consolidation of companies acquired in the reporting period. The applicable regulations of the revised IAS 19 had no impact on the provisions for pensions and similar obligations as the option that had existed until 2012 was already exercised in accordance with the requirements now prescribed. The discount rate remains unchanged compared with December 31, 2012 at 3.5 percent.

## 12. Additional information on financial instruments

The methods for the measurement of fair value remain fundamentally unchanged from December 31, 2012. Further explanations on the measurement methods can be found in the 2012 Annual Report.

The financial assets and financial liabilities for which the fair values deviate significantly from the carrying amounts are presented as follows:

€ million	IAS 39 category <sup>1</sup>	Carrying amount	Fair value	Carrying amount	Fair value
		Sept. 30, 2013		Dec. 31, 2012	
<b>Liabilities</b>					
Financial debt, recourse, excluding finance leases	FLAC	519	529	693	711
Finance leases	(IAS 17)	16	23	18	26

<sup>1</sup> FLAC: financial liabilities at amortized cost (FLAC)

The financial instruments that are measured at fair value are categorized in the following fair value hierarchy levels in accordance with IFRS 13:

€ million	IAS 39 category <sup>1</sup>	Total	Level 1	Level 2	Total	Level 1	Level 2
		Sept. 30, 2013			Dec. 31, 2012		
<b>Assets</b>							
Securities	AfS	53	53	0	55	55	0
Derivatives in hedging relationships	(Hedge)	7	0	7	3	0	3
Derivatives in non-hedging relationships	FAHfT	4	0	4	3	0	3
		64	53	11	61	55	6
<b>Liabilities</b>							
Derivatives in hedging relationships	(Hedge)	3	0	3	73	0	73
Derivatives in non-hedging relationships	FLHfT	4	0	4	6	0	6
		7	0	7	79	0	79

<sup>1</sup> AfS: available-for-sale financial assets  
FAHfT: financial assets held for trading  
FLHfT: financial liabilities held for trading

The measurement of fair value is conducted in level 1 on the basis of quoted (non-adjusted) prices in an active and accessible market for identical assets or liabilities. For level 2 the measurement of fair value is carried out on the basis of inputs for which either directly or indirectly observable market data is available (e.g., exchange rates, interest rates). The decrease in liabilities from derivatives in hedging relationships results from the classification of the corresponding items as liabilities classified as held for sale.

### 13. Related-party disclosures

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

### 14. Contingent liabilities

Contingent liabilities of €42 million (December 31, 2012: €35 million) generally relate to guarantees provided for companies in which Bilfinger holds a minority interest. In addition, we are jointly and severally liable as partners in companies constituted under the German Civil Code and in connection with consortiums and joint ventures.

## 15. Calculation of adjusted earnings per share from continuing operations

€ million	Jan. 1 - Sept. 30		July 1 - Sept. 30		Jan. 1 - Dec. 31
	2013	2012	2013	2012	2012
Earnings before taxes	172	258	75	81	337
Special items in EBITA	12	-45	12	0	-45
Amortization of intangible assets from acquisitions	38	35	13	15	52
<b>Adjusted earnings before taxes</b>	<b>222</b>	<b>248</b>	<b>100</b>	<b>96</b>	<b>344</b>
Adjusted income tax expense	-68	-80	-30	-31	-110
<b>Adjusted earnings after taxes from continuing operations</b>	<b>154</b>	<b>168</b>	<b>70</b>	<b>65</b>	<b>234</b>
thereof minority interest	3	-1	0	-1	3
<b>Adjusted net profit from continuing operations</b>	<b>151</b>	<b>169</b>	<b>70</b>	<b>66</b>	<b>231</b>
Average number of shares (in thousand)	44,146	44,140	44,158	44,140	44,140
<b>Adjusted earnings per share from continuing operations (in €)</b>	<b>3.42</b>	<b>3.83</b>	<b>1.58</b>	<b>1.50</b>	<b>5.23</b>

The calculation of earnings per share in accordance with IFRSs is presented in the income statement.

Earnings per share after adjusting for special items and the amortization and impairment of intangible assets is a metric that is suited to enabling comparability over time and forecasting future profitability.

In 2013, special items resulted from one-time expenses for our efficiency-enhancement program Bilfinger Excellence and charges from the sale of our German road construction activities. In the previous year, they related to capital gains realized on the reduction of our investments in the Nigerian business. Intangible assets result from purchase-price allocation following acquisitions. The amortization of these intangible assets is therefore of a temporary nature.

Adjusted earnings is a metric that is not defined under IFRSs. Its disclosure is to be regarded as supplementary information.

Mannheim, November 11, 2013

Bilfinger SE  
The Executive Board



Roland Koch



Joachim Enenkel



Dr. Jochen Keysberg



Pieter Koolen



Joachim Müller

# 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 January 1 to September 30, 2013, which are part of the quarterly financial report pursuant to Sec. 37x (3) 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, November 11, 2013

Ernst & Young GmbH  
Wirtschaftsprüfungsgesellschaft



Prof. Dr. Peter Wollmert  
Wirtschaftsprüfer  
[German Public Auditor]

Karen Somes  
Wirtschaftsprüferin  
[German Public Auditor]

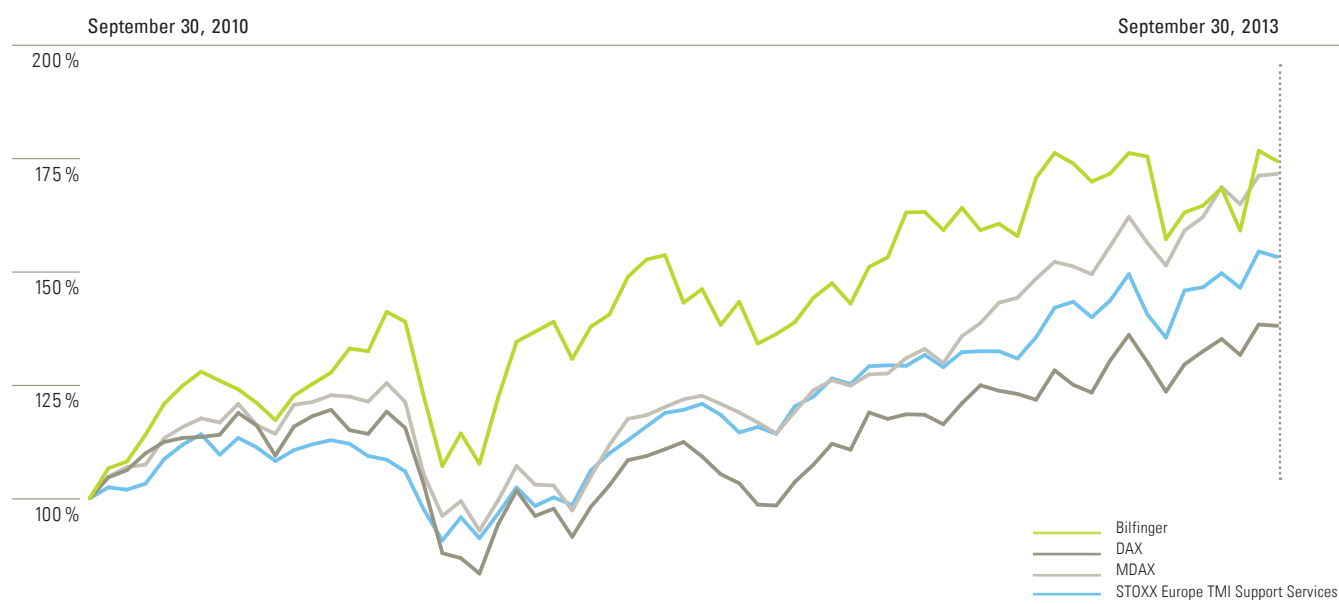
## Disclaimer

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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.

# Bilfinger shares

## RELATIVE PERFORMANCE OF OUR SHARES: 3 YEARS



## BASIC SHARE INFORMATION

ISIN / stock exchange symbol	DE0005909006 / GBF
WKN	590 900
Main listing	XETRA / Frankfurt
Deutsche Börse segment	Prime Standard
Share indices	MDAX, Prime Industrial Products & Services Idx., DivMSDAX, DJ STOXX 600, DJ EURO STOXX, STOXX EUROPE TMI Support Services, DJ EURO STOXX Select Dividend 30

## KEY FIGURES ON OUR SHARES

€ per share

July 1 - Sept. 30

	<b>2013</b>
Highest price	81.00
Lowest price	68.67
Closing price <sup>1</sup>	77.60
Book value <sup>2</sup>	45.93
Market value / book value <sup>1,2</sup>	1.7
Market capitalization <sup>1,3</sup>	in € million 3,571
MDAX weighting <sup>1</sup>	2.54%
Number of shares <sup>1,3</sup>	46,024,127
Average XETRA daily volume	number of shares 131,088

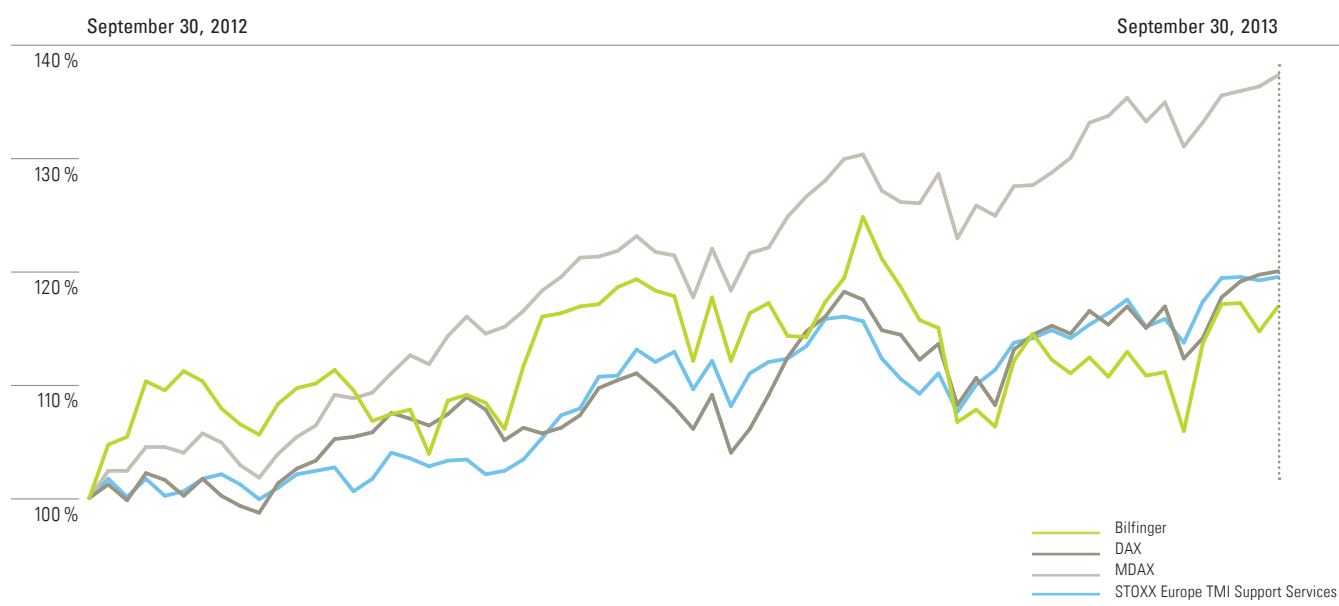
All price details refer to XETRA trading

<sup>1</sup> Based on September 30, 2013

<sup>2</sup> Balance sheet shareholder's equity excluding minority interest

<sup>3</sup> Including treasury shares

## RELATIVE PERFORMANCE OF OUR SHARES: 1 YEAR



## Financial calendar

February 11, 2014

Preliminary report on the 2013 financial year

March 20, 2014

Press conference on financial statements

May 8, 2014

Annual General Meeting \*

Interim Report Q1 2014

August 11, 2014

Interim Report Q2 2014

November 12, 2014

Interim Report Q3 2014

\* Congress Centrum Rosengarten  
Mannheim, 10 a.m.



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