PROSPECTUS

WIENERBERGER AG

(a joint stock corporation under the laws of Austria, registered number FN 77676f)

Offering of up to 9,779,893 Ordinary Bearer Shares (with no par value)

Listing of up to 9,779,893 Ordinary Bearer Shares (with no par value) on the Official Market of the Vienna Stock Exchange

This is an offering of up to 9,779,893 ordinary no-par value bearer shares with a calculated notional amount of EUR 1.00 per share of Wienerberger AG, a joint stock corporation under Austrian law (the "Company", and together with its consolidated subsidiaries hereinafter referred to as the "Wienerberger Group", "Wienerberger" or the "Group"), which will be newly issued by the Company following a share capital increase (the "New Shares").

The Company's shareholders are invited to exercise their subscription rights to subscribe for the New Shares (the "Rights Offering"). Such New Shares for which subscription rights are not exercised in the Rights Offering will be offered in (i) a public offering to retail and institutional investors in the Republic of Austria, (ii) a private placement in the United States of America (the "United States" or "U.S.") to qualified institutional buyers ("QIBs") in reliance on Rule 144A ("Rule 144A") under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and (iii) a private placement outside the Republic of Austria and the United States to selected institutional investors in reliance on Regulation S ("Regulation S") under the Securities Act (the offerings referred to in (i), (ii) and (iii) together, the "International Offering", and together with the Rights Offering, the "Offering").

Shareholders exercising their subscription rights will be entitled to 2 New Shares for every 15 outstanding shares held against payment of the Offer Price (as defined below). Shareholders may exercise their subscription rights during the subscription period which begins on September 24, 2007 and is expected to end on October 8, 2007 (the "Subscription Period"), and which may be extended or terminated at any time. Subscription rights not exercised by the end of the Subscription Period will expire. The offer period begins on September 24, 2007 and is expected to end on October 8, 2007, and may be shortened, extended or terminated at any time (the "Offer Period").

Maximum Offer Price: EUR 58 per New Share

On or about October 8, 2007, the Company will determine the final offer price (the "Offer Price") in consultation with Morgan Stanley Bank AG and Bank Austria Creditanstalt AG (the "Managers") on the basis of a bookbuilding process taking into account the closing price of the Company's ordinary bearer shares (the "Existing Shares", and together with the New Shares, the "Shares") on or about October 8, 2007.

The Existing Shares are listed on the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*) under the symbol "WIE" and traded in the prime market segment. The closing price of the Existing Shares on the Vienna Stock Exchange on September 20, 2007 was EUR 46.92 per share. Application will be made to list the New Shares on the Official Market of the Vienna Stock Exchange. Trading in the New Shares in the prime market segment is expected to commence on or about October 10, 2007.

The subscription rights and the New Shares have not been and will not be registered under the securities laws of any jurisdiction other than the Republic of Austria, in particular the Securities Act. Consequently, the subscription rights may be exercised only by shareholders outside the United States in accordance with Regulation S or by certain shareholders who are QIBs and who follow the procedures described under "*The Offering—Rights Offering—Special Considerations for U.S. Shareholders regarding the Exercise of Subscription Rights*" in this prospectus. The New Shares may not be offered or sold within the United States except in the International Offering to QIBs in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A, or outside the United States in compliance with Regulation S. For a description of certain restrictions on offers, sales and transfers, see "*Selling and Transfer Restrictions*".

An investment in the New Shares carries a high degree of risk. See "*Risk Factors*" beginning on page 12 to read about factors that should be considered before exercising the subscription rights and investing in the New Shares. The New Shares should only be bought and traded by persons knowledgeable in investment matters.

The New Shares will be represented by a modifiable interim certificate, which has been deposited with Oesterreichische Kontrollbank Aktiengesellschaft ("OeKB"). Interests in the New Shares will be credited on or about October 11, 2007 (the "Closing Date") against payment therefor, to the accounts of investors through book-entry facilities of OeKB, Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear"), and Clearstream Banking, société anonyme ("Clearstream").

Joint Global Coordinators and Joint Bookrunners

Morgan Stanley UniCredit

The date of this prospectus is September 21, 2007

This document comprises a prospectus for the purposes of the offer of the New Shares to the public in Austria and the listing of the New Shares on the Official Market of the Vienna Stock Exchange. This prospectus has been prepared in accordance with Commission Regulation (EC) No. 809/2004 of April 29, 2004, as amended, and conforms to the requirements of the Austrian Capital Markets Act (*Kapitalmarktgesetz*) (the "Capital Markets Act"), and the Austrian Stock Exchange Act (*Börsegesetz*) (the "Stock Exchange Act"). This prospectus has been approved by the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*) (the "FMA"). This prospectus will be filed as a listing prospectus (*Börseprospekt*) with the Vienna Stock Exchange in accordance with the Stock Exchange Act in connection with the listing application for the New Shares on the Official Market of the Vienna Stock Exchange, and will be filed with the filing office (*Meldestelle*) at OeKB in accordance with the Capital Markets Act.

No person is or has been authorized to give any information or to make any representation in connection with the offer or sale of the New Shares, other than as contained in this prospectus, and, if given or made, any other information or representation must not be relied upon as having been authorized by the Company or the Managers. The delivery of this prospectus at any time after the date hereof shall not, under any circumstances, create any implication that there has been no change in the affairs of the Group since the date hereof or that the information set out in this prospectus is correct as at any time since its date. The Managers make no representation or warranty, expressed or implied, as to the accuracy or completeness of the information in this prospectus, and nothing in this prospectus is, or shall be relied upon as, a promise or representation by the Managers.

Every significant new factor, material mistake or inaccuracy relating to the information included in this prospectus which is capable of affecting the assessment of the New Shares and which arises or is noted between the approval of the prospectus by the FMA and the earlier of the completion of the Offering and start of trading of the New Shares on the Vienna Stock Exchange will be mentioned in a supplement to the prospectus in accordance with Section 6 of the Capital Markets Act.

This prospectus has been produced for the purpose of considering the purchase of the New Shares and to comply with the listing requirements of the Vienna Stock Exchange. In making an investment decision regarding the New Shares offered pursuant to this prospectus, investors must rely on their own examination of the Wienerberger Group and the terms of the Offering, including, without limitation, the merits and risks involved. The Offering is being made solely on the basis of this prospectus.

The distribution of this prospectus and the offer and sale of the New Shares offered hereby may be restricted by law in certain jurisdictions. Persons in possession of this prospectus are required to inform themselves about, and to observe, any such restrictions. This prospectus may not be used for, or in connection with, and does not constitute, any offer to sell, or an invitation to purchase, any of the New Shares offered hereby in any jurisdiction in which such offer or invitation would be unlawful.

In connection with the Offering, the Managers may effect transactions to stabilize the market price of the Shares. Stabilization may result in an exchange or market price of the Shares that is higher than might otherwise prevail and the exchange or market price may reach a level that cannot be maintained on a permanent basis. There is no obligation on the part of the Managers to effect any stabilizing transactions, and any stabilizing, if commenced, may be discontinued at any time, and must be brought to an end 30 days after the date of commencement of trading in the New Shares on the Vienna Stock Exchange. See "*The Offering—Stabilization*".

CERTAIN U.S. MATTERS

The subscription rights and the New Shares have not been and will not be registered under the Securities Act and may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Accordingly, the subscription rights and the New Shares are being offered and sold in the United States only to QIBs in transactions exempt from the registration requirements of the Securities Act and outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. Prospective purchasers are hereby notified that sellers of the New Shares may be relying on the exemption from the registration requirements of Section 5 of the Securities Act provided by Rule 144A. For a description of certain restrictions on offers, sales and transfer of the subscription rights and the New Shares, see "*Selling and Transfer Restrictions*".

The securities offered hereby have not been recommended by any United States federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not passed upon the merits of the Offering or confirmed the accuracy or determined the adequacy of this prospectus. Any representation to the contrary is a criminal offence in the United States.

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSONS, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE OR CAUSE TO BE MADE TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT, ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

ENFORCEMENT OF CIVIL LIABILITIES

Wienerberger AG is organized under the laws of the Republic of Austria. The members of Wienerberger AG's management and supervisory board and certain experts named in this prospectus are not residents of the United States and all or a substantial portion of the assets of such persons and of Wienerberger AG are located outside of the United States. As a result, it may not be possible for investors to effect service of process within the United States upon Wienerberger AG or such other persons or to enforce against them in U.S. courts judgments obtained in such courts based on the civil liability provisions of the U.S. securities laws. In general, the enforceability in Austrian courts of final judgments of U.S. courts would require retrial of the case in the Republic of Austria.

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In this prospectus, unless the context otherwise requires,

- the "Company" refers to Wienerberger AG;
- "Wienerberger Group", the "Group" or "Wienerberger" refer to Wienerberger AG and its consolidated subsidiaries at the relevant time;
- "IFRS" refers to International Financial Reporting Standards, including International Accounting Standards ("IASs") and interpretations published by International Accounting Standard Board, as adopted by the EU.

FORWARD-LOOKING STATEMENTS

This prospectus contains certain forward-looking statements relating to the Company's and/or the Group's business, its financial performance, results and strategies, and the industry in which it operates. Forward-looking statements concern future circumstances and results and include other statements that are not historical facts, sometimes identified by the words "might", "will", "should", "believes", "expects", "predicts", "intends", "projects", "plans", "estimates", "aims", "foresees", "anticipates", "targets", "seeks", "pursues", "goal" and similar expressions. Such statements reflect the Company's and/or the Group's current views with respect to future events and are subject to risks and uncertainties. In this prospectus, forward-looking statements include, *inter alia*, statements relating to:

- the Group's implementation of its strategic initiatives;
- the development of aspects of the Group's results of operations;
- certain financial targets the Group has set for itself;
- the Group's expectations of the impact of risks that affect its business, including those set forth below under "*Risk Factors*";
- future developments in the building materials industry; and
- the Group's future business development and economic performance and general economic trends and developments.

The Group bases these forward-looking statements on its current plans, estimates, projections and expectations. These statements are based on certain assumptions that, although reasonable at this time, may prove to be erroneous. Investors should not place undue reliance on these forward-looking statements. Many factors could cause the Group's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. These factors include, *inter alia*,

- changes in general economic and business conditions;
- changes and volatility in currency exchange rates and interest rates;
- changes in housing starts or residential construction markets;
- changes in raw material and product prices and inability to pass price increases on to customers;
- changes in governmental policy and regulation and political and social conditions;
- changes in the competitive environment;
- the success of the Group's ongoing and anticipated acquisitions and divestitures;
- other factors that are discussed in more detail under "*Risk Factors*" below; and
- factors that are not known to the Group at this time.

Should one or more of these factors or uncertainties materialize, or should the assumptions underlying the forward looking statements included in this prospectus prove incorrect, events described in this prospectus might not occur or actual results may deviate materially from those described in this prospectus as anticipated, believed, estimated or expected, and the Group may not be able to achieve its financial targets and strategic objectives. The Company does not intend, and does not assume any obligation, to update industry information or forward-looking statements set forth in this prospectus.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Data

Overview

This prospectus contains the following consolidated financial statements (the ''Consolidated Financial Statements''):

- audited consolidated financial statements for the Wienerberger Group at, and for the financial years ended, December 31, 2006, 2005 and 2004 (including the notes thereto, the ''Audited Annual Consolidated Financial Statements'');
- the unaudited interim consolidated financial statements for the Wienerberger Group at, and for the six months ended, June 30, 2007 (including the notes thereto, the ''Interim Consolidated Financial Statements''). See ''*Index to Financial Statements*''.

The Audited Annual Consolidated Financial Statements at, and for the financial year ended, December 31, 2006 were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, the Audited Annual Consolidated Financial Statements at, and for the financial years ended December 31, 2005 were audited by KPMG Wirtschaftsprüfungs- und SteuerberatungsGmbH and the Audited Annual Consolidated Financial Statements at, and for the financial year ended, December 31, 2004 were audited by KPMG Alpen-Treuhand GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft.

The Wienerberger Group has prepared the Consolidated Financial Statements contained herein in accordance with IFRS. The Company's management reports (*Lagebericht*) are available for inspection at the Company's premises. The Consolidated Financial Statements included herein are translations of the original German language documents.

Wienerberger presents its financial statements in euro. References in this prospectus to ''U.S. dollars'' or ''$'' are to United States dollars, references to ''GBP'' are to British pounds, references to ''CAD'' are to Canadian dollars and references to ''euro'', ''EUR'' or ''€'' are to the currency of the member states of the European Union participating in the Economic and Monetary Union.

Non-GAAP Financial Measures

This prospectus presents earnings before interest and tax and earnings before interest, tax, depreciation and amortization. ''EBIT'' or ''operating EBIT'' (earnings before interest and tax) are consolidated profit on ordinary activities before total net interest (to the extent included), tax in accordance with Generally Accepted Accounting Principles (''GAAP'') consistently applied, excluding (to the extent otherwise included) any profit or loss of any member of the Group (other than the Company) which is attributable to a shareholder (not being a member of the Group) in that member of the Group, and excluding non-recurring income and expenses. ''EBITDA'' or ''operating EBITDA'' (earnings before interest, tax, depreciation and amortization) are the Group's EBIT or operating EBIT before depreciation, amortization and impairment.

This prospectus also presents ''adjusted earnings per share'' (which are earnings per share (''EPS'') before amortization of goodwill and non-recurring income and expenses), ''capital employed'' (which is derived by adding the Group's consolidated equity to its interest bearing liabilities and deducting from the results the Group's liquid funds, which include marketable securities, cash and cash equivalents and net intra-Group receivables/liabilities), ''return on capital employed'' (''ROCE'', which is derived by dividing consolidated net operating profit after tax by consolidated capital employed; net operating profit after tax corresponds to operating EBITDA minus depreciation, taxes and adjusted taxes), ''weighted average cost of capital'' (''WACC'', which is the weighted average cost of capital for the Group based on the minimum return expected by investors for funds they provide in the form of equity and debt, with a risk premium added for stock investments), ''cash flow return on investment'' and ''cash value added''.

Management considers these metrics as important indicators of the Group's recurring operations. However, neither EBIT nor EBITDA nor the other non-GAAP measures are measures of operating performance or liquidity under IFRS, and accordingly they should not be considered as alternatives to the Group's net profit or cash flow measures as determined in accordance with IFRS. Other companies in the building materials industry may calculate EBIT, EBITDA or the other non-GAAP measures differently, and consequently Wienerberger's presentation of these figures might not be readily comparable to EBIT, EBITDA or the other non-GAAP measures or measures with similar names as presented by other companies.

Rounding Adjustments

As is customary in commercial accounting, some numerical figures (including percentages) in this prospectus have been rounded to the nearest whole number or tenth of a million (euro). As a result, figures shown as totals in some tables may not be the exact arithmetic aggregation of the rounded figures that precede them. Percentages cited in the text, however, were calculated using the actual values rather than the rounded values. Accordingly, in certain cases it is possible that the percentages in the text differ from percentages based on the rounded values.

Market and Industry Data

This prospectus includes information regarding market share, market position, growth rates and industry data for the Group's lines of business, which consists of estimates based on data and reports compiled by third parties and on the Group's knowledge of its sales and markets. Such third party sources include Euroconstruct summary reports, Brick Industry Association and the U.S. Census Bureau News Joint Release U.S. Department of Housing and Urban Development. In many cases there is no readily available external information (whether from trade associations, government bodies or other organizations) to validate market-related analyses and estimates, requiring the Company to rely on internally developed estimates. The Company believes that such data are useful in helping investors understand the industry in which the Group operates and the Group's position within the industry.

In addition, this prospectus presents the Group's credit ratings from Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. (''Standard & Poor's'') and Moody's Investors Service, Inc. (''Moody's'').

The Company confirms that the information provided by third parties has been accurately reproduced. So far as the Company is aware and has been able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, the Company has not independently verified such data. Therefore, neither the Company nor the Managers assume any responsibility for the correctness of any market share, market position, growth rates, industry or other data included in this prospectus. In addition, while the Company believes its internal research to be reliable, such research has not been verified by any independent sources, and the Company cannot guarantee its accuracy. Accordingly, neither the Company nor the Managers assume any responsibility for any information based on such research.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available at the Company's registered office at Wienerberg City, Wienerbergstraße 11, A-1100 Vienna, Austria (Tel: +43 (1) 601 92 - 463), during usual business hours for twelve months from the date of publication of this prospectus and may be inspected on the Company's website (www.wienerberger.com):

- the Articles of Association of Wienerberger AG; and
- the Consolidated Financial Statements.

These documents are available on the Company's website. The Articles of Association of Wienerberger AG and any other information available on the Company's website other than the Consolidated Financial Statements do not form part of this prospectus nor are they incorporated by reference in this prospectus.

Copies of this prospectus will be available at the following addresses during usual business hours from the date of publication of this prospectus (expected to be September 21, 2007):

- at the Company's registered office at Wienerberg City, Wienerbergstraße 11, A-1100 Vienna, Austria; and
- at the following offices of Bank Austria Creditanstalt AG in Vienna, Austria: (i) Vordere Zollamtsstraße 13, A-1030 Vienna, Austria; (ii) Am Hof 2, A-1010 Vienna, Austria; and (iii) Schottengasse 6, A-1010 Vienna, Austria.

The Company furnishes to the United States Securities and Exchange Commission certain information in accordance with Rule 12g3-2(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). If, at any time, the Company is neither subject to Section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b), it will furnish, upon request, to any holder of the Company's common shares, any owner of any beneficial interest in the common shares or any prospective purchaser designated by a holder of common shares or such an owner, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

SUMMARY

This summary should be read as an introduction to this prospectus, and any decision to invest in the New Shares should be based on a consideration of this prospectus as a whole, including the Consolidated Financial Statements and the matters set out under "Risk Factors". Where a claim relating to the information contained in this prospectus is brought before a court of an EU member state, a plaintiff investor might, under the national legislation of the relevant member state, have to bear the costs of translating this prospectus before the legal proceedings are initiated. In the event that such legal proceedings are initiated before a court in Austria, a German translation of the prospectus will be required, and the costs thereof will have to be borne initially by the plaintiff investor and ultimately by the party held to be responsible therefor in the legal proceedings. Civil liability attaches to those persons who have tabled this summary and applied for its notification, but only if this summary is misleading, inaccurate or inconsistent when read together with the other sections of this prospectus.

The Wienerberger Group

Business

The Group's core business is the manufacturing of products for use in masonry, facades, roofs and paving. In these market segments, Wienerberger concentrates primarily on four product groups: hollow bricks, facing bricks, (clay and concrete) roof tiles and (clay and concrete) pavers. Products are marketed under the Group's brand name Wienerberger and the brands Porotherm and Poroton (Germany only) for hollow bricks, Terca and General Shale for facing bricks and clay pavers, Koramic for clay roof tiles, Bramac for concrete roof tiles and Semmelrock for concrete pavers. In addition, the Group participates in a plastic pipe joint venture, Pipelife.

Wienerberger's main geographic areas of activity are Europe (except for Iberia) and Northern America. As of June 30, 2007 the Group operated 253 plants in 26 countries with 14,296 employees. Wienerberger generated revenues of EUR 2,225 million and an EBITDA of EUR 471.9 million in 2006.

Strengths

Focus on building products for wall, facade and roof as an attractive segment in the building materials sector: Wienerberger is positioned in profitable product segments of the building materials sector. The combination of stable market shares in established brick markets along with the potential for market share increases in some new markets makes the brick markets Wienerberger is active in very attractive because it is characterized by stable cash flows. The Group's core brick and clay roof tile businesses form a strategic combination, as they are complementary products that share similar sales and production-related characteristics, and are manufactured from the same raw material, clay, employing similar production technologies.

Leading market positions: Management believes that the Group is the largest producer of bricks in the world and the second largest manufacturer of clay roof tiles in Europe, and has the leading market position in hollow bricks, facing bricks and/or roof tiles in most of the markets in which it operates. In addition, according to management estimates, the Group holds leading market positions in pavers in Europe.

Diversified revenue base with growth potential: With activities in all major markets in Europe (except for Iberia) and the United States, the Group believes that it is broadly protected against regional variances in economic conditions. The Group's presence in the roof tile business makes its results less dependent on macro-economic cycles as roof tile demand is less dependent on economic growth, demographics and low long-term interest rates than brick demand, since approximately 50% of roof tile sales are directed to the renovation market. The Group's high revenue share in Eastern Europe is a major growth driver.

Competitive advantage as a multinational player in the brick industry: Due to its size and multinational reach, Wienerberger benefits from economies of scale and optimization of production processes. Its multinational presence enables the Group to counter-balance regional market downturns and adjust production capacity. The Group enjoys a high degree of market recognition for its products and direct access to customers. As a multinational player, it also has greater financial flexibility, can manage its energy supply efficiently and transfer know-how across its operations worldwide.

Experienced management team with a successful acquisition track record: The Group's management team has extensive integration experience developed over the past 20 years. Wienerberger's historic growth is based on numerous acquisitions, and management has a proven track record of successfully identifying, executing and integrating these acquisitions and greenfield projects quickly and efficiently.

Strategy

Achieve above industry average growth in operating EBITDA and EPS through bolt-on projects and strategic acquisitions, thereby strengthening the Group's market position in its existing markets and expanding into new markets: Wienerberger's strategic focus is the expansion of its core activities through a large number of bolt-on projects (which include the extension of existing plants, greenfield projects and smaller acquisitions), which minimize risk and optimize the opportunity for synergies and selected strategic acquisitions, to the extent such activities create value. In order to achieve its growth targets, the Group aims to invest approximately EUR 300 million per year in bolt-on projects, independently of any strategic acquisitions it may make. The Group's existing core business generates sufficient free cash flow to invest in expansion through bolt-on projects. Wienerberger is focused on strengthening its market position in its existing markets and expanding into new markets with superior profit and cash flow potential. Current target markets include Russia, the Ukraine, Bulgaria, Poland, Romania and the Balkan States. Other markets in Asia and Africa are potential areas of investment in the medium-term.

Achieve continuous optimization through improvement of products, customer service and technological efficiency: Another main element of Wienerberger's business strategy is to achieve cost efficiency and economies of scale. Management believes that it can gain significant sales and cost synergies from the size of the Group's operations. The Group's strategy for its existing businesses is to accomplish continuous optimization and profitable growth through constant improvement of products, customer service and the efficiency of all processes. The Group aims to achieve cost efficiency primarily through efficient energy sourcing, optimization of plant network and production processes and employment of new technologies across the Group.

Capitalize on broad product range and leading market positions: Wienerberger maintains the broadest product range in the industry and caters to its customers by offering products which are in high demand, whilst also meeting the highest possible standards required by the market. To capitalize on its market position, the Group coordinates its national advertising campaigns throughout Europe.

The Offering

Subject Matter of the Offering................	Up to 9,779,893 newly issued ordinary no par value bearer shares with a calculated notional amount of EUR 1.00 per share. Each New Share carries a right to one vote at the Company's shareholders' meeting and full dividend rights from, and including, the financial years starting from January 1, 2007. The Offering includes (i) the Rights Offering to the Company's shareholders; (ii) a public offering to retail and institutional investors in the Republic of Austria; (iii) a private placement in the United States to QIBs in reliance on Rule 144A under the Securities Act; and (iv) a private placement to selected institutional investors outside the Republic of Austria and outside the United States in reliance on Regulation S under the Securities Act.
Joint Global Coordinators and Joint Bookrunners..	Morgan Stanley Bank AG and Bank Austria Creditanstalt AG.
Maximum Offer Price	EUR 58 per New Share.
Offer Price..	The Offer Price will be determined by the Company and the Managers on or about October 8, 2007 upon conclusion of the book-building process and taking into account the closing price of the Existing Shares on or about October 8, 2007.
Publication of Offer Price and Number of New Shares	The Offer Price and the actual number of New Shares sold in the Offering are expected to be announced on or about October 9, 2007 (see "*The Offering*").
Subscription Period and Offer Period......	The Subscription Period during which shareholders of the Company may exercise their subscription rights begins on September 24, 2007 and is expected to end on October 8, 2007 and the Offer Period during which investors may offer to purchase New Shares in the

	International Offering begins on September 24, 2007 and is expected to end on October 8, 2007. The Offering may be revoked, suspended or extended, the Subscription Period or the Offer Period may be extended or terminated, or the Offer Period may be shortened at any time.
Subscription Ratio	Shareholders are entitled to subscribe for 2 New Shares for every 15 Existing Shares held, at the final Offer Price, which will be equal to or below the Maximum Offer Price.
Exercise of Subscription Rights..............	Subscription rights may be exercised during the Subscription Period upon presentation of the share certificate on which the exercise of the subscription rights will be evidenced by an appropriate entry. Holders of subscription rights held through a depositary bank that maintains a securities account with OeKB or a financial institution that is a participant in Euroclear or Clearstream, are required to exercise their subscription rights by instructing such bank or financial institution to subscribe for New Shares on their behalf. Shareholders who do not wish to exercise their subscription rights at the Maximum Offer Price, but who issue a subscription order at a price lower than the Maximum Offer Price, will be assigned a number of New Shares corresponding to the number of subscription rights exercised by such shareholder only if the price limit set by the shareholder is not lower than the Offer Price. Subscription rights will expire without value if the price limit set by the shareholder is lower than the Offer Price. The subscription rights will expire at the end of the Subscription Period on October 8, 2007. The exercise of subscription rights and the New Shares have not been and will not be registered under the securities laws of any jurisdiction other than the Republic of Austria. Foreign shareholders may therefore be restricted in exercising their subscription rights. In particular, the subscription rights and the New Shares have not been and will not be registered under the Securities Act or any U.S. state securities laws. Accordingly, subscription rights may not be exercised by or on behalf of any shareholder in the United States other than a QIB in reliance on Rule 144A under the Securities Act who delivers an investment letter in the prescribed form, as set forth under "*Selling and Transfer Restrictions—United States*", or outside the United States in reliance on Regulation S under the Securities Act. Holders of American Depositary Receipts ("ADRs") under the Company's American Depositary Receipts program will not be permitted to effect subscription for New Shares in respect of the common shares that are represented by such ADRs.
Delivery and Payment	Delivery of the New Shares against payment of the Offer Price is expected to take place on October 11, 2007.
Stock Exchange Listing...........................	The Company's Existing Shares are listed on the Official Market of the Vienna Stock Exchange under the symbol "WIE" and traded in the prime market segment. Application will be made to list the New Shares in the Official Market of the Vienna Stock Exchange. It is expected that the New Shares will be traded in the prime market segment starting on or about October 10, 2007.
Lock-up	The Company has undertaken vis-à-vis the Managers in the Underwriting Agreement, for a period of six months from the Closing

	Date, not to effect certain measures which could have an effect on the market for the Shares, without the prior written consent of the Managers (for further information on the lock-up provisions, see "*Underwriting—Lock-up*").
International Securities Identification Number (ISIN)	AT0000831706 (Existing Shares and New Shares) AT 0000A06P40 (subscription rights)
Bloomberg Symbol	WIE AV
Reuters Symbol	WBSV.VI
Trading Symbol	WIE

Use of Proceeds

Based on the last closing price of the Existing Shares of EUR 46.92 on the Vienna Stock Exchange on September 20, 2007, and assuming that the maximum number of up to 9,779,893 New Shares are sold in the Offering, Wienerberger expects the net proceeds of the Offering to be approximately EUR 442.4 million, after deducting the commissions payable to the Managers and other offering-related expenses incurred by the Company.

The Company intends to use the net proceeds from the Offering to create financial flexibility to continue its strategy of profitable and value enhancing growth by investing in bolt-on projects (which include the extension of existing plants, greenfield projects and smaller acquisitions) and strategic acquisitions. The remaining proceeds will be used for general corporate purposes.

Summary of Risk Factors

Before deciding to purchase the New Shares, investors should carefully consider certain risks. The price of the Shares may decline if any of these or other risks materialize and investors could lose all or part of their investment. These risks, which are presented in detail in the section "*Risk Factors*" below, include in particular:

Risks Relating to the Industry and the Group's Business

- The Group is subject to the cyclicality of the building materials industry, which is driven by a number of macroeconomic factors.
- Economic, political, regulatory and local business risks associated with international sales and operations could adversely affect the Group's business, particularly in Eastern Europe.
- Within its brick activities, the Group competes with producers of brick substitute products and with other brick manufacturers.
- Within its roof tile activities, the Group competes with producers of substitute products and with other clay and concrete roof tile manufacturers.
- The Group's results depend to a certain extent on continued growth in Eastern European markets.
- The Group is subject to antitrust regulations and to the risk of enforcement actions in each of the countries in which it operates, which might result in monetary fines and/or other sanctions that may severely limit the Group's ability to grow in certain markets and/or its ability to continue its ongoing operations in such markets at current levels.
- The Group is subject to stringent environmental and health and safety laws, regulations and standards which result in costs related to compliance and remediation efforts that may adversely affect the Group's result of operations and financial condition.
- The Group pursues a strategy of growth through acquisitions and investments, which it may not be able to pursue as contemplated in its business plan if it is unable to identify attractive targets, complete the acquisition transactions and integrate the operations of the acquired businesses.
- The Group's growth strategy and the capital intensive nature of the Group's business require significant amounts of financing. In addition, the Group must comply with financial covenants contained in some of its credit agreements which limit its flexibility to grow. Failure to obtain required financing and the

necessity of compliance with financial covenants could impair the Group's operations and growth strategy.

- The Group operates in a seasonal industry.
- Because many of the Group's subsidiaries operate in currencies other than the euro, adverse changes in foreign exchange rates relative to the euro could materially adversely affect the Group's reported earnings and cash flow.
- The Group is dependent on its key personnel.
- Increased costs of energy or energy supply disruptions would have a material impact on the Group's results of operations.
- The Company does not control some of the companies of which it is a shareholder and actions taken by such companies may not be aligned with the strategy and interests of the Group.

Risks Relating to the Offering and the Shares

- Rights of shareholders in an Austrian corporation may differ from rights of shareholders in a corporation organized in another jurisdiction.
- The interests of shareholders who will not participate in the Offering will be diluted. Investors resident in countries other than Austria may suffer dilution if they are unable to exercise subscription rights in future capital increases.
- A suspension of trading in the Shares could adversely affect the share price.
- The price of the Shares could prove to be volatile.

Summary Consolidated Financial Data

The following information and data have been extracted without material adjustment (except as described below) from, and are only a summary of, the Consolidated Financial Statements which appear elsewhere in this prospectus. Potential investors are encouraged to read the entire prospectus, including the Consolidated Financial Statements, the other financial information included in the prospectus and the section headed "Operating and Financial Review", before making any investment decision. See also "Presentation of Financial and Other Information". The Consolidated Financial Statements have been prepared in accordance with IFRS.

	Six months ended June 30, 2007	**2006**	**Year ended December 31, 2006**	**2005**	**2004**
	(in EUR million, except as otherwise noted) (unaudited)		**(in EUR million, except as otherwise noted) (audited, except as otherwise noted)**		
Consolidated Statement of Income Data[1]					
Revenues	1,227.3	1,011.9	2,225.0	1,954.6	1,758.8
Cost of goods sold	(760.1)	(642.6)	(1,403.7)	(1,211.0)	(1,074.5)
Gross profit	467.2	369.3	821.3	743.6	684.3
Selling and administrative expenses	(294.2)	(261.9)	(539.2)	(479.3)	(421.2)
Other operating expenses	(19.5)	(13.0)	(33.3)	(25.6)	(48.5)
Other operating income	13.1	22.4	54.3	31.6	42.8
Amortization of goodwill	0.0	0.0	(3.5)	0.0	0.0
Operating profit before non-recurring items	166.6	116.8	299.6	270.3	257.5
Operating profit after non-recurring items	166.6	116.8	297.5	269.6	257.5
Interest result	(22.3)	(22.5)	(48.2)	(43.4)	(33.3)
Other financial results including income from Investments in associates	27.4	9.6	28.0	25.1	7.2
Income taxes	(31.5)	(22.8)	(59.0)	(54.8)	(49.5)
Profit after tax	140.1	81.1	218.3	196.4	181.8
Thereof attributable to minority interest	(2.6)	(1.0)	(2.4)	(2.1)	(4.7)
Thereof share planned for hybrid capital holders	(12.7)	(0.0)	(0.0)	(0.0)	(0.0)
Thereof attributable to equity holders	124.8	80.1	215.9	194.4	177.1
Other Financial Data					
Operating EBITDA[2]	256.6	196.9	471.9	428.4	405.4
Operating EBIT[2]	166.6	116.8	299.6	270.3	257.5
Capital employed[2]	2,735.8	2,540.7	2,598.2	2,289.4	2,031.5
Capital expenditure and acquisitions	150.5	302.1	530.4	338.7	632.6
Earnings per share	1.70	1.09	2.95	2.66	2.54
Adjusted earnings per share before amortization of goodwill and non-recurring items (in EUR)	1.57	1.09	3.02	2.67	2.54
Declared or paid dividend per share (in EUR)	n.a.	n.a.	1.3	1.18	1.07
Group ROCE (**unaudited**)[2],[3]	n.a.	n.a.	9.1%	8.9%	10.3%
WACC (**unaudited**)[2]	7.50%	7.50%	7.50%	7.50%	7.50%
Cash Flow Data					
Gross cash flow	233.5	146.8	370.8	343.1[4]	306.9[4]
Cash flows from operating activities	117.7	53.3	351.6	250.2[4]	305.7[4]
Cash flows from investing activities	(271.1)	(294.1)	(509.7)	(276.9)	(552.1)
Cash flows from financing activities	187.2	266.1	131.8	157.3[4]	204.3[4]

	As of June 30, 2007	**As of December 31, 2006**	**2005**	**2004**
	(in EUR million) (unaudited)	**(in EUR million) (audited)**		
Consolidated Balance Sheet Data				
Non-current assets	2,790.0	2,593.0	2,293.4	2,055.4
Current assets	1,264.6	1,081.3	976.1	810.5
Total assets	4,054.6	3,674.3	3,269.6	2,865.9
Equity	2,129.2	1,591.4	1,483.1	1,367.2
Non-current provisions and liabilities	1,215.9	1,088.1	1,376.9	893.7
Current provisions and liabilities	709.4	994.8	409.5	605.0
Total liabilities	4,054.6	3,674.3	3,269.6	2,865.9

(1) Consolidated financial data eliminate minor intra-Group deliveries and services among Wienerberger's segments.

(2) For further explanations of this item see "*Presentation of Financial and Other Information—Non-GAAP Financial Measures*".

(3) After tax, adjusted for non-recurring income and expense and for strategic acquisitions during the year.

(4) The presentation of the consolidated cash flow statement was changed in 2006 in order to better meet the requirements of IAS 7. Accordingly, the calculation of the cash flow since 2006 starts from profit before tax (until 2005: profit after tax). Interest and tax payments are shown separately as components of gross cash flow, which requires adjustments under cash flow from operating activities and cash flow from financing activities. The above cash flow statement is shown in the revised form, and the data for 2005 and 2004 have been adjusted accordingly.

The following table sets forth certain operating and balance sheet data broken down according to the segments of the Group[1]:

	Six months ended June 30, 2007	Six months ended June 30, 2006[2]	Year ended December 31, 2006	Year ended December 31, 2005	Year ended December 31, 2004
	(in EUR million) (unaudited)		(in EUR million) (audited)		
Central-East Europe					
External revenues	421.5	266.1	606.7	503.0	488.0
Operating EBITDA	126.8	55.2	158.1	136.7	142.2
Operating EBIT	96.2	28.7	103.3	87.0	101.6
Capital employed	661.9	632.3	624.3	569.5	468.1
Central-West Europe					
External revenues	206.0	189.0	453.7	378.2	364.9
Operating EBITDA	36.5	37.1	96.1	78.0	87.2
Operating EBIT	16.8	20.4	59.1	43.3	51.4
Capital employed	492.5	428.5	453.8	396.3	359.1
North-West Europe					
External revenues	432.9	381.3	805.9	727.6	614.5
Operating EBITDA	89.5	81.6	177.7	165.3	134.5
Operating EBIT	60.9	54.1	116.1	109.2	83.2
Capital employed	1,099.1	1,023.6	1,058.9	952.9	885.40
U.S.A.					
External revenues	165.9	171.6	349.5	337.2	284.4
Operating EBITDA	18.8	31.8	63.4	66.4	59.1
Operating EBIT	11.1	24.2	48.2	51.8	42.0
Capital employed	470.5	434.3	437.6	345.0	277.3
Investments and Other[3]					
External revenues	0.2	3.4	8.3	7.3	6.4
Operating EBITDA	(15.0)	(8.6)	(23.4)	(18.1)	(17.5)
Operating EBIT	(18.4)	(10.6)	(27.1)	(21.1)	(20.7)
Capital employed	11.9	21.9	23.6	25.8	41.7
Total external revenues	**1,226.5**	**1,011.4**	**2,224.1**	**1,953.2**	**1,758.2**
Intra-Group sales to non-consolidated Group companies	0.8	0.5	0.9	1.4	0.6
Total revenues	**1,227.3**	**1,011.9**	**2,225.0**	**1,954.6**	**1,758.8**

(1) Includes minor intra-Group deliveries and services among Wienerberger's segments.

(2) Segment data for the six months ended June 30, 2006 have been adjusted to reflect the transfer for organizational reasons of Finland and the Baltics from North-West Europe to Central-East Europe as of January 1, 2007. Prior period figures have not been adjusted to reflect this transfer.

(3) The Investments and Other segment includes holding company costs.

Prospective investors should carefully review the following risk factors in conjunction with the other information contained in this prospectus before making an investment in the New Shares. The risks described below are in the Group's opinion, the most significant risks of which it is currently aware, but the list does not purport to be exhaustive, and the risks described are not the only risks to which the Group is exposed. Additional risks not currently known to the Group or that it currently believes are immaterial may also adversely affect its business, financial condition and results of operations. The trading price of the Company's Shares could decline due to any of these risks, and investors could lose all or part of their investment.

Risks Relating to the Industry and the Group's Business

The Group is subject to the cyclicality of the building materials industry, which is driven by a number of macroeconomic factors.

The Group operates in the cyclical building materials industry, which is affected by the level of construction activity, including residential housing construction and renovation, as well as other trends, which in turn are influenced by a number of factors beyond the Group's control, including:

- performance of national economies in the 26 countries in which the Group operates, as well as the markets into which the Group exports its products;
- policies of transnational institutions, such as the European Commission or the European Central Bank, that influence the performance of national economies in many of the countries in which the Group operates;
- monetary and other government policies in each of the countries in which the Group operates that have the effect of encouraging or discouraging residential housing construction, such as long-term interest rates, tax policies, policies encouraging labor mobility and migration, availability of financing, subsidies, and safety regulations that encourage and/or discourage the use of certain materials and products; and
- the level of demand in residential construction activity, which in turn is influenced by macroeconomic factors, demographic trends and consumer confidence.

Unfavorable developments with respect to any or all of these factors can have a significant impact on the demand for the Group's products, both in terms of decreased volumes and price levels.

Because the building materials industry is cyclical, periods of high demand are typically followed by recessions. As the building materials industry is characterized by a high share of fixed costs as a percentage of total costs, a decrease in volumes and resulting overcapacities and/or a decrease in prices can have a highly negative impact on the Group's operating margins and earnings. For example, in Germany, declines in the construction activity over the last few years, mainly due to a slowdown in the economy and substantial overcapacity, created during the high growth period of the early 1990s, had an adverse effect on the Group's operations due to low sales volumes with resulting overcapacities and low price levels. The U.S. market is currently experiencing a sharp decline in residential construction activity, which began in 2005 and which has been exacerbated by a crisis in the sub-prime mortgage business, resulting in declining sales volumes, prices and overcapacities in the U.S. market. The decline in the U.S. market has negatively affected the Group's operations. Even if performance of the U.S. market improves, prices and sales volumes might not recover to their historic levels.

Markets that currently experience positive levels of economic growth and high demand for the Group's products may experience downturns in the future. The more important any such market is to the Group's operating results, the greater the adverse effect on the Group's results any such downturn will have.

There can be no assurance that additional and/or continuing economic slow-downs in markets important to the Group's operations will not have an increasing negative impact on the Group's results of operations or financial condition.

Economic, political, regulatory and local business risks associated with international sales and operations could adversely affect the Group's business, particularly in Eastern Europe.

The Group operates mainly in the European Union, countries in Eastern Europe outside the European Union, the United States and Canada. The economies of these countries are in different stages of socioeconomic development. As a result, the Group's future results could be materially affected by a variety of factors, including:

- changes in a specific country's or region's political or economic conditions, particularly in the Eastern European markets in which the Group operates;
- potentially negative consequences from changes in tax laws affecting the Group's financial results;
- tightening of labor regulations;
- difficulty in managing international operations because of geographic distances as well as language and cultural differences;
- changes in regulatory requirements (including those affecting the use of raw materials, product requirements, environmental or safety and health standards or regulations regarding taxation of energy); and
- state-imposed restrictions on repatriation of profits, whether through tax policies or otherwise.

The Group's overall performance as a global business depends, in part, upon its ability to succeed in these differing and sometimes fast-changing economic, regulatory, social and political environments.

Within its brick activities, the Group competes with producers of brick substitute products and with other brick manufacturers.

Bricks compete with other building products that the Group does not produce. Facing bricks compete with other materials that can be used for the cladding of a house, such as vinyl, plasters, renders, wood, stucco, natural stone, aluminum siding, glass and other materials, depending on local traditions, available raw materials, local taste and the price of substitute products. Furthermore, the Group's success in the facing brick markets depends in part on its ability to anticipate and respond to changing fashion trends and consumer preferences in a timely manner. Accordingly, any failure by the Group to identify and respond to emerging trends could materially adversely affect consumer acceptance of the Group's facing brick products.

Hollow bricks compete with other products in a broader market for materials used in the construction of load bearing walls and non load bearing inner walls. Possible substitute products include aerated concrete blocks, prefabricated concrete panels, cast concrete, calcium silicate and timber, depending on local traditions, available raw materials, the price of substitute products and, significantly, technical characteristics such as thermal and sound insulation, load bearing capacity, frost protection and water proofing capacity, the specifications for which are often mandated by local, national and EU regulations. More generally, buildings constructed with bricks also compete with prefabricated houses.

Another important factor for choosing a particular building material is the total cost involved in handling such material, consisting of the cost of transporting the material to the construction site, the cost of additional products required to build with such material, the cost of any specialized equipment required to handle such material and the labor cost involved in handling such material.

Any significant replacement of the Group's building products in key markets by substitutes which the Group does not produce could materially adversely impact the Group's market share and results of operations in these markets and have a material adverse effect on the Group's business, financial condition and results of operations.

In addition to competition from producers of brick substitute products, the Group continually faces competition by other brick manufacturers in the markets in which it operates. Most of the brick manufacturers that compete with the Group are local in nature. The primary competitive factors for bricks are product range, technical properties, price, quality, manufacturing flexibility, availability, delivery time, logistics and customer service. The relative importance of these factors depends on the characteristics of particular products and particular markets. Competitive pressures, including industry overcapacity, could lead to pricing pressures in the Group's markets which in turn could materially adversely affect the Group's business, financial condition and results of operations.

Within its roof tile activities, the Group competes with producers of substitute products and with other clay and concrete roof tile manufacturers.

In its roofing operations, the Group faces competition from manufacturers of substitute products as well as other clay and concrete roof tile producers. Roof tiles are used only for pitched roofs and are not suited for flat roofs. Therefore, to the extent flat roofs become more popular in any of the Group's markets, the demand for roof tiles would likely also decrease. With respect to pitched roofs, clay and concrete roof tiles compete with substitute products such as fiber cement slates, natural slates, metal coverings and other products.

In Belgium, the Netherlands, France, Germany, Poland, Estonia and Switzerland, the Group produces only clay roof tiles. In these markets, the trend is generally in favor of clay products. However, there is a risk that other products will be substituted for clay roof tiles such as natural slates, fiber cement slates and metal coverings. In Austria and Eastern Europe, the Group manufactures clay and concrete roof tiles. Although market shares are generally stable in this region, substitute products could gain significant market shares from clay or concrete roof products, which would materially adversely affect the Group's business, financial condition and results of operations.

In addition to competition from producers of substitute products, the Group also faces competition by other roof tile manufacturers in all markets in which it operates. The primary competitive factors are quality, price, product range (colors, shapes, sizes and accessories), delivery time, logistics and customer service. The relative importance of these factors depends on the characteristics of particular products and particular markets. Competitive pressures, including industry overcapacity, could lead to pricing pressures in the Group's markets which in turn could materially adversely affect the Group's business, financial condition and results of operations.

The Group's results depend to a certain extent on continued growth in Eastern European markets.

The Group defines some of the Eastern European markets in which it operates, including Hungary, Czech Republic, Poland, Slovakia, Slovenia, Croatia, Romania and Russia, as growth markets, meaning that it expects generally favorable conditions in these markets over the coming years with potential for further growth in terms of total sales volumes. Although many of these markets have experienced a period of substantial growth to some extent over the last few years, it is difficult to predict future developments, both in terms of overall economic changes and particularly with respect to the building materials markets in those countries. In addition, competition in some of the Group's Eastern European markets has increased and this trend is expected to continue. Therefore, the Group may be exposed to periods of weaker demand or lower prices for its products in some or all of these countries. Currently, a high proportion of the Group's sales and earnings are generated in Eastern Europe and a temporary or prolonged slow-down in any of these markets could have a material adverse affect on the Group's results of operations.

The Group is subject to antitrust regulations and to the risk of enforcement actions in each of the countries in which it operates, which might result in monetary fines and/or other sanctions that may severely limit the Group's ability to grow in certain markets and/or its ability to continue its ongoing operations in such markets at current levels.

A key element of the Group's growth strategy is to continue acquisitions in selected markets. The Group regularly evaluates and enters into negotiations with respect to potential acquisitions. In some of its current markets, including certain Eastern European markets, limitations imposed by antitrust laws might prevent the Group from achieving significant growth through acquisitions. With respect to its brick products, the Group considers that it operates in the market for wall building and wall cladding materials, which encompasses all substitute products for hollow and facing bricks, and not in a more narrow brick market. With respect to its roofing products, the Group considers that it operates in the market for roofing elements which includes all products suited to cover roofs (clay and concrete roof tiles as well as all substitute products) and not in the more narrow clay and/or concrete roof tile markets. However, there can be no assurance that the antitrust authorities in the countries in which the Group operates or seeks to grow through acquisitions, including the European Commission, will support the Group's relevant market definition. Inability to grow through acquisitions due to antitrust law limitations may have a material adverse effect on the Group's prospects.

Management estimates that the Group has a leading competitive position in almost all of the brick and clay roof tile markets where it operates. The Company believes that it employs sound business practices and complies with all applicable antitrust laws and regulations. However, there can be no assurance that relevant antitrust authorities will not qualify the Group's leading competitive position in some of its markets as a dominant market position with the result of restricting certain business practices. Consequently, competition proceedings could be brought by one or more antitrust authorities in one or more countries in which the Group operates. Such proceedings, if brought, may result in an order that levies a substantial fine against the Group and/or requires the Group to dispose of profitable operations. As a result, an enforcement action by antitrust authorities in one of the countries that contribute a relatively high percentage of the Group's earnings may have a material adverse effect on the Group's results of operations and its financial condition. For additional information regarding ongoing antitrust investigations to which the Group is subject, please see "*Business—Regulatory Matters*".

The Group is subject to stringent environmental and health and safety laws, regulations and standards which result in costs related to compliance and remediation efforts that may adversely affect the Group's result of operations and financial condition.

The Group is subject to a broad and increasingly stringent range of environmental and health and safety laws, regulations and standards in the jurisdictions in which it operates. This results in significant compliance costs and exposes the Group to legal liability. Although the Group has not incurred material liabilities in respect of environmental claims in the past, environmental claims or the failure to comply with any present or future regulations could result in the assessment of damages or imposition of fines against the Group, suspension of production or a cessation of operations. New regulations could require the Group to acquire costly equipment, refit existing plants or redesign products or to incur other significant expenses. The laws, regulations and standards relate to, among other things, air noise emissions, carbon dioxide ("CO_2") emissions, sulfur flue gas emissions, waste water discharges, avoidance of soil and groundwater contamination, regulations on silica, the use and handling of hazardous materials, waste disposal practices and standards relating to construction materials.

Environmental and health and safety laws, regulations and standards also expose the Group to the risk of substantial costs and liabilities, including liabilities associated with assets that have been sold and activities that have been discontinued.

Generally, many of the Group's manufacturing sites have a history of industrial use and, although the Group applies very strict environmental operating standards and evaluates environmental risks in relation to acquisitions, soil and groundwater contamination has occurred in the past at a limited number of sites. To date, the remediation costs have not been material to the Group. Such contamination might occur or be discovered at other sites in the future. Despite the Group's policy and efforts to comply with all applicable environmental laws, the Group may face remediation liabilities and legal proceedings concerning environmental matters.

Traditionally, exhausted clay pits were—and sometimes still are—used as garbage disposal, also called "landfills". The Group is aware of a limited number of landfills at its sites and at present does not see any material risks related to those landfills. The Group believes that it currently does not actively operate any landfills which might contain hazardous waste. The Group's landfills in Austria, which were viewed as potentially presenting a risk, were sold to the ANC Privatstiftung ("ANC Foundation"), a private foundation (see "*Certain Relationships and Related Party Transactions*"). However, because laws and regulations may hold prior owners of property liable for discovered environmental damage, there can be no assurance that the Group will not be liable for remediation costs or potential future claims related to the real estate sold to the ANC Foundation.

Furthermore, many jurisdictions in which the Group operates provide for a legal obligation to recultivate exhausted clay pits. The Group has made substantial recultivation provisions—in many cases based on expert opinions—for future costs of recultivation. However, there can be no assurance that these provisions will be sufficient to cover all future costs, especially in some Eastern European countries where regulatory policy on recultivation is still evolving, so that provisions may need to be revised as local policy develops. Recultivation costs significantly exceeding established provisions might have a material adverse effect on the Group's financial condition and results of operations.

As the Group has expanded into the Eastern European countries, it both acquired existing operating plants and built new plants on existing industrial sites. In many cases, very limited information, if any, was available with regard to environmental pollution on those sites. Although the Group is not aware of any material environmental exposure related to those plants, it cannot be excluded that the Group may incur substantial costs in the future for solving surfacing environmental problems and for complying with ever more stringent environmental laws and regulations, especially with regard to former landfills. Following the accession of several Eastern European countries to the European Union, more stringent environmental regulations and stricter enforcement can be expected which might expose the Group to environmental liabilities in those countries. Increased environmental compliance costs and any remediation cost might have a material adverse effect on the Group's financial condition and results of operations. Similarly, the Group cannot exclude that some of its industrial sites that were acquired from third parties have environmental exposure that were caused by the previous owner. While the Group is not aware of any material contamination exposure, there can be no assurance that soil problems stemming from previous owners might not surface in the future.

Based on information presently available, the Group has budgeted capital expenditures for environmental improvement projects and has established reserves for known environmental remediation liabilities that are probable and reasonably capable of estimation. However, the Group cannot predict environmental matters with certainty, and the Group's budgeted amounts and established reserves may not be adequate for all purposes. In addition, the development or discovery of new facts, events, circumstances or conditions, including future decisions to close plants, which may trigger remediation liabilities, and other developments such as changes in law or increasingly strict enforcement by governmental authorities, could result in increased costs and liabilities or prevent or restrict some of the Group's operations.

The Group's kilns produce substantial amounts of CO_2, a gas believed to be partly responsible for the greenhouse effect. In most countries where the Group operates, regulations taxing or limiting CO_2 emissions have been enacted. Such regulations could increase the Group's production costs as a result of need to purchase emissions allowances or implement emissions reduction measures or due to increased energy prices. Therefore, regulations on CO_2 could negatively impact the production cost of the Group's plants, adversely affecting the Group's business and results of operations. In January 2005, the European Union implemented an emissions trading system, which provides a free allocation of CO_2 emissions to industrial plants. Any CO_2 emissions beyond the free allocation must be covered by additional CO_2 allowances, which requires purchases of such allowances from third parties, subject to supply and demand. For the first phase of the emissions trading system through 2007, sufficient quantities have been allocated to the Group's plants to continue existing operations and allow some increase in production capacity. The national allocation plans for the second phase (2008-2012), however, foresee a reduction of emission allowances, which might lead to a significant underallocation of certificates to the Group. Beyond 2012, further reductions of the number of allowances are to be expected and the allocation of allowances might no longer be free of charge. Therefore, there can be no assurance that the Group will be able to obtain sufficient allowances for new facilities, since most national emissions allocation plans allocate almost all allowances to existing plants and foresee only small reserve quantities for new facilities. Unless the Group is able to pass the rise in costs on to its customers, a significant underallocation of certificates to the Group and/or the introduction of a fee for emission allowances might have a material adverse effect on the Group's financial condition and results of operations.

The Group pursues a strategy of growth through acquisitions and investments, which it may not be able to pursue as contemplated in its business plan if it is unable to identify attractive targets, complete the acquisition transactions and integrate the operations of the acquired businesses.

The Group's growth strategy depends on its ability to identify and acquire suitable assets at desirable prices. Apart from the limitations imposed by antitrust laws, joint venture agreements and covenants contained in its credit agreements, the Group may not be able to identify suitable assets and, even if identified, may not be able to acquire them on acceptable terms. At the same time, the Group's competitors also strive to expand through acquisitions and may bid for assets that the Group views as potential acquisition targets. In some cases, the Group may find itself bidding for assets against competitors which have significantly greater resources or access to financing on more favorable terms than the Group and thus are able to outbid the Group for desirable assets. Furthermore, new geographic markets which the Group targets for growth and expansion, such as Ukraine or India, present significant political and economic risks and are in many respects more challenging than markets in which the Group already operates.

Acquisitions require the integration of new operations, products, services and personnel and may cause dilution of the Group's management resources, as management may have to divert their attention from day-to-day business operations to focus on solving such challenges. The Group's ability to realize the expected benefits from future acquisitions depends, in large part, on its ability to integrate the new operations with existing operations in a timely and effective manner. Delays or difficulties in the incorporation of acquired operations into the Group's business or inability to realize synergies from the Group's acquisitions may deprive the Group of the expected benefits of the acquisitions.

The Group's growth strategy and the capital intensive nature of the Group's business require significant amounts of financing. In addition, the Group must comply with financial covenants contained in some of its credit agreements which limit its flexibility to grow. Failure to obtain required financing and the necessity of compliance with financial covenants could impair the Group's operations and growth strategy.

The building materials industry in which the Group operates is capital intensive. In order to continue to be competitive, the Group needs modern plants and equipment, which involves substantial capital investment in acquisitions and in capital expenditure for maintenance and greenfield operations. The Group has made capital expenditures (including for acquisitions) of EUR 2.1 billion during the period from January 1, 2002 through December 31, 2006.

The Group has historically funded capital expenditures and acquisitions with internally generated cash flows, bank loans, senior and hybrid bonds, proceeds from the sale of non-operating assets and, in a few instances, has financed acquisitions through the issuance of new shares. In the future, the Group intends to use these sources of financing and also intends to access the capital markets through the issuance of debt, hybrid capital and equity, as necessary. The Group's ability to raise necessary funds will depend on financial, economic and other factors, many of which are beyond management's control. These factors can include covenants in the Group's existing and future debt arrangements. Should the Group be unable to finance its capital expenditures and acquisitions in the contemplated manner, the Group's operations and results could be materially adversely affected and it might not be able to pursue its growth strategy.

A portion of the Group's cash flow from operations is dedicated to the payment of interest on its indebtedness and will not be available for other purposes. If the Group's credit metrics were to decline, the interest it pays under some of its credit facilities would increase, leading to an increase in the cost of additional financing that the Group may need, thereby negatively impacting the Group's financial position and results of operations.

The Group operates in a seasonal industry.

The building materials industry in general and the brick and roof tile industries in particular, are subject to seasonal fluctuations in sales, with greater sales volume occurring during the main construction season from May through October. The Group's revenues tend to correspond to such seasonal variation, with higher revenues in the second and third quarters and with inventory build-up and increased working capital in the first and fourth quarters. In addition, severe adverse weather conditions such as rain, extreme cold or snow can reduce demand by disrupting or curtailing outdoor construction activity or render transport or delivery of the Group's products to its customers impossible, thus materially affecting the Group's sales volumes.

In order to counter the effect of seasonality, the Group partly reduces production in the winter period. However, the remaining production still leads to an inventory build-up and increase in working capital. Although brick and roof tile inventory is generally not subject to spoilage, it remains subject to price risk were the Group to misjudge local market conditions in any given period, which could have a material adverse effect on the Group's business, financial condition and results of operations.

Because many of the Group's subsidiaries operate in currencies other than the euro, adverse changes in foreign exchange rates relative to the euro could materially adversely affect the Group's reported earnings and cash flow.

A significant portion of the Group's revenues and expenses from subsidiaries originate in currencies other than the euro from countries outside the euro zone, including the United States, Canada, Poland, Hungary, Bulgaria, Czech Republic, Slovakia, Croatia, Romania, Russia, Estonia, Denmark, Sweden, Norway, the United Kingdom and Switzerland. For the year ended December 31, 2006, approximately 51% of the Group's revenues were denominated in currencies other than the euro, predominantly the U.S. dollar (16%). As a result, from year to year, adverse changes in the exchange rates used to translate foreign currencies into euro, the Group's reporting currency, may impact the Group's results of operations or financial position as reported in euro. In particular, weakness of the U.S. dollar against the euro has adversely impacted the Group's results of operations in 2006 and continues to have a material negative impact in the current year.

The Group is dependent on its key personnel.

The Group's future success depends to a significant extent upon the leadership and performance of Wolfgang Reithofer, the Chief Executive Officer, Willy Van Riet, the Chief Financial Officer, Heimo Scheuch, the Chief Operating Officer, and Johann Windisch, the Chief Operating Officer, as well as certain other key employees. The loss of the services of the members of the Management Board could have a material adverse effect on the Group's business, financial condition and results of operations. As the Group continues to grow, it will continue to hire, appoint or otherwise change senior managers and other key executives. There can be no assurance that the Company will be able to retain its executive officers and key personnel or attract additional qualified members to its management team in the future.

Increased costs of energy or energy supply disruptions would have a material impact on the Group's results of operations.

The cost of energy used in the production of bricks and roof tiles represents a high percentage of the Group's cost structure. In 2006, energy costs for the Group totaled EUR 316 million, or 14% of the Group's revenues, and comprised primarily costs of natural gas and electricity. Any significant increase in the market prices for these sources of energy would increase the Group's operating costs and may negatively impact the Group's results of operations, as the Group may not be in a position to pass the increased costs to customers through price increases. The Group can only partly hedge its exposure to energy price risk as some markets are still regulated. Since 2000, the Group's results of operations have been negatively impacted by significant increases in the price of natural gas. In addition, as electricity prices are expected to be liberalized in certain markets in which the Group operates, such as Eastern Europe, higher energy costs may continue to negatively affect the Group's results of operations. In addition, energy supplies are subject to disruption in connection with blackouts and similar occurrence which could have a material adverse effect on the Group's results of operations.

The Company does not control some of the companies of which it is a shareholder and actions taken by such companies may not be aligned with the strategy and interests of the Group.

The Company does not have a controlling interest in some of the companies through which it conducts its business and may make future investments in companies in which it will not have a controlling interest. Some key matters, such as the approval of business plans and the timing and amount of cash distributions, require the consent of the other shareholders or may be approved by the other shareholders without the consent of the Company. Consequently, the strategy of such companies may not always be aligned with the Group's interests. These and other limitations arising from investments in businesses the Company does not control may prevent the Company from achieving its objectives for these investments.

Risks Relating to the Offering and the Shares

Rights of shareholders in an Austrian corporation may differ from rights of shareholders in a corporation organized in another jurisdiction.

The Company is a stock corporation organized under the laws of Austria. The rights of the Company's shareholders are governed by the Company's Articles of Association and by Austrian law. These rights may differ in some respects from the rights of shareholders in corporations organized in jurisdictions other than Austria. In addition, it may be difficult for investors to enforce the securities laws of other jurisdictions, or to prevail in a claim against the Company based on those laws.

The interests of shareholders who will not participate in the Offering will be diluted. Investors resident in countries other than Austria may suffer dilution if they are unable to exercise subscription rights in future capital increases.

Subscription rights that are not exercised within the Subscription Period will lapse. Shareholders who do not exercise these subscription rights, or only partially exercise these subscription rights, will experience a decrease in the percentage of interest they hold in the Company's share capital and in the percentage of voting rights they are entitled to exercise. The percentage that the Existing Shares represent in the increased issued share capital subsequent to the capital increase will also decrease correspondingly for shareholders who do not exercise their subscription rights in full.

Due to restrictions in other jurisdictions, shareholders outside Austria may be prohibited under applicable law or excluded under the terms of the capital increase or of any related rights offering from participating in future capital increases by means of rights offerings to the same extent as Austrian shareholders.

A suspension of trading in the Shares could adversely affect the share price.

The FMA is authorized to suspend or request the relevant regulated market on which securities are admitted to trading to suspend such securities from trading, if, in its opinion, the respective issuer's situation is such that continued trading would be detrimental to the investors' interest. The FMA is further authorized to instruct the Vienna Stock Exchange to suspend trading in an issuer's securities in connection with measures taken against market manipulation and insider trading. Any suspension of trading in the Shares could adversely affect the share price.

The price of the Shares could prove to be volatile.

In the past, share prices on the Vienna Stock Exchange have been subject to considerable fluctuations. Following this Offering, the trading price of the Shares could be subject to considerable volatility, due, in particular, to variations in the Company's actual or projected operating results, changes in projected earnings, a failure to meet the earnings expectations of securities analysts and changes in general economic conditions or other factors. General volatility in stock prices as a whole could also put pressure on the price of the Shares, without there being a direct connection with the business activities of the Group, its financial condition and results of operations or its business outlook.

THE OFFERING

General

The Offering comprises up to 9,779,893 New Shares, which will be newly issued by the Company following a share capital increase, and consists of a Rights Offering to the Company's shareholders and an International Offering of such New Shares for which subscription rights are not exercised in the Rights Offering. The International Offering comprises (i) a public offering to retail and institutional investors in the Republic of Austria, (ii) a private placement in the United States to QIBs in reliance on Rule 144A under the Securities Act, and (iii) a private placement outside of the Republic of Austria and the United States to selected institutional investors in reliance on Regulation S under the Securities Act. The Offering is subject to the registration of the capital increase from authorized capital with the commercial register.

No action has been or will be taken in any jurisdiction other than the Republic of Austria that would permit a public offering of the subscription rights or the New Shares. Investors, shareholders and depositary banks should advise themselves of applicable laws and regulations.

Morgan Stanley Bank AG, Junghofstraße 13-15, D-60311 Frankfurt am Main, Germany and Bank Austria Creditanstalt AG, Vordere Zollamtsstraße 13, A-1030 Vienna, Austria and Am Hof 2, A-1010 Vienna, Austria, are acting as Managers in the Offering. The New Shares will be subscribed for by the Managers, after expiry of the Subscription Period and the Offer Period, in accordance with Section 153 para. 6 of the Austrian Stock Corporation Act (*Aktiengesetz*), with the obligation to provide the New Shares to existing shareholders or holders of subscription rights, as the case may be, who have exercised subscription rights.

The Subscription and Offer Periods during which shareholders and holders of subscription rights may subscribe, and investors may submit purchase orders, for the New Shares will commence on September 24, 2007 and are expected to end on October 8, 2007. The Offering may be terminated, suspended or extended, the Subscription Period or the Offer Period may be extended or terminated, or the Offer Period may be shortened at the absolute discretion of the Company and the Managers at any time. Subscription rights not exercised by the end of the Subscription Period will expire without value.

Prior to the commencement of the Subscription and Offer Periods, the Management Board, with the approval of the Supervisory Board, has set the maximum Offer Price at EUR 58 per New Share, the maximum number of New Shares to be issued at 9,779,893 New Shares and the subscription ratio at 2:15.

The Company's Management Board, with the approval of a Special Committee of the Company's Supervisory Board, is authorized to determine the final Offer Price and the final number of New Shares to be issued after expiry of the Subscription Period and the Offer Period on or about October 8, 2007. The final Offer Price will be identical in the Rights Offering and the International Offering and will be set at or below the maximum Offer Price. The final Offer Price and the definitive number of New Shares to be issued will be determined on the basis of the order book established in a book-building process after consideration of the closing market price of the Company's Existing Shares on the day of pricing, expected to be on or about October 8, 2007. The final Offer Price and the definitive number of New Shares sold in the Offering will be announced and published, including by way of an ad-hoc announcement, via electronic media, on or about October 9, 2007 and by short notice in the Official Gazette shortly thereafter. Such information will also be deposited with the FMA in accordance with the Capital Markets Act on or about October 9, 2007.

The final Offer Price will be due and payable no later than October 11, 2007. No expenses or taxes will be charged to the subscribers for or the purchasers of the New Shares, except for customary banking fees. Prospective investors are advised to inform themselves about these costs.

Rights Offering

Exercise of Subscription Rights

The Company's shareholders are invited to exercise their subscription rights during the Subscription Period which commences on September 24, 2007 and is expected to end on October 8, 2007. Based on the subscription ratio of 2:15, shareholders (and holders of subscription rights) may subscribe for 2 New Shares for every 15 Existing Shares held (or the equivalent number of subscription rights). Shareholders who do not hold a number of Existing Shares divisible by 15 will not be able to exercise their subscription rights in full. The Company and/or the Managers reserve the right to maintain the subscription ratio even if the definitive size of the Offering is reduced. This would lead to an increase of a shareholder's interest in the Company's share capital for a shareholder who exercises all of his subscription rights to acquire New Shares in the Rights Offering, if the definitive number of New Shares in the Offering is lower than the maximum number of New Shares.

Subscriptions for the New Shares will be accepted by Bank Austria Creditanstalt AG (*Bezugsstelle*; the ''Subscription Agent''), as well as by all other credit institutions in Austria, during ordinary business hours. Subscription rights may be exercised upon presentation of the share certificate on which the exercise of the subscription rights will be evidenced by an appropriate entry. Shareholders and holders of subscription rights who hold their subscription rights through a depositary bank that maintains a securities account with OeKB or through a financial institution that is a participant in Euroclear or Clearstream must exercise their subscription rights by instructing such bank or financial institution to subscribe for New Shares on their behalf in accordance with procedures established by the Company and Bank Austria Creditanstalt AG, and any applicable additional procedures established by such bank or financial institution.

The exercise of a subscription right by shareholders or holders of subscription rights is irrevocable and cannot be annulled, modified, cancelled or revoked. Subscription rights not duly exercised by October 8, 2007 will expire without value.

Subscription rights may be exercised at the maximum Offer Price or at a lower price determined by the shareholder or holder of the subscription rights. Subscription rights holders who do not wish to exercise their subscription rights at the maximum Offer Price but submit a subscription order at a price that is lower than the maximum Offer Price will be allocated a number of New Shares corresponding to the number of subscription rights exercised by such holder only if the price limit set by the holder is not lower than the final Offer Price. The subscription rights expire without value if the price limit set by their holders is lower than the final Offer Price. This can be avoided only by submitting a subscription order without a price limit or with a price limit corresponding to the maximum Offer Price. Shareholders and holders of subscription rights exercising subscription rights are requested to set price limits of multiples of EUR 0.10.

Any extension of the Subscription Period or termination of the Rights Offering will be published via electronic media and in the Official Gazette as soon as possible thereafter. In the event of a termination of the Rights Offering, subscription rights already exercised will become void and any payment made for the subscription will be returned to the subscriber without interest.

If an investor submits an invalid subscription or the Rights Offering is terminated, claims with respect to bank fees and other investor costs incurred in connection with the subscription will be governed by the contractual relationship between the investor and the financial institution that accepted the subscription.

From the beginning of the Subscription Period, Existing Shares will be traded without subscription rights (''ex subscription rights''). Subscription rights will be transferable; their ISIN is AT 0000A06P40. Neither the Company nor the Managers have provided for the subscription rights to be traded on the Vienna Stock Exchange or any other stock exchange.

Special Considerations for U.S. Shareholders regarding the Exercise of Subscription Rights

The subscription rights and the New Shares have not been and will not be registered under the securities laws of any jurisdiction other than the Republic of Austria. Foreign shareholders may therefore be restricted in exercising their subscription rights. In particular, the subscription rights and the New Shares have not been and will not be registered under the Securities Act or any U.S. state securities laws, and subscription rights may be exercised only by or on behalf of those shareholders in the United States who are QIBs within the meaning of Rule 144A under the Securities Act and who follow the instructions set forth below.

A QIB may exercise its subscription rights through the depository bank or clearing system participant through which such subscription rights are held in accordance with procedures established by such depository bank or clearing system participant. Such procedures will require that each QIB who retains investment discretion as to whether to exercise its subscription rights return to its depository bank or clearing system participant a duly completed and executed investment letter certifying, among other things, that such QIB is a qualified institutional buyer and agrees to comply with the resale restrictions, as described under ''*Selling and Transfer Restrictions— United States*''. The form of investment letter is available for download on the website www.hvb-custody.com.

Subscription rights may be exercised only before the end of the Subscription Period expected to be on October 8, 2007. Qualifying holders who may wish to exercise subscription rights should consider that they may not be able to do so during usual U.S. business hours on October 8, 2007, and should consult their depository banks or clearing system participants to determine the effective deadline for their exercise of subscription rights.

International Offering

New Shares for which subscription rights are not exercised in the Rights Offering will be offered in (i) a public offering to retail and institutional investors in the Republic of Austria, (ii) a private placement in the United States to QIBs in reliance on Rule 144A under the Securities Act, and (iii) a private placement outside of the Republic of Austria and the United States to selected institutional investors in reliance on Regulation S under the Securities Act.

The definitive number of New Shares available for sale in the International Offering will be determined after expiry of the Subscription Period. The Offer Period during which investors may offer to purchase New Shares in the International Offering begins on September 24, 2007, and is expected to end on October 8, 2007.

Prospective investors seeking to purchase New Shares in the International Offering are advised to contact their bank, broker or other financial adviser for further details regarding the manner in which purchase orders for New Shares are to be processed. There will be no minimum and no maximum number of New Shares for which purchase orders may be submitted by prospective investors in the International Offering, whether expressed as a number of New Shares or an amount in euros. Multiple purchase orders will be accepted, subject to allocation as described below. Prospective investors in the International Offering may withdraw any purchase orders placed until the end of the Offer Period.

After the final Offer Price has been set, the New Shares for which subscription rights are not exercised in the Rights Offering will be allocated to investors based on the bids then available. No class of investors will receive preferential treatment in respect of allocations. Purchase orders will be considered only if they are placed at a price equal to or higher than the final Offer Price. The amount of New Shares, if any, allocated to an investor will be determined in the absolute discretion of the Company and the Managers. Prospective investors in the International Offering are therefore advised to contact their bank, broker or other financial adviser for details regarding the actual allocation of New Shares made to them. Although the Company does not accept any responsibility therefor, the Company expects that information regarding allocations in the Offering will be made available by these institutions on or about the banking day in Austria on which trading in the New Shares is expected to commence.

Termination of the Offering

Pursuant to the underwriting agreement entered into by the Company and the Managers on September 21, 2007 (the ''Underwriting Agreement''), the obligations of the Managers are subject to the fulfillment of certain conditions such as the registration of the capital increase creating the New Shares with the commercial register and other customary conditions, and the Managers have the right to terminate the Underwriting Agreement under certain circumstances, including the occurrence of certain events of force majeure, up until the closing date of the Offering which is expected to be on or about October 11, 2007.

In the event of termination, all exercised subscription rights as well as all purchase orders placed in the International Offering will become void. However, if a termination of the Underwriting Agreement occurs after registration of the capital increase or a time when the registration of the capital increase cannot be prevented, delivery of the New Shares is reserved.

The closing of the Offering will take place after the commencement of trading in the New Shares on the Vienna Stock Exchange. If an investor has sold New Shares to a third party prior to the delivery of such New Shares in book-entry form and is unable to meet its obligations to deliver the New Shares to a third party due to the termination of the Underwriting Agreement by the Managers, any legal recourse shall arise exclusively from and be limited to the contractual relationship between the investor and such third party. In case of short sales of the New Shares by investors, the selling investor bears the risk of being unable to fulfill his/her delivery obligation.

Stabilization

In connection with the Offering, Bank Austria Creditanstalt AG, acting on behalf of the Managers, as stabilization agent may, itself or through affiliates, engage in stabilization activity aimed at supporting the exchange or market price of the Company's Shares in order to offset selling pressure in those securities. The stabilization manager is not obligated to stabilize and there is no guarantee that stabilization will take place at all. Stabilization, if undertaken at all, can be stopped at any time without prior notice. Stabilization activity may take place from the date of publication of the final Offer Price and must end no later than on the thirtieth calendar day after allocation of the New Shares (the ''Stabilization Period''). Stabilization may result in an exchange or market price of the Company's Shares that is higher than might otherwise prevail and the exchange or market price may reach a level that cannot be maintained on a permanent basis.

Following the end of the Stabilization Period, information regarding stabilizing activities (including the extent to which it has taken place, the dates on which the first and last stabilization trades were executed, and the dates on and price range within which all stabilization activity took place) will be published in accordance with Article 9(3) of Regulation (EC) No. 2273/2003.

Delivery and Settlement

The New Shares purchased in the Offering will be represented by a modifiable interim certificate that has been deposited with OeKB, Am Hof 4, A-1010 Vienna, Austria.

The Managers expect to deliver the New Shares assigned in the Rights Offering and allotted in the International Offering in book entry form through the facilities of OeKB, Euroclear and Clearstream against payment of the final Offer Price on or about October 11, 2007.

Admission to the Vienna Stock Exchange and Commencement of Trading

Application will be made to list the New Shares on the Official Market of the Vienna Stock Exchange, and subject to approval by the Vienna Stock Exchange, trading in the New Shares on the Vienna Stock Exchange is expected to commence in the prime market segment on or about October 10, 2007.

USE OF PROCEEDS

The Company will receive the net proceeds from the Offering comprising the gross proceeds from the sale of the New Shares less the commission of the Managers and other offering-related expenses incurred by the Company (''Net Proceeds''). The Net Proceeds from the Offering depend on the actual number of New Shares sold, the Offer Price, the commissions and the actual offering-related costs.

Based on the last closing price of the Existing Shares of EUR 46.92 on the Vienna Stock Exchange on September 20, 2007, and assuming that the maximum number of 9,779,893 New Shares are sold in the Offering, the gross proceeds from the sale of the New Shares are expected to amount to approximately EUR 458.9 million. The Company estimates that its total costs (including commissions of the Managers) will amount to approximately EUR 16.5 million and expects to receive Net Proceeds from the Offering in the amount of approximately EUR 442.4 million.

The Company intends to use the proceeds from the Offering to create financial flexibility to continue its strategy of profitable and value enhancing growth by investing in bolt-on projects (which include the extension of existing plants, greenfield projects and smaller acquisitions) and strategic acquisitions. The remaining proceeds will be used for general corporate purposes.

MARKET INFORMATION

The Vienna Stock Exchange

Organization and Market Segments

The Vienna Stock Exchange is operated by an independent, privately owned stock corporation, the Wiener Börse AG, based on a license under the Stock Exchange Act issued by the Federal Ministry of Finance. Members of the Vienna Stock Exchange include banks, foreign investment firms and other firms trading in securities, derivatives and money market instruments, registered either within or outside of the European Economic Area. The supervisory authority is the FMA. The FMA monitors trading on the Vienna Stock Exchange with regard to, among other things, compliance with rules and regulations regarding insider trading activity, fairness in trading, and other market related matters.

As of August 31, 2007 shares and certificates of a total of 110 companies were listed on the Official and Semi-Official Markets, the two most important markets of the Vienna Stock Exchange. The majority of these companies were incorporated in Austria as of such date. As of August 31, 2007 the market capitalization of all domestic companies listed on the Official and Semi-Official Markets of the Vienna Stock Exchange amounted to EUR 155 billion (Source: Vienna Stock Exchange).

According to the Stock Exchange Act, for listing purposes the Austrian securities market consists of three statutory markets: the first tier market (the "Official Market"), the second tier market (the "Semi-Official Market") and the third tier market (the "Unregulated Third Market"). The Official Market and the Semi-Official Market have been registered as "regulated markets" pursuant to the Investment Services Directive. In December 2004, the U.S. Securities Exchange Commission granted the Vienna Stock Exchange the status of a "Designated Offshore Securities Market" in accordance with the Securities Act. Effective as of November 1, 2007 Directive 2004/39/EC relating to markets in financial instruments (MiFiD) will be implemented into Austrian law. Upon the implementation the Unregulated Third Market will cease to exist, in its current form, and will be transformed into a multilateral trading facility.

By meeting the statutory criteria, securities are admitted to listing on the Vienna Stock Exchange and are divided in various trading segments. To be traded in a specific segment, certain non-statutory criteria must be met by the issuer of the securities, in addition to the statutory listing criteria. The equity market is divided into the segments "prime market", "mid market" and "standard market".

The Company's Existing Shares are traded in the prime market. The New Shares will also be traded in this segment. The prime market represents the highest ranking market segment of the Vienna Stock Exchange and is comprised of shares that are admitted to listing on the Official Market or Semi-Official Market and meet the most stringent listing criteria.

Out of the currently listed 58 companies on the prime market, only 20 companies are included in the Austrian Traded Index ("ATX") (Source: Vienna Stock Exchange). The ATX consists of the most actively traded (most liquid) and the most highly capitalized stocks in the prime market. It was designed to be broadly representative of the overall performance of all stock listed on the Vienna Stock Exchange, and is used as an underlying reference for futures, options and structured notes. The ATX is calculated, disseminated and licensed by the Vienna Stock Exchange on a real-time basis. The "ATX Prime" index contains all shares and certificates presently traded in the prime market segment. The Company's Shares are included in the ATX and in the ATX Prime indices.

The mid market segment comprises shares that are admitted to listing on the Official Market, Semi-Official Market or Unregulated Third Market and that do not meet all listing criteria required for trading in the prime market, but meet certain non-statutory listing criteria in addition to those set out in the Stock Exchange Act. The standard market segment contains all securities admitted to listing on the Official Market or Semi-Official Market that meet neither the criteria for the prime market nor for the mid market. It is divided in two subsegments: standard market continuous and standard market auction.

Shares listed on the prime market or the standard market continuous are traded continuously, whereas securities listed on the mid market or the standard market auction are traded only once a day. To provide additional liquidity, stocks traded in the prime market and the standard market continuous segment must be serviced by a specialist trader, which has agreed to enter firm quotes into XETRA, the electronic trading system used by the Vienna Stock Exchange on a permanent basis. In both segments, additional liquidity providers other than the designated specialists are permitted to act as market makers in securities already serviced by at least one specialist. The market makers' commitments must meet certain minimum requirements set up by the Vienna Stock Exchange.

General information as well as a range of services, such as quotations and ad hoc information about the companies listed on the Vienna Stock Exchange is provided by the Vienna Stock Exchange via the internet (www.wienerborse.at). Information contained on the website of the Vienna Stock Exchange is not included by reference into this prospectus.

Trading and Settlement

Officially listed securities are traded both on and outside of the Vienna Stock Exchange. Nearly half of all trades are over-the-counter ("OTC"). Shares and other equity securities listed on the Vienna Stock Exchange are quoted in euro per share.

The electronic trading system used by the Vienna Stock Exchange is XETRA (Exchange Electronic Trading), the same trading system used by the Frankfurt Stock Exchange. The settlement system uses automated netting procedures and daily mark to market evaluation of collateral requirements to further reduce transfer costs.

Trading can be suspended by the Vienna Stock Exchange if orderly stock exchange trading is temporarily endangered or if its suspension is necessary in order to protect the public interest. The electronic system provides for automatic volatility interruptions and market order interruptions during auctions and for automatic volatility interruptions during continuous trading.

The settlement of transactions concluded on the stock exchange takes place outside the stock exchange. Exchange transactions (spot and forward markets) are settled through CCP Austria Abwicklungsstelle für Börsegeschäfte GmbH. These transactions are carried out T+3 on a delivery versus payment (DvP) basis, with OeKB acting on behalf of CCP Austria Abwicklungsstelle für Börsegeschäfte GmbH as the central custodian and settlement bank. In case of non-delivery, the transaction will be performed T+14 by a settlement in cash, with the defaulting counter-party having to pay a penalty to the purchaser(s). Settlement terms of OTC transactions depend on party agreement.

Share Price Development

The Company's shares are listed on the Official Market, assigned to trading in the prime market segment, of the Vienna Stock Exchange. The table below sets forth the high and low trading price of the Company's shares on the Vienna Stock Exchange for the periods indicated:

Period	High	Low
	(in EUR)	
2004	36.35	21.10
2005	39.10	28.12
2006	45.00	32.11
January 2007	47.39	42.98
February 2007	49.17	43.93
March 2007	47.50	41.90
April 2007	53.26	46.50
May 2007	56.50	52.25
June 2007	58.06	51.55
July 2007	56.20	44.60
August 2007	54.04	45.50
Through September 20, 2007	52.70	45.89

DIVIDEND POLICY

Holders of the Shares are entitled to an annual dividend declared in respect of the Company's financial year. The payment and amount of dividends on the Shares are subject to approval by the shareholders at the annual shareholders' meeting.

The Company paid the following dividends for the financial years 2004, 2005 and 2006:

Dividends paid by Wienerberger AG	**2006**	**2005**	**2004**
		(in EUR)	
Per share amount of dividends	1.30	1.18	1.07
Total amount of dividends	94,923,128.30	86,414,693.38	78,040,226.37

Past dividends are not an indication of future dividends to be paid by Wienerberger AG.

The Company intends to continue to pay attractive dividends. However, the timing and amount of future dividend payments, if any, will depend upon the Company's future earnings and prospects, capital requirements and financial condition and such other factors as the Management and Supervisory Boards of the Company consider relevant, as well as the approval of shareholders. There can be no assurance that any dividends will be paid or that, if paid, they will correspond to the policy described above. For provisions on dividend distribution contained in the Company's Articles of Association see "*Description of the Share Capital of the Company and the Articles of Association—General Provisions regarding Profit Appropriation and Dividend Payments*".

The Company's ability to pay dividends is based on its unconsolidated financial statements prepared in accordance with Austrian GAAP. Dividends may be paid only from the annual net profit (*Bilanzgewinn*) recorded in the Company's unconsolidated annual financial statements as approved by the Supervisory Board or by the shareholders' meeting. In determining the amount available for distribution, the annual net income (*Jahresüberschuss*) must be adjusted to account for any accumulated undistributed net profit or loss from previous years as well as for withdrawals from or allocations to reserves. Certain reserves must be established by law, and allocation to such reserves must therefore be deducted from the annual net income in order to calculate the annual net profit.

Future dividends paid by the Company may be subject to deduction of Austrian withholding tax, as described in "*Taxation—Taxation in the Republic of Austria—Taxation of Dividends*".

CAPITALIZATION AND INDEBTEDNESS

The following table sets out Wienerberger's capitalization as of June 30, 2007: (i) On an actual basis and (ii) as adjusted to reflect the issuance and sale of 9,779,893 Offer Shares from the share capital increase at an assumed Offer Price of EUR 46.92, being the closing price of the Existing Shares on the Vienna Stock Exchange on September 20, 2007, and the deduction of the commissions payable to the Managers and other offering-related expenses incurred by the Company in an amount of approximately EUR 16.5 million as discussed under "*Use of Proceeds*". The information has been derived from Wienerberger's Consolidated Financial Statements, which have been prepared in accordance with IFRS. This table should be read in conjunction with the Operating and Financial Review and the Consolidated Financial Statements appearing elsewhere in this prospectus.

	As of June 30, 2007	
	Actual (unaudited)	**As adjusted for this Offering (unaudited)**
	(in EUR million)	
Cash and liquid resources	**291.5**	**733.9**
Short-term debt (including current portion of long-term debt)	279.9	279.9
thereof guaranteed	0.0	0.0
thereof secured	4.3	4.3
thereof unguaranteed and unsecured	275.6	275.6
Long-term debt (less current portion of long-term debt)	911.8	911.8
thereof guaranteed	0.0	0.0
thereof secured	15.6	15.6
thereof unguaranteed and unsecured	896.2	896.2
Total indebtedness	**1,191.7**	**1,191.7**
thereof guaranteed	0.0	0.0
thereof secured	19.9	19.9
thereof unguaranteed and unsecured	1,171.8	1,171.8
Net debt	**900.2**	**457.8**
Equity:		
Issued capital	74.2	83.9
Share premium	415.1	847.6
Hybrid capital	500.0	500.0
Retained earnings	1,220.8	1,220.8
Treasury stock	(34.4)	(34.4)
Translation reserve	(76.0)	(76.0)
Minority interest	29.6	29.6
Total shareholders' funds and minority interest	**2,129.2**	**2,571.6**
Total capitalization and indebtedness	**3,320.9**	**3,763.3**

Working Capital Statement

The Company believes that cash flow from operating activities and cash and other liquid resources from other existing sources of financing available to it are sufficient to cover the Group's foreseeable payment obligations at least in the next 12 months from the date of this prospectus.

No Material Adverse Change

There has been no material adverse change in the Group's financial position since June 30, 2007.

DILUTION

The net assets of Wienerberger on a consolidated basis as of June 30, 2007 amounted to approximately EUR 1,599.6 million, or EUR 21.57 per Existing Share, based on 74,167,796 Existing Shares outstanding, each representing a calculated notional amount of EUR 1.00 of the nominal share capital. Net assets is total assets less total liabilities less hybrid capital less capital attributable to minority shareholders. Net assets per Existing Share are determined by dividing net assets by the number of outstanding shares.

Assuming the issue of 9,779,893 New Shares in this Offering at an assumed Offer Price of EUR 46.92, being the closing price of the Existing Shares on the Vienna Stock Exchange on September 20, 2007, Wienerberger's net assets as of June 30, 2007 would have been approximately EUR 2,042.0 million, or EUR 24.32 per share, after deducting the commissions payable to the Managers and other offering-related expenses incurred by the Company. This represents an immediate increase of approximately EUR 2.76 or approximately 12.8% in the net assets per share for existing shareholders who do not exercise their subscription rights, and an immediate dilution in net assets of approximately EUR 22.60 or 48.2% per share to new investors purchasing New Shares in the Offering. Dilution per Share to new investors is determined by subtracting the net assets per Share after the Offering from the Offer Price paid by a new investor.

The following table illustrates the per share dilution:

	EUR
Assumed Offer Price based on closing price on September 20, 2007	46.92
Net assets per Share as of June 30, 2007	21.57
Increase per Share attributable to new investors	2.76
Net assets per Share after the Offering	24.32
Dilution per Share to new investors	22.60

Investors should be aware that the dilution as calculated above is based on an assumed Offer Price for the New Shares of EUR 46.92, being the closing price of the Existing Shares on the Vienna Stock Exchange on September 20, 2007 and the assumed issue of 9,779,893 New Shares in this Offering. The actual dilution per Share based on the Offer Price will equal the difference between (i) the Offer Price and (ii) the sum of net assets prior to the Offering plus net proceeds from the Offering, divided by the number of shares outstanding immediately after the Offering.

SELECTED CONSOLIDATED FINANCIAL DATA

The following selected consolidated financial data of Wienerberger should be read in conjunction with, and are qualified by reference to, the Operating and Financial Review and the Consolidated Financial Statements included elsewhere in this prospectus. The consolidated statement of income data for the years ended December 31, 2006, 2005 and 2004 and the consolidated balance sheet data as of December 31, 2006, 2005 and 2004 are derived from the Audited Annual Consolidated Financial Statements of Wienerberger included elsewhere in this prospectus and should be read in conjunction with those Audited Annual Consolidated Financial Statements. The unaudited consolidated statement of income data for the six months ended June 30, 2007 and 2006 and the unaudited consolidated balance sheet data as of June 30, 2007 are derived from the Interim Consolidated Financial Statements included elsewhere in this prospectus which, in the opinion of Wienerberger, have been prepared on the same basis as the Audited Annual Consolidated Financial Statements and reflect all adjustments, consisting only of normal recurring adjustments, necessary for a true and fair presentation of Wienerberger's results of operations and financial position. Results for the six months ended June 30, 2007 are not necessarily indicative of results that may be expected for the entire year.

	Six months ended June 30,		Year ended December 31,		
	2007	2006	2006	2005	2004
	(in EUR million, except as otherwise noted) (unaudited)		(in EUR million, except as otherwise noted) (audited, except as otherwise noted)		
Consolidated Statement of Income Data[1]					
Revenues	1,227.3	1,011.9	2,225.0	1,954.6	1,758.8
Cost of goods sold	(760.1)	(642.6)	(1,403.7)	(1,211.0)	(1,074.5)
Gross profit	467.2	369.3	821.3	743.6	684.3
Selling and administrative expenses	(294.2)	(261.9)	(539.2)	(479.3)	(421.2)
Other operating expenses	(19.5)	(13.0)	(33.3)	(25.6)	(48.5)
Other operating income	13.1	22.4	54.3	31.6	42.8
Amortization of goodwill	0.0	0.0	(3.5)	0.0	0.0
Operating profit before non-recurring items	166.6	116.8	299.6	270.3	257.5
Operating profit after non-recurring items	166.6	116.8	297.5	269.6	257.5
Interest result	(22.3)	(22.5)	(48.2)	(43.4)	(33.3)
Other financial results including income from investments in associates	27.4	9.6	28.0	25.1	7.2
Income taxes	(31.5)	(22.8)	(59.0)	(54.8)	(49.5)
Profit after tax	140.1	81.1	218.3	196.4	181.8
Thereof attributable to minority interest	(2.6)	(1.0)	(2.4)	(2.1)	(4.7)
Thereof share planned for hybrid capital holders	(12.7)	(0.0)	(0.0)	(0.0)	(0.0)
Thereof attributable to equity holders	124.8	80.1	215.9	194.4	177.1
Other Financial Data					
Operating EBITDA[2]	256.6	196.9	471.9	428.4	405.4
Operating EBIT[2]	166.6	116.8	299.6	270.3	257.5
Capital employed[2]	2,735.8	2,540.7	2,598.2	2,289.4	2,031.5
Capital expenditure and acquisitions	150.5	302.1	530.4	338.7	632.6
Earnings per share	1.70	1.09	2.95	2.66	2.54
Adjusted earnings per share before amortization of goodwill and non-recurring items (in EUR)	1.57	1.09	3.02	2.67	2.54
Declared or paid dividend per share (in EUR)	n.a.	n.a.	1.30	1.18	1.07
Group ROCE (**unaudited**)[2, 3]	n.a.	n.a.	9.1%	8.9%	10.3%
WACC (**unaudited**)[2]	7.50%	7.50%	7.50%	7.50%	7.50%
Cash Flow Data					
Gross cash flow	233.5	146.8	370.8	343.1[4]	306.9[4]
Cash flows from operating activities	117.7	53.3	351.6	250.2[4]	305.7[4]
Cash flows from investing activities	(271.1)	(294.1)	(509.7)	(276.9)	(552.1)
Cash flows from financing activities	187.2	266.1	131.8	157.3[4]	204.3[4]

	As of June 30, 2007	As of December 31, 2006	2005	2004
	(in EUR million) (unaudited)	(in EUR million) (audited)		
Consolidated Balance Sheet Data				
Non-current assets	2,790.0	2,593.0	2,293.4	2,055.4
Current assets	1,264.6	1,081.3	976.1	810.5
Total assets	4,054.6	3,674.3	3,269.6	2,865.9
Equity	2,129.2	1,591.4	1,483.1	1,367.2
Non-current provisions and liabilities	1,215.9	1,088.1	1,376.9	893.7
Current provisions and liabilities	709.4	994.8	409.5	605.0
Total liabilities	4,054.6	3,674.3	3,269.6	2,865.9

(1) Consolidated financial data eliminate minor intra-Group deliveries and services among Wienerberger's segments.

(2) For further explanations of this item see "*Presentation of Financial and Other Information—Non-GAAP Financial Measures*".

(3) After tax, adjusted for non-recurring income and expense and for strategic acquisitions during the year.

(4) The presentation of the consolidated cash flow statement was changed in 2006 in order to better meet the requirements of IAS 7. Accordingly, the calculation of the cash flow since 2006 starts from profit before tax (until 2005: profit after tax). Interest and tax payments are shown separately as components of gross cash flow, which requires adjustments under cash flow from operating activities and cash flow from financing activities. The above cash flow statement is shown in the revised form, and the data for 2005 and 2004 have been adjusted accordingly.

The following table sets forth certain operating and balance sheet data broken down according to the segments of the Group[1]:

	Six months ended June 30, 2007	2006[2]	Year ended December 31, 2006	2005	2004
	(in EUR million) (unaudited)		(in EUR million) (audited)		
Central-East Europe					
External revenues	421.5	266.1	606.7	503.0	488.0
Operating EBITDA	126.8	55.2	158.1	136.7	142.2
Operating EBIT	96.2	28.7	103.3	87.0	101.6
Capital employed	661.9	632.3	624.3	569.5	468.1
Central-West Europe					
External revenues	206.0	189.0	453.7	378.2	364.9
Operating EBITDA	36.5	37.1	96.1	78.0	87.2
Operating EBIT	16.8	20.4	59.1	43.3	51.4
Capital employed	492.5	428.5	453.8	396.3	359.1
North-West Europe					
External revenues	432.9	381.3	805.9	727.6	614.5
Operating EBITDA	89.5	81.6	177.7	165.3	134.5
Operating EBIT	60.9	54.1	116.1	109.2	83.2
Capital employed	1,099.1	1,023.6	1,058.9	952.9	885.4
USA					
External revenues	165.9	171.6	349.5	337.2	284.4
Operating EBITDA	18.8	31.8	63.4	66.4	59.1
Operating EBIT	11.1	24.2	48.2	51.8	42.0
Capital employed	470.5	434.3	437.6	345.0	277.3
Investments and Other[3]					
External revenues	0.2	3.4	8.3	7.3	6.4
Operating EBITDA	(15.0)	(8.6)	(23.4)	(18.1)	(17.5)
Operating EBIT	(18.4)	(10.6)	(27.1)	(21.1)	(20.7)
Capital employed	11.9	21.9	23.6	25.8	41.7
Total external revenues	**1,226.5**	**1,011,4**	**2,224.1**	**1,953.2**	**1,758.2**
Intra-Group sales to non-consolidated Group companies	0.8	0.5	0.9	1,4	0.6
Total revenues	**1,227.3**	**1,011.9**	**2,225.0**	**1,954.6**	**1,758.8**

(1) Includes minor intra-Group deliveries and services among Wienerberger's segments.
(2) Segment data for the six months ended June 30, 2006 have been adjusted to reflect the transfer for organizational reasons of Finland and the Baltics from North-West Europe to Central-East Europe as of January 1, 2007. Prior period figures have not been adjusted to reflect this transfer.
(3) The Investments and Other segment includes holding company costs.

Growth in the value of the Group is the basis of Wienerberger's corporate strategy. For internal operating management purposes, Wienerberger calculates a cash-based pre-tax return for all levels of the Group. The key ratios employed by management are cash flow return on investment ("CFROI", which is calculated as Operating EBITDA divided by historical capital employed; historical capital employed represents capital employed plus accumulated depreciation) and cash value added ("CVA"). The CFROI model allows the Group to compare its various segments, independent of the age structure of the plants. For all segments Wienerberger has established a minimum sustainable CFROI target of 12% after adjustment for non-recurring income and expenses. CVA is calculated based on the CFROI of the individual segments compared to the 12% hurdle rate (which equals 10% pre-tax weighted average cost of capital plus 2% economic depreciation), which is then multiplied by historical capital employed at acquisition cost. CVA shows the absolute operating cash value added by the individual segments.

The following tables set forth calculations of Group and segmental CFROI and CVA:

Group CFROI	**2006**	**2005**	**2004**
	(in EUR million, except percentages) (unaudited)		
Operating EBITDA[1]	471.9	428.4	405.4
Capital employed	2,598.2	2,289.4	2,031.5
Accumulated depreciation	1,349.8	1,231.2	1,109.4
Historical capital employed	3,948.0	3,520.6	3,140.9
CFROI	12.0%[2]	12.2%	12.9%

(1) Adjusted for non-recurring income and expenses.
(2) After adjustments for the full year consolidation of Robinson Brick Company, CFROI equals 12.1%.

	Operating EBITDA[1]			**Historical Capital Employed**			**CFROI**			**CVA**		
	2006	**2005**	**2004**	**2006**	**2005**	**2004**	**2006**	**2005**	**2004**	**2006**	**2005**	**2004**
Segment	**(in EUR million) (audited)**			**(in EUR million) (unaudited)**			**(in %) (unaudited)**			**(in EUR million) (unaudited)**		
Central-East Europe	158.1	136.7	142.2	1,084.5	985.2	837.1	14.6	13.9	17.0	28.0	18.5	41.7
Central-West Europe	96.1	78.0	87.2	724.9	644.4	603.1	13.3	12.1	14.4	9.1	0.7	14.7
North-West Europe	177.7	165.3	134.5	1,527.0	1,370.4	1,247.0	11.6	12.1	10.8	(5.5)	0.9	(15.1)
USA	63.4	66.4	59.1	568.3	472.2	388.5	11.2	14.1	15.2	(4.8)	9.7	12.5
Investments and Other[3]	(23.4)	(18.1)	(17.5)	43.3	48.4	65.1	(54.0)	(37.2)	(26.9)	(28.6)	(23.8)	(25.3)
Wienerberger Group	**471.9**	**428.4**	**405.4**	**3,948.0**	**3,520.6**	**3,140.9**	**12.0[2]**	**12.2**	**12.9[4]**	**(1.9)[2]**	**5.9**	**28.6**

(1) Adjusted for non-recurring income and expenses.
(2) After adjustments for the full year consolidation of Robinson Brick Company, CFROI equals 12.1% and CVA EUR 4.5 million.
(3) Including holding company costs.
(4) Excluding consolidation of thebrickbusiness as of Sept. 24, 2004, CFROI would equal 13.4%.

The following table sets forth certain consolidated financial data for previous periods:

	2003	**2002**	**2001**
	(in EUR million, except percentages)		
Revenues[1]	1,544	1,343	1,224
Operating EBITDA[2]	335	273	197
Group ROCE[2][3] **(unaudited)**	10%	7%	4%
WACC **(unaudited)**[2]	7%	7%	7%

(1) In 2004, the consolidation of Pipelife was changed from proportional to at equity consolidation. Revenues from 2001 to 2003 have been adjusted to reflect this change.
(2) For further explanations of these items see "*Presentation of Financial and Other Information—Non-GAAP Financial Measures*".
(3) After tax, adjusted for non-recurring income and expense and strategic acquisitions during the year.

OPERATING AND FINANCIAL REVIEW

The following discussion and analysis of the financial condition and results of operations of the Group is based on the Group's Audited Consolidated Financial Statements as of and for the years ended December 31, 2006, 2005 and 2004 and the Unaudited Consolidated Financial Statements as of and for the six months ended June 30, 2007 and June 30, 2006. These Consolidated Financial Statements are included elsewhere in this prospectus and should be read in conjunction with this section. The Consolidated Financial Statements have been prepared in accordance with IFRS. The following discussion and analysis of the Group's financial condition and results of operations contains certain forward-looking statements that are based on assumptions about the Wienerberger Group and its business. The Group's actual results could differ materially from those anticipated in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below and elsewhere in this prospectus, particularly under "Risk Factors".

Overview

According to management estimates, the Group is the world's largest brick producer and the second-largest manufacturer of clay roof tiles in Europe. It is present in the two largest segments of the brick industry—hollow and facing bricks—and in the clay and concrete roof tile markets. Wienerberger is the global leader in the hollow brick segment, and is number one in Europe and joint leader in the United States in facing bricks. In addition, the Group manufactures clay and concrete pavers as part of its core business, and operates certain non-core assets. For the year ended December 31, 2006, the Group had revenues of EUR 2,225.0 million, EBITDA of EUR 471.9 million and operating profit after non-recurring items of EUR 297.5 million.

Segment reporting

This Operating and Financial Review is based on the Group's current segmentation, which has been in effect since 2004. The Group's operations are divided into five primary reporting segments: (i) Central-East Europe; (ii) Central-West Europe; (iii) North-West Europe; (iv) USA; and (v) Investments and Other. For purposes of discussion of this operating and financial review, revenues of these segments include only external sales and the sum of these revenues therefore differs from revenue figures presented in the Consolidated Financial Statements, which show total sales, including sales to other geographical segments subject to an adjustment for consolidation effects. Management believes that showing external sales offers a better explanation of the Group's performance in each of the markets concerned.

Central-East Europe

This segment covers the Group's brick and roof tile production and building materials distribution activities in Austria, and Central and Eastern Europe (including among others Poland, Czech Republic, Hungary, Romania, Slovakia, Croatia, Bosnia-Herzegovina, Slovenia, Russia and Bulgaria) as well as Semmelrock concrete pavers (75% stake, full consolidation), Bramac concrete roof tiles (50% stake, proportional consolidation) and Tondach Gleinstätten clay roof tiles (25% stake, at equity consolidation).

Central-West Europe

This segment covers the Group's brick and roof tile production and building materials distribution activities in Germany, Switzerland and Italy.

North-West Europe

This segment includes the Group's brick and roof tile production and building materials distribution activities in Belgium, the Netherlands, France, the United Kingdom, Scandinavia, Finland and the Baltic countries. As of January 1, 2007, the subsidiaries in Finland and the Baltic countries were transferred for organizational reasons from the North-West Europe segment to the Central-East Europe segment.

USA

This segment includes the Group's brick and concrete block production and building materials distribution activities in the United States. Beginning with the third quarter 2007, after the acquisition of operating entities of Arriscraft International Income Fund ("Arriscraft"), the segment will include Canada and be named "North America".

Investments and Other

This segment comprises the Group's non-core activities such as Pipelife plastic pipes (a 50:50 joint venture with Solvay, at equity consolidation), real estate and Group headquarter costs.

Key Factors Affecting the Group's Results of Operations

Management believes that the following factors have been the key drivers affecting the Group's business, results of operations and financial condition over the past three years, and will continue to be so.

Demand trends and pricing

The Group's results of operations are directly correlated to the level of new residential construction activity in the countries and regions where it operates, which in turn are influenced by national and regional macroeconomic factors such as GDP growth rates, housing starts and, to a lesser extent, prevailing long-term interest rates (mortgage rates). In addition, fiscal, tax and other policies of national and regional governments often have the effect of stimulating or discouraging residential construction activity and may influence customer preferences as to choice of building materials. Consequently, Wienerberger's operations in each of its geographical markets are cyclical, with periods of high growth typically followed by downturns. The geographical diversification of the Group's operations across a number of markets in Central, Eastern and Northwestern Europe and North America to some extent decreases the impact of cyclicality on the Group's overall results of operations. Moreover, Wienerberger's diversification in both the wall, facade and roof tile segments decreases its exposure to cyclicality because sales of roof tiles are partly driven by renovation, whereas those of bricks are predominantly influenced by new construction.

While most Eastern European economies have been experiencing above average GDP growth and a booming residential construction business over the past few years' residential construction in the United States contracted by 13% in 2006, compared to the record 2005 level. The decline ranged up to 30% on a monthly basis and was particularly strong in Midwest, which is one of Wienerberger's most important markets. Although the Group's U.S. subsidiary General Shale outperformed the overall market, sales in the United States decreased by approximately 7% year on year in 2006 on a U.S. dollar basis (total U.S. sales including the consolidation of Robinson Brick Company ("Robinson Brick") increased by 4%). The latest forecast by the National Association of Home Builders showed a further decline of 20% in housing starts to 1.45 million units for 2007. Due to the excess capacity on the market and high inventories of bricks, Wienerberger expects increasing pressure on prices during the second half of 2007. However, the consolidation of Arriscraft should allow the Group to record an increase in North American revenues even for 2007.

The Group's results of operations are dependent on the price levels of its main products for walls, facades and roofs. In the brick and roof tile industries, price levels are directly correlated with demand, inventory levels and capacity utilization. During periods of high demand (typically driven by the positive macroeconomic factors referred to above) and high capacity utilization, prices tend to increase which has a positive effect on Wienerberger's margins. Conversely, a decline in demand may exert downward pressure on prices, especially in markets where lower demand results in excess capacity that cannot be easily eliminated due to market fragmentation. Lower prices and lower capacity utilization have an adverse effect on the Group's margins because of the high level of fixed costs in its cost structure. Management believes, that the Group is the leader in many of its markets, which generally allows it to adjust capacity in periods of falling demand and to withstand pricing pressures. However, in some of its markets it is more exposed to the price levels set by other producers in the market.

Acquisitions

Since 1986, the Group has grown from a local business with a few production sites in Austria into a major player in the world building materials industry with 253 plants in 26 countries and five export markets. This expansion has been achieved through organic growth and value-creating projects. As regards the latter, Wienerberger differentiates between "bolt-on projects" (defined as greenfield plants and capacity expansions, as well as minor acquisitions in existing markets) and external projects, which represent strategic acquisitions justifying substantial investment, typically motivated by the targets' market leading positions or the Group's desire to enter new markets.

In 2006, the Group spent a total of EUR 430 million on growth investments. About 50 projects were initiated or completed in 2006. Strategic acquisitions accounted for 40% of spending on growth investments in 2006, and bolt-on projects for the other 60%. Bolt-on projects are primarily funded from free cash flow (cash flow from operating activities minus cash flow from investing activities plus growth investments), with debt used to cover any additional requirements. Strategic acquisitions have primarily been debt financed. Expenditure on growth investments was EUR 250.5 million in 2005 (entirely devoted to over 30 bolt-on projects), EUR 542.2 million in 2004 (EUR 147.6 million for bolt-on projects and EUR 394.6 million for two strategic acquisitions), EUR 310.4 million in 2003 (EUR 211.5 million for the acquisition of the first 50% stake in Koramic Roofing and the remainder for 15 smaller acquisitions) and EUR 110.5 million in 2002 (thereof EUR 65.4 million for the acquisition of the Continental European operations of Hanson Bricks).

Management expects acquisitions to continue to have a significant impact on the Group's results of operations and financial condition.

Recent significant acquisitions

In July 2007, Wienerberger acquired all operating units of Arriscraft for CAD 107 million. The company, with headquarters in Cambridge, Ontario (Canada), operates three production sites in Cambridge, Ontario (Canada), Saint-Étienne-des-Grés, Quebec (Canada), and Fort Valley, Georgia (United States). It is the largest producer of manufactured stone in North America (based on management estimates), which is a growing niche product for wall cladding, and has market shares at above 50% in the United States and Canada. In the most recent completed financial year, Arriscraft generated revenues of CAD 79.2 million in Canada and the United States, and an EBITDA of CAD 11.3 million, employing a work force of over 400 people.

In July 2007, Wienerberger acquired a 99% share in Baggeridge Brick plc ("Baggeridge Brick"), a British company listed on the London stock exchange, by means of a public tender offer for a purchase price of GBP 99.4 million. Baggerridge Brick operates five production sites in the United Kingdom (see "*Business—Organization and Business Segments—Central-West Europe and North-West Europe*").

In May 2006, Wienerberger acquired Robinson Brick, a brick producer and merchant headquartered in Denver, Colorado, which operates four plants and 17 retail centers, and, based on management estimates, holds a leading market position in seven U.S. states west of the Mississippi. The purchase price for Robinson Brick, which generated revenues of $ 87 million and EBITDA of $ 14 million in 2005, was $ 121.5 million including assumed liabilities.

No large acquisitions were completed in 2005. In March 2005, Wienerberger took a majority in von Müller Dachprodukte GmbH & Co. KG, the owner of roof tile plants in Eisenberg and Görlitz, Germany. In June 2005, the Group purchased two brick plants in Slovakia, and in September 2005 it acquired a brick factory from Denmark's Petersminde Teglvaerk AS. In addition, Wienerberger purchased a brick company in Lukovit, 120 km northeast of Sofia.

In June, 2004, Wienerberger acquired full ownership of Koramic Roofing by exercising its option to purchase the remaining 50% of Koramic Roofing not already owned by Wienerberger for EUR 223.9 million, thereby gaining leading positions on the Belgian, Dutch, French, Polish and Estonian clay roof tile markets, according to management estimates.

In September 2004, the Group acquired thebrickbusiness—the third-largest brick manufacturer in the United Kingdom at the time (based on management estimates), with nine plants, for a price (including debt) of EUR 128.1 million, as well as the Ockley brick plant near London for EUR 12.6 million.

The following table shows cash flows related to the Group's investment activities since 2004:

Selected cash flows from investing activities	**6 months ended June 30, 2007**	**2006**	**2005**	**2004**
	(in EUR million, except no. of acquisitions)			
Maintenance capital expenditures (maintenance, rationalization, environment)	(55.2)	(100.2)	(88.2)	(90.4)
Bolt-on projects (new plant construction, extensions, small acquisitions)	(95.3)	(334.7)	(250.5)	(177.5)
External growth projects (large acquisitions)	0	(95.5)[(1)]	(0.0)	(364.6)[(2)]
No. of acquisitions	n.a.	17	14	17
Total investments	**(150.5)**	**(530.4)**	**(338.7)**	**(632.5)**

(1) Includes the acquisition of Robinson Brick.

(2) Includes the acquisition of the remaining 50% stake in Koramic Roofing and thebrickbusiness.

In 2003, the Group spent approximately EUR 310 million on growth investments (EUR 95 million thereof for bolt-on projects and EUR 215 million for strategic acquisitions). In 2002, the Group spent approximately

EUR 111 million on growth investments (EUR 46 million thereof for bolt-on projects and EUR 65 million for large acquisitions).

Seasonality and weather

The residential construction industry is seasonal and, consequently, the Group's revenues are subject to seasonal fluctuations. In the winter months of December, January and February, the Group records very limited sales in Europe and reduced levels of sales in the United States, generally resulting in weak first quarter results. Accordingly, the Group reduces production during this period, if necessary. However, the remaining production leads to inventory build-ups. Brick and roof tile inventories do not generally suffer from spoilage but are subject to price risk if the Group misjudges local market conditions. The Group therefore views the seasonality of its sales more as a capacity management than an inventory management issue. Sales usually return to normal in March, and as they pick up the Group generally experiences an increase in receivables. Both inventory build-ups and increases in receivables lead to increases in working capital, which then shrinks over the summer months as inventories are run down during the period of higher demand. Local weather conditions also affect residential construction activity and, consequently, the Group's revenues over the year, and may lead to increases or decreases in working capital during periods other than the winter months. Weather may mitigate the effects of seasonality, as a mild winter can have a positive impact on levels of residential construction activity and thus enhance revenues. Revenues from roof tile operations can also benefit from adverse weather conditions as these may lead to increased renovations.

Taxation

The Group operates in many different jurisdictions and is subject to a variety of tax regimes. On a consolidated basis, Wienerberger calculates its tax burden on the basis of the weighted average of the local income tax rates paid by all companies included in the consolidation. The Group's effective tax rate was 21.3% for the financial year ended December 31, 2006, compared to 21.8% for the financial year ended December 31, 2005.

As of 2007, the effect of the hybrid bond needs to be considered in that the hybrid coupon is tax deductible, and is shown in the Group income statement following profit after tax as a distribution to hybrid capital holders.

The provision for deferred taxes includes all temporary valuation and accounting differences between financial statements prepared for tax purposes and the IFRS Consolidated Financial Statements. The provision for this item is calculated according to the rate of tax expected to apply when these differences reverse in the future, based on the local tax rates of Group companies. As of December 31, 2006, the Group had accumulated EUR 58.5 million in temporary differences and tax loss carry forwards that are not reflected in deferred tax assets as potential tax relief is not sufficiently certain.

Foreign exchange translation effects

The Group translates the financial statements of its operations outside the euro zone, including those in the United States, Switzerland and Central-East Europe, into its reporting currency, the euro. The results of operations and balance sheets of consolidated subsidiaries operating outside the euro zone are hence affected by the euro exchange rates of the currencies in question. Appreciation of these currencies typically increases the contribution of the business segment concerned to the Group's results of operations, and vice versa. Due to the size of the Group's U.S. operations, the U.S. dollar-euro exchange rate has the biggest impact on results. The table below breaks down consolidated sales for the 2006 and 2005 financial years, and the six months ended June 30, 2007 and 2006 by currency.

	Revenues six months ended June 30, 2007	% of Revenues six months ended June 30, 2007	Revenues 2006	% of Revenues 2006	Revenues 2005	% of Revenues 2005
	(in EUR million, except percentages)					
Euro	607.6	50	1,085.2	49	958.8	49
Central-Eastern European currencies	327.9	27	541.9	24	431.6	22
U.S. Dollar	165.9	14	349.5	16	337.2	17
Other (including Swiss, U.K. and Scandinavian)	125.9	9	248.4	11	227.0	12
Revenues	**1,227.3**	**100%**	**2,225.0**	**100%**	**1,954.6**	**100%**

The Group uses cross currency swaps to help ensure that assets and liabilities are matched in terms of currency, and thereby decrease the impact of exchange rate fluctuations on Group equity. No derivative contracts are concluded for trading or speculative purposes. The exposure of the Wienerberger Group to exchange rate risk is limited because of the local nature of the building materials business, which rarely involves exports or imports, meaning that cash flows into or out of the euro area almost entirely concern Group dividends or loans. The foreign exchange risk associated with these intra-Group cash flows is managed by the holding company. Borrowing to finance current assets is in the local currencies of the subsidiaries concerned because of the decentralized structure of the Wienerberger Group.

The following table sets out the European Central Bank reference rates (''ECB reference rates'') for the currencies that have the most impact on the Group's financial condition, as of December 31, 2006 and 2005, and June 30, 2007 and 2006, as well as the average ECB reference rates for 2006, 2005 and 2004, and the six months ended June 30, 2007 and 2006.

	ECB reference rate at				Average ECB reference rate for				
	Six months ended June 30,		December 31,		Six months ended June 30,		December 31,		
	2007	2006	2006	2005	2007	2006	2006	2005	2004
Currency									
100 U.S. dollars	74.047	78.660	75.930	84.767	75.241	81.326	79.643	80.380	80.392
100 Hungarian Forint	0.406	0.353	0.397	0.395	0.399	0.384	0.378	0.403	0.397
100 Polish Zloty	26.541	24.499	26.103	25.907	26.014	25.706	25.668	24.857	22.091
100 Czech Koruna	3.482	3.508	3.638	3.448	3.552	3.510	3.528	3.358	3.136
100 British Pounds	148.368	144.697	148.920	145.921	148.227	145.561	146.686	146.242	147.349

Energy costs

The energy used in the production of bricks and roof tiles represents a significant portion of the Group's overall costs. For example, in 2006 energy costs totaled EUR 316 million or 14.2% of revenues. This represented an increase of EUR 65.6 million (26%) over 2005, of which EUR 47 million were attributable to price increases and EUR 19 million to higher volume. The price-related increase mainly resulted from a significant rise in the cost of crude oil, which subsequently led to higher natural gas and electricity prices. Group energy expenses typically break down into 66% for natural gas, 7% for crude oil, 22% for electricity, and 5% for coal and other energy forms. Due to the significant impact of fluctuations in energy prices on the Group's operating costs and results of operations, management has established the following guidelines for deregulated energy markets: at least 75% of energy costs must be hedged for the coming six months, 50% for the next 12 months and 25% for the next 24 months. Wienerberger specialists analyze local price trends and make contracts aimed at optimizing energy purchases. The Group's long-term energy strategy is managed by the central procurement and risk management departments on the basis of quarterly cash flow at risk calculations. As part of a rolling planning process driven by market trends, the prices of a part of the Group's energy requirements are locked in for up to two years in advance. The Group expects to meet some 65% of its natural gas needs for 2008 under fixed price contracts. Approximately 20% of the Group's energy requirements are purchased at market prices on regulated markets in Central-East Europe which lack opportunities for hedging because prices are fixed by the government.

Transportation costs

Transportation costs are an important component of the overall cost base of Wienerberger. They can be divided into two main types, internal transportation costs and transportation costs for customer deliveries. Both types fluctuate in part according to production and sales volumes and according to energy prices. In 2006, total transportation costs were at EUR 190.1 million, with internal transportation costs amounting to EUR 79.6 million and transportation costs for customer deliveries amounting to EUR 110.5 million. This compares to total transportation costs of EUR 165.1 million in 2005, thereof EUR 55.4 million from internal transportation and 109.8 million resulting from transportation for customer deliveries. The Group does not own a significant fleet of trucks and uses contractors for transportation. Wienerberger tries to optimize transportation costs primarily through optimizing its plant network and respective plant capacities. The Group has a network of decentralized production facilities and plants are located near to raw material supplies as close as possible to local markets. This reduces transport distances, which makes fast delivery at lower costs possible.

Depreciation

The determination of the useful lives of the Group's assets for depreciation purposes is at the discretion of management, which uses conservative estimates. This results in higher depreciation charges and lower operating profits than would otherwise be the case. In 2006, ordinary depreciation (including non-current assets held under finance leases, as well as current assets) amounted to EUR 166 million. Depreciation represents 6.2% of the cost of acquisition or construction of the relevant assets or an average depreciation period of 20 years. However, in the past, the Group has generally been able to use its assets for periods longer than 20 years.

Critical Accounting Policies

In the preparation of the Group's Consolidated Financial Statements, management selects and applies certain accounting policies that it believes are important to the portrayal of the Group's financial condition and results of operations. As a result of the uncertainties inherent in the Group's business activities, management needs to make estimates and assumptions that require difficult, subjective and complex judgments.

Wienerberger believes that the critical accounting policies discussed below are affected most significantly by management's exercise of its judgment and estimates in the preparation of the Consolidated Financial Statements. The use of different but equally reasonable judgments or estimates by management would have resulted in significantly different results of operations. For a discussion of these and other accounting policies, please see the notes to the Consolidated Financial Statements.

Consolidation

All companies that are material and are directly or indirectly controlled by the Group are consolidated in the Consolidated Financial Statements. Material investments in associated companies (companies that are neither directly nor indirectly controlled by the Group but over which the Group can exercise a significant level of influence) are accounted for using the equity method.

IAS 31, "Interests in Joint Ventures", applies to the Group's accounting for its interests in joint ventures. IAS 31 allows two accounting treatments for an investment in jointly controlled entities: proportionate consolidation and equity method of accounting. Proportionate consolidation is considered to be the more appropriate method of accounting where joint venture partners exercise joint control whereas the equity method is more appropriate where the partner's stake leads only to significant influence rather than joint control. As of January 1, 2004, the Group accounts for Pipelife, which was previously consolidated proportionally, using the equity method. Wienerberger does not have a controlling influence in Pipelife and does not view Pipelife's plastic pipe activities to be part of the Group's core business. Moreover, management regards Pipelife as an independent entity with no operational links to the Group. However, the Group proportionately consolidates its Bramac joint venture because it continues to view its concrete roof tile activities as part of the Group's core business and because the Group exercises joint control in Bramac.

For further information concerning the Group's consolidation methods and procedures, see note 4 to the Group's 2006 Audited Annual Consolidated Financial Statements.

Impairment

In accordance with IAS 36, assets are remeasured to value in use or a possible sales price or liquidation value if there is evidence of impairment and the present value (discounted at a weighted average cost of capital rate of 7.5%) of future cash flows is less than book value. In the Wienerberger Group, cash-generating units generally represent groups of plants. Future cash flows are based on internal forecasts, which are prepared in detail for 2007 and with minor simplifications for the following three years. The quality of these forecasts is evaluated on a regular basis through a variance analysis that compares the projections with actual figures. The results of this analysis are reflected in the forecast for the following year. Future cash flows for the 2011-2021 period are based on the estimated cash flows for 2010. Therefore, the calculation of the present value of cash flows is based on 15 reporting years.

The major consideration in determining value in use is assumptions about the future development of the relevant local market and sales volumes. Value in use is estimated on the basis of assumptions that are checked with economic researchers in the various regional markets, estimates published by Euroconstruct and values derived from past experience. Market growth rates may vary from –5 to +5% in a single year over the short-term planning period of four years; thereafter, average market growth is generally assumed to range from zero to +2%. The cost forecasts generally use past experience in the Wienerberger Group as a basis for extrapolation.

The carrying value of a non-current asset that was previously recognized as impaired is remeasured to the recoverable amount if the reasons for impairment cease to exist or if a possible use is found for the item. In accordance with IFRS 3, goodwill that has been subject to impairment is not revalued.

Provisions for post employment obligations

Provisions for severance payments—primarily for employees of the Austrian companies—are calculated according to the principles of investment mathematics based on retirement ages of 65 (men) and 60 (women), applying a discount rate of 4%. The Austrian standard entry age method is employed.

The Wienerberger Group has both defined contribution and defined benefit pension plans. Defined contribution plans carry no further obligation after the payment of premiums. Under defined benefit plans, the employee is promised a certain retirement benefit. The risk related to the actual retirement benefit is carried by the Group up to the point of payment. The provisions for defined benefit pension plans are calculated according to the projected unit credit method. The valuation of pension commitments includes future wage/salary increases as well as increases in defined benefit commitments. In general these calculations are based on a discount rate between 4.5% (Europe) and 5.75%, projected pay increases of 2.5 to 5.0%, anticipated growth of 1.0 to 5.75% in pensions, average employee turnover of 2.0 to 5.0% and expected returns of 4.55 to 7.8% on plan assets. The provisions for pensions are calculated by actuaries.

Commitments by U.S. companies to cover medical costs for retired employees are recorded under provisions for pensions because of their pension-like character. The provisions for pensions are netted against pension plan assets held to cover commitments. The fair values of plan assets that exceed pension obligations are shown under ‘‘other current receivables’’. Significant actuarial gains and losses are not recognized as income or expense in the year when they arise, but are amortized over the remaining expected working lives of active employees (‘‘corridor’’ approach).

Provisions for site restoration

In accordance with IAS 16 (effective as of January 1, 2005), provisions for site restoration are recognized when a clay pit is purchased based on the expected cost of future restoration. The assumptions underlying site restoration provisions are primarily based on local conditions. The provisions for the restoration of clay pit sites purchased before 2005 are calculated yearly based on depletion (that is, the provision increases as the volumes extracted from the pit increase), in accordance with the transition rule in respect of IAS 16. Starting in 2005, estimated future restoration costs for clay pits are capitalized and fully provisioned at the time of acquisition. The capitalized amount is usually depreciated according to the volumes extracted from the pit.

Segment reporting

Under the ‘‘management approach’’ to segment reporting taken by IFRS 8, the operating segments selected for primary segment reporting must reflect the entity’s internal reporting structure. Wienerberger therefore structures its primary reporting segments according to regions, because the Group is managed according to regions and not according to product groups. Secondary segment reporting, which is not discussed in this prospectus, is used by management to collect additional information on the following product groups: hollow bricks, facing bricks, roofing systems, pavers and other.

Set forth is a breakdown of the Group’s revenues and operating EBITDA by product groups in the six months ended June 30, 2007 and 2006 and in the years ended December 31, 2006, 2005 and 2004.

Revenues	**6 months ended June 30, 2007**	**6 months ended June 30, 2006**	**2006**	**2005**	**2004**
	(in EUR million)				
	(unaudited)		**(audited)**		
Hollow bricks	455.3	366.6	819.3	692.4	647.5
Facing bricks	450.2	412.5	810.7	778.6	711.6
Roofing systems	228.7	178.8	461.9	371.2	314.6
Pavers	92.1	50.5	124.8	104.9	78.7
Others	1.0	3.5	8.4	7.4	6.4
Wienerberger Group	**1,227.3**	**1,011.9**	**2,225.0**	**1,954.6**	**1,758.8**

Operating EBITDA	6 months ended June 30, 2007	6 months ended June 30, 2006	2006	2005	2004
	(in EUR million)				
	(unaudited)		(audited)		
Hollow bricks	130.9	90.0	225.2	199.9	195.1
Facing bricks	62.6	69.7	135.8	138.4	132.0
Roofing systems	63.4	37.8	113.6	89.8	84.3
Pavers	14.8	8.1	20.7	18.4	11.6
Others	(15.0)	(8.7)	(23.4)	(18.1)	(17.5)
Wienerberger Group	**256.6**	**196.9**	**471.9**	**428.4**	**405.4**

Transfer prices

Regional exchanges of goods and services among Group companies have contributed less than 10% to total revenues during the period under consideration. Prices for intragroup sales of goods are set in accordance with the arm's length principle, applying the basis of the resale price method. Prices for intragroup services are set in accordance with the arm's length principle, applying the cost-plus method.

Period by Period Comparison

Overview

The discussion and analysis of the Group's results of operations is presented at three levels: (i) the macro level, at which the most detailed discussion is presented on the basis of the Group's consolidated results, and changes in most line items in the consolidated income statement and changes in consolidated EBITDA are examined; (ii) the intermediate level which includes a segment-by-segment discussion and analysis of the Group's revenues and EBITDA; and (iii) the country level at which the revenues generated by the five segments are discussed.

Explanation of certain line items used in the Group's income statement and other financial data

''Other operating expenses'' includes costs that cannot be allocated to specific operations, such as taxes (other than income taxes), legal and consulting expenses, provisions and valuation adjustments to receivables.

''Other operating income'' consists of: income from the disposal of property, plant and equipment in the ordinary course of the Group's business; reversals of previously charged depreciation in connection with harmonization of the depreciation schedules for similar assets; leasing revenue; insurance compensation; expenses charged to non-consolidated associates, subsidiaries or other investees; income from the reversal of valuation allowances to receivables; and sales-like revenues that are not part of the direct business activities of the Group, such as royalties or rental income. Gains on disposals of non-operating real estate in the ordinary course of business is also included in ''other operating income''. Due to its large non-operating real estate portfolio, the Group expects to regularly generate gains on such disposals, and they are therefore not viewed as non-recurring.

''Interest result'', also referred to as ''net financing costs'', consists of interest and similar expenses (negative) netted against interest and similar income (positive).

''Other financial results'' comprise income from investments (in particular, non-consolidated associates, subsidiaries and other investees not included in consolidation), gains and losses on remeasurement of securities to fair value, and foreign exchange gains and losses, as well as bank and commitment charges (bank and commitment charges include current expenses and transaction costs arising from loans and bonds issuance over the term of the financing).

''Income taxes'' include income taxes paid and owed by Group companies as well as provisions for deferred taxes of the Group. The reported Group tax rate is a weighted average of the local income tax rates of all consolidated subsidiaries.

''EBIT'' (earnings before interest and tax) and ''operating EBIT'' are consolidated profit on ordinary activities before total net interest (to the extent included), tax in accordance with GAAP consistently applied, excluding (to the extent otherwise included) any profit or loss of any member of the Group (other than the Company) which is attributable to a shareholder (not being a member of the Group) in that member of the Group, and excluding non-recurring income and expenses.

''EBITDA'' (earnings before interest, tax, depreciation and amortization) and ''operating EBITDA'' are the Group's EBIT or operating EBIT before depreciation, amortization and impairment. This is obtained by adding back the total of the impairment, depreciation and goodwill amortization reported in the Group's Consolidated Financial Statements.

Comparison of Group Results

Overview

Due to the nature of its business as a manufacturer of building materials, the Group's results are affected by seasonal fluctuations and are dependent on the weather in the Group's main markets. Consequently, quarterly or semi-annual results are of only a limited analytical value. In the first half-year 2007, the Group's revenues rose by 21% to EUR 1,227.3 million year-on-year, operating EBITDA increased by 30% to EUR 256.6 million and operating EBIT by 43% to EUR 166.6 million year-on-year. This growth was supported by favorable weather at the beginning of the year as well as the steady high pace of construction activity throughout large parts of Europe—above all Central-East Europe, where Wienerberger recorded an increase of 58% in revenues to EUR 427.6 million and 130% in operating EBITDA to EUR 126.8 million year-on-year during the first six months of 2007. The robust development in Central-East Europe underscored the importance of this segment for Wienerberger, which, for the most recent reported period, represented 35% of Group revenues and 49% of operating EBITDA. In spite of continuing weakness on the U.S. housing market and the disappointing rate of new residential construction in Germany, the Group was able to report a double-digit growth for the second quarter due to significantly higher sales volumes in Central-East Europe and North-West Europe as well as higher prices.

Management aims to achieve an increase of operating EBITDA and earnings per share by at least 15% in 2007. Furthermore, management aims to achieve above industry-average growth in operating EBITDA and earnings per share of on average 10% per year, and in the mid-term a ROCE of more than 10%. A further goal is to maintain investment grade ratings.

Throughout 2006, the global macroeconomic environment was positive. While GDP growth slowed to 3.4% in the United States, the recovery in Europe gathered momentum and GDP growth accelerated to 2.6% in the EU-15 area. GDP grew above average especially in Central and Eastern Europe. European construction activity, which is of particular importance for the Group, registered a faster pace of growth than in previous years. In Western Europe, housing starts per thousand residents rose from an average of 5.69 in 2005 to 6.24 in 2006. In Central and Eastern Europe, housing starts are still well below West European levels but have risen steadily in the past few years. In 2006, the most developed markets were Hungary with 3.97 housing starts per thousand residents and the Czech Republic with 3.95. In the United States, housing starts decreased by 13% to 5.99 per thousand residents in 2006. Positive foreign exchange effects, above all from the Polish Zloty and Czech Koruna, offset the negative impact of a weaker U.S. dollar and Hungarian Forint. Group results benefited significantly from restructuring undertaken in recent years and continuing into 2006, and from consolidation of acquisitions such as Robinson Brick.

The global economy recorded solid growth outside Western Europe in 2005. GDP in the United States grew 3.6%. The EU-15 area averaged GDP growth of 1.9%, and was outpaced by Central and Eastern Europe with a growth rate of 4.3%. Particularly good development was recorded in Latvia (7.2%), Lithuania (6.4%), Estonia (6.0%) and Slovakia (4.9%). The European construction industry reported generally modest growth for 2005. In Western Europe housing starts per thousand residents increased from 5.46 to 5.69. Trends were mixed in Central and Eastern Europe. New residential construction was weak in Hungary, while there was a shift from single family homes to multi-story buildings in Poland, which means less bricks per housing start. In the United States, GDP rose by 3.6%. In 2005, U.S. housing starts reached 6.94 per thousand residents. Positive foreign exchange effects, chiefly from the Polish Zloty and the Czech Koruna led to an increase of Group revenues by EUR 24.7 million. No acquisitions with major effects on the Group's results were made in 2005, but acquisitions made in 2004—notably thebrickbusiness and Koramic Roofing—were consolidated for the full year.

Group results for the six months ended June 30, 2007 compared with the six months ended June 30, 2006.

	Six months ended June 30, 2007	% Change	Six months ended June 30, 2006
	(in EUR million)		
Income statement data			
Revenues	1,227.3	+21	1,011.9
Cost of goods sold	(760.1)	+18	(642.6)
Selling and administrative expenses	(294.2)	+12	(261.9)
Other operating expenses	(19.5)	+50	(13.0)
Other operating income	13.1	–42	22.4
Operating profit before non-recurring items	166.6	+43	116.8
Operating profit after non-recurring items	**166.6**	**+43**	**116.8**
Interest result	(22.3)	–0.9	(22.5)
Other financial results including income from investments in associates	27.4	>100	9.6
Income taxes	(31.5)	+38	(22.8)
Profit after tax	**140.1**	**+73**	**81.1**
Thereof attributable to minority interest	(2.6)	>100	(1.0)
Thereof share planned for hybrid capital holders	(12.7)	n/a	(0.0)
Thereof attributable to equity holders	**124.8**	**+56**	**80.1**
Other financial data			
Operating EBITDA	256.6	+30	196.9
Operating EBIT	166.6	+43	116.8

Income statement data

Revenues

Revenues for the six months ended June 30, 2007 totaled EUR 1,227.3 million—an increase of EUR 215.4 million or 21.3% (HY 2006: EUR 1,011.9 million). This development was due primarily to favorable weather conditions at the beginning of the year, as well as the steady high pace of construction activity throughout large parts of Europe—in particular Eastern Europe. The increase was in part offset by lower sales in the United States and weak sales in Germany. 13% of the increase in revenues for the first half year is attributable to higher sales volume and about 8% to higher prices.

Cost of goods sold

Cost of goods sold for the six months ended June 30, 2007 was EUR 117.5 million or 18% higher at EUR 760.1 million (HY 2006: EUR 642.6 million). The increase in cost of goods sold was mainly due to increased volumes, since cost of goods sold for the most part consist of variable costs. Substantial cost increases were reported in energy costs, costs for raw materials and personnel costs, although price increases for energy and raw materials had a much lower effect than the significant increase in volumes. Personnel costs increased due to wage increases, especially due to substantial average wage increases in Eastern Europe, and additional workforce due to acquisitions and capacity extensions.

Selling and administrative expenses

Selling and administrative expenses for the six months ended June 30, 2007 were EUR 32.3 million or 12% higher at EUR 294.2 million (HY 2006: EUR 261.9 million). The increase in selling expenses was primarily due to higher distribution costs (higher freight volumes to customers due to increased sales volumes) and higher transportation volumes (increased exports from Germany and some Eastern European countries to Poland, from Hungary to Romania, Bulgaria and the Ukraine). Furthermore, transportation costs rose in a number of countries due to shortages in transportation capacities. Fixed costs for the sales force increased due to acquisitions and entry into new markets as well as ordinary cost increases and administrative expenses, especially in the holding company due to the additional personnel needed to support the growth program, but also in other Group companies due to acquisitions and capacity extensions.

Other operating expenses

Other operating expenses for the six months ended June 30, 2007 were EUR 6.5 million or 50% higher at EUR 19.5 million (HY 2006: EUR 13.0 million) due to various minor impairments of real estate as well as minor restructuring costs.

Other operating income

Other operating income for the six months ended June 30, 2007 was EUR 9.3 million or 42% lower at EUR 13.1 million (HY 2006: EUR 22.4 million). The decrease was mainly due to releases of restructuring provisions in 2006.

Operating profit

Operating profit after non-recurring items for the six months ended June 30, 2007 totaled EUR 166.6 million, an increase of EUR 49.7 million or 42.6% (HY 2006: EUR 116.8 million), mainly due to a significant growth in sales based on growth in prices and volumes, whereas cost levels did not increase at the same pace. There were no non-recurring items in the six months ended June 30, 2007.

Net Financing Costs

Net financing costs for the six months ended June 30, 2007 totaled EUR 22.3 million, a decrease of EUR 0.2 million or 0.9% (HY 2006: EUR 22.5 million). The level of interest bearing debt decreased due to the issue of the hybrid bond, thus reducing interest costs, since the expected coupon payments on the bond are accounted for as part of profit distribution according to IFRS. This effect was partly offset by higher interest rates and lower capitalized interest for ongoing investment projects.

Other Financial Results

Other financial results for the six months ended June 30, 2007 rose to EUR 27.4 million, an increase of EUR 17.8 million. (HY 2006: EUR 9.6 million). This significant increase was due to an extraordinary sale of securities causing a one time gain of EUR 10.1 million and the contribution of Pipelife and Tondach, which are consolidated at equity.

Net profit

Net profit for the six months ended June 30, 2007 totaled EUR 124.8 million, a gain of EUR 44.7 million or 55.7% (HY 2006: EUR 80.1 million). This development combined positive effects from sales and costs development with a simultaneous improvement in financial results.

Other financial data

EBIT and EBITDA

EBIT for the six months ended June 30, 2007 totaled EUR 166.6 million, an increase of 49.7 million or 43% (HY 2006: EUR 116.8 million). EBITDA for the period increased by 59.7 million or 30% to EUR 256.6 million (HY 2006: EUR 196.9 million). The positive development in both EBIT and EBITDA was due primarily to a significant growth in revenues due to volume and price increases, whereas cost levels did not increase at the same pace.

Group results for 2006 compared with 2005, and for 2005 compared with 2004.

	Year ended December 31, 2006	% Change	Year ended December 31, 2005	% Change	Year ended December 31, 2004
	(in EUR million, except percentages)				
Income statement data					
Revenues	2,225.0	+14	1,954.6	+11	1,758.8
Cost of goods sold	(1,403.7)	+16	(1,211.0)	+13	(1,074.5)
Selling and administrative expenses	(539.2)	+12	(479.3)	+14	(421.2)
Other operating expenses	(33.3)	+30	(25.6)	–47	(48.5)
Other operating income	54.3	+72	31.6	–26	42.8
Amortization of goodwill	(3.5)		0.0		0.0
Operating profit before non-recurring items	299.6	+11	270.3	+5	257.5
Operating profit after non-recurring items	297.5	+10	269.6	+5	257.5
Net financing costs	(48.2)	+11	(43.4)	+30	(33.3)
Other financial results	28.0	+12	25.1	>100	7.2
Income taxes	(59.0)	+8	(54.8)	+11	(49.5)
Profit after tax	218.3	+11	196.4	+8	181.8
Thereof attributable to minority interest	(2.4)	+14	(2.1)	–55	(4.7)
Thereof attributable to equity holders	215.9	+11	194.4	+10	177.1
Other financial data					
Operating EBIT	299.6	+11	270.3	+5	257.5
Operating EBITDA	471.9	+10	428.4	+6	405.4

Income statement data

Revenues

Revenues for 2006 were EUR 270.4 million or 14% higher at EUR 2,225.0 million (2005: EUR 1,954.6 million). Like-for-like organic growth, adjusted for changes in consolidation (in particular, the consolidation of Robinson Brick, the Biegonice Group in Poland and Colorbeton in the Czech Republic, as well as a brick plant in Belgium and brick and clay roof tile plants in Germany) and currency translation effects, totaled 10% (2005: 4%). Of the 14% revenue growth, 10% came from higher sales volume and 4% from price increases. All countries in the Central-East Europe segment reported significant improvements in revenues. The increase in Germany was driven by organic growth as well as acquisitions. Revenues in Switzerland exceeded the 2005 level by a slight amount, and contracted slightly in Italy. The North-West Europe segment recorded a substantial year-on-year revenue gain, reflecting organic growth and the purchase of a hollow brick plant in Belgium. Revenue growth in the United States resulted entirely from acquisitions, with the slump in demand leading to negative organic growth. Foreign exchange rates had a positive impact of EUR 1.8 million on Group revenues; positive effects from East European currencies were partly offset by the weaker U.S. dollar.

In 2005, revenues increased by EUR 195.7 million or 11% (2004: EUR 1,758.8 million). Full-year consolidation of thebrickbusiness and Koramic Roofing, the acquisition of F. v. Müller clay roof tiles in Germany and the purchase of three brick plants and two concrete paver plants in Poland together accounted for EUR 111.4 million of this amount. After adjustment for these acquisitions and foreign exchange effects, organic growth was 4%. The main factors behind it were price increases in Central-East Europe as well as higher sales volumes and prices in North-West Europe. In the United States, higher prices were realized on stable sales volumes, while in Central-West Europe double-digit declines in sales volumes and downward pressure on prices in the roof tile segment resulted from a sagging German demand. Positive foreign exchange effects, chiefly from the Polish Zloty and the Czech Koruna added EUR 24.7 million to Group revenues.

Cost of goods sold

Cost of goods sold for 2006 was EUR 192.7 million or 16% higher at EUR 1,403.7 million (2005: EUR 1,211.0 million). The increase was due primarily to the acquisitions mentioned above, as well as rising energy costs. More expensive natural gas had a particularly strong impact, as it is the principal fuel used by the Group's European operations, and is also used in the United States, accounting for EUR 65.6 million of the rise. Through the use of hedging, Wienerberger had been able to postpone the effect of significant energy price increases but was particularly affected in 2006 when a number of long-term contracts had to be replaced at then market prices. In 2005, cost of goods sold increased by EUR 136.4 million or 13% (2004: EUR 1,074.5 million). The main contributory factor was higher energy costs, which accounted for EUR 51.8 million of the increase. The remaining cost increases resulted mainly from higher production and sales volumes as well as higher costs (e.g. salary increases) due to inflation driven especially by higher energy costs.

Selling and administrative expenses

Selling and administrative expenses for 2006 were EUR 59.9 million or 12% higher at EUR 539.2 million. Higher freight and sales costs due to internal transports, an increase in sales volumes, additional expenses associated with acquired companies and expansion in new markets were the main cost drivers.

In 2005, selling and administrative expenses increased by EUR 58.1 million or 14% (2004: EUR 421.2 million), mainly due to acquisitions and volume increases in production and sales.

Other operating expenses

Other operating expenses for 2006 were EUR 7.7 million or 30% higher at EUR 33.3 million (2005: EUR 25.6 million). The increase related mainly to higher book losses on asset sales, predominantly used machinery.

In 2005, other operating expenses decreased by EUR 22.9 million or 47% (2004: EUR 48.5 million). This decrease was mainly due to two factors: lower book losses on asset sales and improvements in the Group's application of the cost of sales method which allowed better cost attribution in 2005.

Other operating income

Other operating income for 2006 was EUR 22.7 million or 72% higher at EUR 54.3 million (2005: EUR 31.6 million). The increase was mainly due to the release of restructuring provisions.

In 2005, other operating income fell by EUR 11.2 million or 26% (2004: EUR 42.8 million) mainly due to lower book gains on asset sales.

Operating profit before non-recurring items

Operating profit before non-recurring items for 2006 was EUR 29.3 million or 11% higher at EUR 299.6 million (2005: EUR 270.3 million). Operating profit benefited from a positive sales development in many European countries, especially in the second half of the year. This development offset the decrease in sales in the United States.

In 2005, operating profit before non-recurring items increased by EUR 12.8 million or 5% (2004: EUR 257.5 million) due to the factors discussed above.

Operating profit after non-recurring items

Operating profit after non-recurring items for 2006 was EUR 27.9 million or 10% higher at EUR 297.5 million (2005: EUR 269.6 million). The increase was mostly due to the factors described above under "—*Operating profit before non-recurring items*" as non-recurring items amounted to only EUR 2.1 million in 2006 and EUR 0.7 million in 2005. Non-recurring items in 2006 included costs for plant closures in the United States and in the Czech Republic of EUR 7.1 million, in part offset by a gain from the sale of unused land in the amount of EUR 5.1 million.

In 2005, operating profit after non-recurring items increased by EUR 12.1 million or 5% (2004: EUR 257.5 million), mainly reflecting the factors discussed above under "—*Operating profit before non-recurring items*". Non-recurring items in 2005 included costs for 17 different plant closures, mainly in Germany, Poland and Hungary of EUR 11.4 million. This was partly offset by a book gain from land sales in the amount of EUR 10.6 million.

Net financing costs

Net financing costs for 2006 were EUR 4.8 million or 11% higher at EUR 48.2 million (2005: EUR 43.4 million). The increase was due primarily to the Group's higher average net debt levels during 2006 resulting from acquisition financing.

In 2005, net financing costs were up by EUR 10.1 million or 30% (2004: EUR 33.3 million), also a result of higher average net debt levels during the year due to financing of acquisitions.

Other financial results

Other financial results for 2006 were EUR 2.9 million or 12% higher at EUR 28.0 million (2005: EUR 25.1 million). The increase was principally attributable to foreign exchange gains relating to Eastern European operations of EUR 7.0 million (2005: EUR 0.4 million), which were partly offset by a small decrease in income from investments in associates to EUR 26.2 million (2005: EUR 29.5 million), which was primarily due to non-recurring income from Pipelife as described below.

In 2005, other financial results increased by EUR 17.9 million or more than tripled (2004: EUR 7.2 million). This significant increase was driven by a sharp increase in income from investments in associates of EUR 8.6 million mainly due to the release of provisions at Pipelife.

Income taxes

Income taxes for 2006 were EUR 4.2 million or 8% higher at EUR 59.0 million (2005: EUR 54.8 million). The difference is mainly explained by higher earnings before tax in 2006, while the effective Group rate of taxation edged down to 21.3% from 21.8% in 2005.

In 2005, income tax expense increased by EUR 5.3 million or 11% (2004: EUR 49.5 million). This was also due primarily to higher earnings before tax, with an effective tax rate of 21.8% compared to 21.4% in 2004.

Minority interest

Minority interest for 2006 was EUR 0.3 million or 14% higher at EUR 2.4 million (2005: EUR 2.1 million). The increase was principally due to the positive development of a Polish subsidiary and the German roof tile market, partially offset by the squeeze out of minority interests in Czech subsidiaries in 2005. In 2005, minority interests decreased by EUR 2.6 million or 55% (2004: from EUR 4.7 million), chiefly reflecting the share of losses in the roof tiles segment in Germany attributable to minorities in 2005.

Net profit/loss

Net profit attributable to equity holders (after minority interests) for 2006 was EUR 21.6 million or 11% higher at EUR 215.9 million (2005: EUR 194.4 million) which was driven by the factors discussed above.

In 2005, net profit increased by EUR 17.2 million or 10% (2004: EUR 177.1 million) for the reasons outlined above.

Other financial data

EBIT and EBITDA

EBIT for 2006 was EUR 29.3 million or 10.8% higher at EUR 299.6 million (2005: EUR 270.3 million).

In 2005, EBIT increased by EUR 12.8 million or 5.0% (2004: EUR 257.5 million). The improvements in both years were due primarily to the factors described above under "—*Operating profit before non-recurring items*".

EBITDA for 2006 was EUR 43.5 million or 10% higher at EUR 471.9 million (2005: EUR 428.4 million).

In 2005, EBITDA increased by EUR 23.0 million or 6% (2004: EUR 405.4 million). The increase in each year was due primarily to the same reasons as improvements in operating profit before non-recurring items. For a detailed discussion of the developments affecting EBITDA, readers are referred to the segmental discussion below.

Period by Period Comparison for Central-East Europe

Overview

As of June 30, 2007, the Group operated 108 plants in Poland, the Czech Republic, Hungary, Romania, Austria, Slovakia, Croatia, Bosnia-Herzegovina, Slovenia, Russia and Bulgaria, compared to 105 plants of December 31, 2006.

Results for Central-East Europe for the six months ended June 30, 2007 and 2006 and for the financial years ended December 31, 2006, 2005 and 2004.

% of Group in first six months 2007		Six months ended June 30, 2007	% Change	Six months ended June 30, 2006(1)	2006	% Change	2005	% Change	2004
		(in EUR million, except percentages)							
34	External revenues	421.5	+58	266.1	606.7	+21	503.0	+3	488.0
49	EBITDA	126.8	>100	55.2	158.1	+16	136.7	–4	142.2

(1) Segment data for the six months ended June 30, 2006 have been adjusted to reflect the transfer for organizational reasons of Finland and the Baltics from North-West Europe to Central-East Europe as of January 1, 2007. Prior period figures have not been adjusted to reflect this transfer.

Revenues

External revenues for the six months ended June 30, 2007 were EUR 155.4 million or 58% higher at EUR 421.5 million (HY1 2006: EUR 266.1 million). This increase was due primarily to favorable weather conditions at the beginning of the year as well as active construction markets and the resulting increase in volumes and prices, in particular in Poland, the Czech Republic, Romania and Bulgaria. As high demand resulted in maximum utilization of production capacity in the Group's plants, in addition to the start-up of several new plants, Wienerberger reactivated a number of previously closed production facilities.

In 2006, external revenues were EUR 103.7 million or 21% higher at EUR 606.7 million (2005: EUR 503.0 million). This was due primarily to strong demand in all markets in the region, especially Poland, Romania and Slovakia, which resulted in higher volumes and prices.

In 2005, external revenues increased by EUR 15.0 million or 3% (2004: EUR 488.0 million). This small increase relative to the significant investments in previous years was due to significantly weaker demand in Poland and Hungary, which was offset by higher prices in most other countries of the region.

EBITDA

EBITDA for the six months ended June 30, 2007 was EUR 71.6 million or more than twice as high at EUR 126.8 million (HY1 2006: EUR 55.2 million). This increase was due primarily to higher prices and full capacity utilization, whereas costs grew more slowly.

In 2006, EBITDA was EUR 21.4 million or 16% higher at EUR 158.1 million (2005: EUR 136.7 million). EBITDA was driven by the good development of sales figures, partly offset by increased energy costs, price pressure in some countries and some temporary shutdowns.

In 2005, EBITDA decreased by EUR 5.5 million or 4% (2004: EUR 142.2 million). This decrease in EBITDA was due primarily to price pressure, excess capacity and temporary shutdowns in Poland and lower volumes and higher energy costs in Hungary.

External revenues on a country by country basis for Central-East Europe for 2006 compared with 2005, and 2005 compared with 2004.

% of Group in 2006	% of Segment in 2006		External revenues 2006	% Change	External revenues 2005	% Change	External revenues 2004
			(in EUR million, except percentages)				
7	25	Poland	151.7	+38	109.7	+8	101.9
5	19	Czech Republic	114.4	+11	103.1	+2	100.8
5	17	Hungary	102.1	+11	91.6	–14	106.0
10	39	Other Central-East Europe(1)	238.5	+20	198.6	+11	179.3
27	**100**	**Total**	**606.7**	**+21**	**503.0**	**+3**	**488.0**

(1) Includes Romania, Austria, Slovakia, Croatia, Bosnia-Herzegovina and Slovenia.

Poland

	2006	2005	2004
Population (million)	38.1	38.2	38.2
GDP growth rate (% change, constant prices)	6.1	3.6	5.3
Housing starts (under construction at December 31)	138,000	105,700	97,200

(Source: Euroconstruct June 2007)

External revenues for 2006 were EUR 42.0 million or 38% higher at EUR 151.7 million (2005: EUR 109.7 million). This increase was primarily due to higher volumes driven by macroeconomic factors including a jump of over 30% in housing starts and a further strengthening of the trend towards multi-story dwellings, the acquisition of two brick plants in Krakow, and an increase of hollow brick prices from the previously low level.

In 2005, external revenues increased by EUR 7.8 million or 8% (2004: EUR 101.9 million). This increase was primarily due to higher volumes as a result of the purchase of two brick plants in southern Poland, and was partly offset by the closure of two hollow brick plants and an overall drop in demand for wall construction materials in 2005.

Czech Republic

	2006	2005	2004
Population (million)	10.3	10.2	10.2
GDP growth rate (% change, constant prices)	6.1	6.1	4.2
Housing starts (under construction at December 31)	43,700	40,400	39,000

(Source: Euroconstruct June 2007)

External revenues for 2006 were EUR 11.3 million or 11% higher at EUR 114.4 million (2005: EUR 103.1 million). Growth was primarily due to higher sales volumes as a result of a rise in housing starts, which was in part offset by lower prices due to rising imports from neighboring countries such as Austria and Germany, which created price pressure in the Czech market.

In 2005, external revenues increased by EUR 2.3 million or 2% (2004: EUR 100.8 million). This increase was due primarily to higher demand for the thermal insulating Porotherm S.i bricks and the high precision clay blocks product line, as well as higher prices and positive foreign exchange effects, which were in part offset by a decline in demand for wall construction materials and increased competition through imports from Austria and Germany.

Hungary

	2006	2005	2004
Population (million)	10.1	10.1	10.1
GDP growth rate (% change, constant prices)	3.9	4.2	4.9
Housing starts (under construction at December 31)	40,000	40,000	42,000

(Source: Euroconstruct June 2007)

External revenues for 2006 were EUR 10.5 million or 11% higher at EUR 102.1 million (2005: EUR 91.6 million). The increase was primarily due to higher volumes as a result of increased domestic demand triggered by the introduction of a tax on interest income, which stimulated investment in real estate, as well as a significant increase in exports to Bulgaria and Romania and higher prices from sales of higher quality products.

In 2005, external revenues declined by EUR 14.5 million or 14% (2004: EUR 106.0 million). The decline was primarily due to lower volumes, which resulted from a reduction in subsidies for residential construction and resultant advance purchases in 2004. This decline was partly offset by the doubling of exports to Bulgaria and Romania.

Other Central-East Europe

External revenues in the other countries of this segment for 2006 were EUR 39.9 million or 20% higher at EUR 238.5 million (2005: EUR 198.6 million). In Austria, higher volumes due to the success of the Porotherm high precision clay blocks product line and the acquisition of a hollow brick plant in Lower Austria were partly offset by lower prices due to excess capacity. Strong demand in Romania (mainly met by imports from Hungary and the startup of the new plant in Sibiu) led to rising sales volumes and price increases. Higher volumes also contributed to revenue increase in Slovakia, Slovenia and Croatia. Increased revenues at Bramac and Semmelrock were the result of a favorable market development in all their geographical segments with the exception of Semmelrock's Austrian business as well as expansion in capacity as a result of acquisitions and the operation of new plants.

In 2005, external revenues increased by EUR 19.3 million or 11% (2004: EUR 179.3 million). In Austria, higher domestic sales volumes were offset by lower exports which led to a net decline in sales volumes, which together with lower price levels due to excess capacity resulted in shrinking revenues.

Improved demand in Romania led to increasing sales volumes. In Slovakia sales volumes were stable despite increased competition due to imports from Poland and Hungary. In Croatia, sales volumes remained stable despite an unfavorable market development. Semmelrock increased its market share in all of its geographical markets. Bramac suffered from reduced demand and increased price pressure but could keep revenues at a stable level.

Period by Period Comparison for Central-West Europe

Overview

As of June 30, 2007, the Group's Central-West Europe segment included 47 plants in Germany, Italy and Switzerland, compared to 54 plants as of December 31, 2006.

Results for Central-West Europe for the six-month periods ended June 30, 2007 and 2006 and for the financial years ended December 31, 2006, 2005 and 2004.

% of Group in first six months 2007		Six months ended June 30, 2007	% Change	Six months ended June 30, 2006	2006	% Change	2005	% Change	2004
		(in EUR million, except percentages)							
17	External revenues	206.0	+9	189.0	453.7	+20	378.2	+4	364.9
14	EBITDA	36.5	–2	37.1	96.1	+23	78.0	–10	87.2

Revenues

External revenues for the six months ended June 30, 2007 were EUR 17 million or 9% higher at EUR 206.0 million (HY1 2006: EUR 189.0 million). The increase was primarily due to higher volumes as a result of consolidation of four plants acquired in Germany in 2006, higher volumes of clay roof tiles in Germany and higher indirect exports from Germany to Poland , which also led to improved capacity utilization; prices remained stable. Revenues in Italy and Switzerland reached the prior period level. Sales volumes in Switzerland decreased in the second quarter of 2007, a development which is expected to continue for the remainder of 2007.

In 2006, external revenues were EUR 75.5 million or 20% higher at EUR 453.7 million (2005: EUR 378.2 million) primarily due to higher volumes in Germany, reflecting an improvement in the German residential construction market and consolidation of newly acquired plants and increased volumes in Switzerland, partly offset by a decline in volumes in Italy.

In 2005, external revenues increased by EUR 13.3 million or 4% (2004: EUR 364.9 million) primarily due to higher volumes from the acquisition of two roof tile plants in Germany.

EBITDA

EBITDA for the six months ended June 30, 2007 totaled EUR 36.5 million—a decline of EUR 0.6 million or 2% (HY1 2006: EUR 37.1 million). The decline was primarily due to weak levels in residential building activity in Germany in the second quarter of 2007, which is forecasted to remain at historically low levels for the remainder of 2007, and increased freight costs. In Italy EBITDA remained stable on a high level. In addition, EBITDA was negatively affected by costs of idle capacity in Switzerland.

In 2006, EBITDA was EUR 18.1 million or 23% higher at EUR 96.1 million (2005: EUR 78.0 million), resulting form consolidation effects, higher prices in all three countries, first-time positive EBITDA-contribution from the German roof tile business and the general recovery of the German market.

In 2005, EBITDA decreased by EUR 9.2 million or 10% (2004: EUR 87.2 million). This development was mainly due to lower prices, low sales volumes, restructuring and integration costs in the German roof tile market.

External revenues on a county-by-country basis for Central-West Europe for 2006 compared with 2005, and 2005 compared with 2004

% of Group in 2006	% of Segment in 2006		External revenues 2006	% Change	External revenues 2005	% Change	External revenues 2004
			(in EUR million, except percentages)				
14	69	Germany	311.1	+33	234.5	0	233.6
3	15	Italy	70.5	–3	72.8	+11	65.4
3	16	Switzerland	72.1	+2	70.9	+8	65.9
20	100	Total	453.7	+20	378.2	+4	364.9

Germany

	2006	2005	2004
Population (million)	82.4	82.4	82.5
GDP growth rate (% change, constant prices)	2.7	0.9	1.2
Housing completions	219,800	213,800	247,800

(Source: Euroconstruct June 2007)

External revenues for 2006 were EUR 76.6 million or 33% higher at EUR 311.1 million (2005: EUR 234.5 million). This increase was primarily due to strong demand, driven by preemptive buying ahead of the elimination of the homebuilders' allowance and a VAT increase in 2007, as well as four acquisitions in the facing brick segment and the clay roof tile segment, and due to higher prices in the hollow brick segment.

In 2005, external revenues increased by EUR 0.9 million or less than 1% (2004: EUR 233.6 million), primarily as a result of the full-year consolidation of two roof tile plants acquired in April 2004, which was in part offset by lower volumes.

Italy

	2006	2005	2004
Population (million)	59.0	58.8	58.5
GDP growth rate (% change, constant prices)	1.9	0.1	1.2
Housing starts (under construction at December 31)	285,000	296,000	291,000

(Source: Euroconstruct June 2007)

External revenues for 2006 were EUR 2.3 million or 3% lower at EUR 70.5 million (2005: EUR 72.8 million). This decrease was primarily due to the weak state of the Italian economy and the drop in housing starts in 2006, which resulted in lower volumes. Lower volume was partly counteracted by upward price adjustments and higher sales of premium products.

In 2005, external revenues increased by EUR 7.4 million or 11% (2004: EUR 65.4 million). Despite the general negative economic trend in Italy, new residential construction grew moderately, enabling Wienerberger to record gains in sales volumes and prices.

Switzerland

	2006	2005	2004
Population (million)	7.6	7.5	7.5
GDP growth rate (% change, constant prices)	2.8	1.9	2.3
Housing starts (under construction at December 31)	58,800	57,300	52,700

(Source: Euroconstruct June 2007)

External revenues for 2006 were EUR 1.2 million or 2% higher at EUR 72.1 million (2005: EUR 70.9 million). The increase was primarily due to substantial growth in hollow brick and insulation material sales volumes, which were partly offset by a decline in clay roof tile volumes.

In 2005, external revenues increased by EUR 5.0 million or 8% (2004: EUR 65.9 million). This was largely due to an increase in hollow brick and insulating material sales volumes, which were in part offset by declining clay roof tile volumes.

Period by Period Comparison for North-West Europe

Overview

As of June 30, 2007, the Group's North-West Europe segment comprised 75 plants in Belgium, the Netherlands, France, the United Kingdom, Denmark, Norway, Sweden, Finland and Estonia, compared to 80 plants as of December 31, 2006.

Results for North-West Europe for the six months ended June 30, 2007 and 2006 and for the financial years ended December 31, 2006, 2005 and 2004.

% of Group in first six months 2007		Six months ended June 30, 2007	% Change	Six months ended June 30, 2006	2006	% Change	2005	% Change	2004
				(in EUR million, except percentages)					
35	External revenues	432.9	+14	381.3	805.9	+11	727.6	+18	614.5
35	EBITDA	89.5	+10	81.6	177.7	+7	165.3	+23	134.5

(1) Segment data for the six months ended June 30, 2006 have been adjusted to reflect the transfer for organizational reasons of Finland and the Baltics from North-West Europe to Central-East Europe as of January 1, 2007. Prior period figures have not been adjusted to reflect this transfer.

Revenues

External revenues for the six months ended June 30, 2007 were EUR 51.6 million or 14% higher at EUR 432.9 million (HY1 2006: EUR 381.3 million) primarily due to higher sales volumes and moderate price increases in most parts of the region and all product areas. Investments made in France in previous years and the acquisition of clay paver activities in the Netherlands further supported the increase in revenues. These positive effects were partly offset by delays in building permits and a shortage of skilled labor, which limited the growth in sales volumes in the Netherlands.

In 2006, external revenues were EUR 78.3 million or 11% higher at EUR 805.9 million (2005: EUR 727.6 million). This development was supported by the strengthening of market positions through investment projects in all major countries and the sound development of residential construction, which led to slight increases in volumes, while prices increased in step with increased energy costs.

In 2005, external revenues increased by EUR 113.1 million or 18% (2004: EUR 614.5 million) mainly due to the first-time full year consolidation of thebrickbusiness, which was acquired in September 2004, partly offset by declining sales in the UK.

EBITDA

EBITDA for the six months ended June 30, 2007 was EUR 7.9 million or 10% higher at EUR 89.5 million (HY1 2006: EUR 81.6 million). EBITDA development benefited from an improvement in sales volumes and slightly higher price levels. EBITDA grew less than sales due to the acquisition of trading companies which have smaller margins and due to general cost increases, especially with regard to energy costs. North-West Europe accounted for 36% of the Group's revenues and 35% of EBITDA in the first six months 2007.

In 2006, EBITDA was EUR 12.4 million or 8% higher at EUR 177.7 million (2005: EUR 165.3 million). The increase resulted mainly from investments in previous years and improved volumes as well as higher price levels. This development was supported by the further strengthening of the Group's market positions through bolt-on projects in all product areas as well as the sound development of residential construction in Belgium and France and satisfactory performance in Great Britain. North-West Europe accounted for 37% of the Group's revenues and 38% of EBITDA in 2006.

In 2005, EBITDA increased by EUR 30.8 million or 23% (2004: EUR 134.5 million) mainly due to the sound development of volumes and prices and the first time consolidation of thebrickbusiness. The North-West Europe segment generated 38% of the Group's revenues and 39% of EBITDA in 2005.

External revenues on a country-by-country basis for North-West Europe for 2006 compared with 2005, and 2005 compared with 2004.

% of Group in 2006	% of Segment in 2006		External revenues 2006	% Change	External revenues 2005	% Change	External revenues 2004
			(in EUR million, except percentages)				
10	29	Belgium	230.7	+17	198.0	+9	181.8
9	26	Netherlands	207.4	+2	202.6	+3	196.1
7	20	France	161.3	+9	148.2	+12	132.9
6	16	United Kingdom	127.2	+11	114.6	+94	59.1
4	9	Other North-West Europe	79.3	+24	64.2	+44	44.6
36	**100**	**Total**	**805.9**	**+11**	**727.6**	**+19**	**614.5**

Belgium

	2006	2005	2004
Population (million)	10.5	10.5	10.4
GDP growth rate (% change, constant prices)	3.0	1.1	3.0
Housing starts (under construction at December 31)	55,800	52,200	47,100

(Source: Euroconstruct June 2007)

External revenues for 2006 were EUR 32.7 million or 17% higher at EUR 230.7 million (2005: EUR 198.0 million). This increase was primarily due to growing sales volumes of hollow bricks, facing bricks and clay roof tiles, and to rising prices which partly compensated for higher production costs, which were due to increased energy costs and inflation. Production capacity was expanded by the acquisition of a hollow brick plant and the extension of capacity at the Group's clay roof tile and facing brick plants in Belgium.

In 2005, external revenues increased by EUR 16.2 million or 9% (2004: EUR 181.8 million). Sales volumes increased across all product groups due to higher demand and resulting expansion of capacity at the Group's existing plants, and price increases were realized for hollow bricks, facing bricks and roof tiles.

Netherlands

	2006	2005	2004
Population (million)	16.4	16.3	16.3
GDP growth rate (% change, constant prices)	2.9	1.5	2.0
Housing completions	72.4	67.0	65.3

(Source: Euroconstruct June 2007)

External revenues for 2006 were EUR 4.8 million or 2% higher at EUR 207.4 million (2005: EUR 202.6 million). The increase was primarily due to a slight increase in facing brick volumes in spite of stagnating demand due to a shift from construction of single family homes to apartment buildings and social housing, where fewer bricks per housing unit are used. In addition, higher volumes and prices in the clay roof tile business contributed to the revenue increase, which was offset in part by a decline in volumes in clay pavers.

In 2005, external revenues increased by EUR 6.5 million or 3% (2004: EUR 196.1 million). This increase was primarily due to higher volumes of hollow bricks, clay roof tiles and clay pavers and higher prices for clay pavers and facing bricks, which were partly offset by declining exports to Germany and the United Kingdom.

France

	2006	2005	2004
Population (million)	61.2	60.8	60.5
GDP growth rate (% change, constant prices)	2.0	1.2	2.0
Housing starts (under construction at December 31)	421,000	410,000	363,000

(Source: Euroconstruct June 2007)

External revenues for 2006 were EUR 13.1 million or 9% higher at EUR 161.3 million (2005: EUR 148.2 million). The increase was primarily due to higher volumes of hollow bricks and clay roof tiles as a result of favorable economic conditions and the Group's success in extending its market share in these product segments. These gains were partly offset by declining facing brick sales volumes caused by a plant closure and the conversion of a factory to hollow brick production.

In 2005, external revenues increased by EUR 15.3 million or 12% (2004: EUR 132.9 million). The Group profited from upward trends in residential construction, and sales volumes, in particular in hollow bricks, rose sharply. Wienerberger was able to pass on rising energy costs in the form of higher prices.

United Kingdom

	2006	2005	2004
Population (million)	60.5	60.2	59.8
GDP growth rate (% change, constant prices)	2.8	1.9	3.3
Housing starts (under construction at December 31)	223,000	212,000	213,400

(Source: Euroconstruct June 2007)

External revenues for 2006 were EUR 12.6 million or 11% higher at EUR 127.2 million (2005: EUR 114.6 million). The increase was primarily due to higher sales volumes, especially in the low price products, in part offset by lower prices due to overall weaker demand, and temporary plant shutdowns in response to high energy prices.

In 2005, external revenues increased by EUR 55.5 million or 94% (2004: EUR 59.1 million). This growth reflected increased volumes due to the full-year consolidation of thebrickbusiness. Difficult market conditions led to a decrease in like-for-like sales of Wienerberger products.

Period by Period Comparison for USA

Overview

	2006	2005	2004
GDP growth rate (% change, constant prices)	2.9	3.1	3.6
Housing starts (under construction at December 31, in thousands)	1,801	2,068	1,956

(Source: U.S. Census Bureau (housing starts); U.S. Department of Commerce (GDP))

As of June 30, 2007, the Group operated 23 plants in the United States and Canada, compared to 20 plants as of December 31, 2006.

Results for USA for the six months ended June 30, 2007 and 2006 and for the financial years ended December 31, 2006 ,2005 and 2004.

% of Group in first six months 2007		Six months ended June 30, 2007	% Change	Six months ended June 30, 2006	2006	% Change	2005	% Change	2004
		(in EUR million, except percentages)							
14	External revenues	165.9	–3	171.6	349.5	+4	337.2	+19	284.4
7	EBITDA	18.8	–41	31.8	63.4	–4	66.4	+12	59.1

Revenues

External revenues for the six months ended June 30, 2007 were EUR 5.7 million or 3% lower at EUR 165.9 million (HY1 2006: EUR 171.6 million). The decline was primarily due to lower volumes as a result of a significant decrease in residential construction in the United States, as well as lower average U.S. dollar exchange rates, which had a negative effect of EUR 13.3 million. Despite a decline in volumes, prices remained stable. The decline in volume was partly offset by the initial consolidation of Robinson Brick.

In 2006, external revenues were EUR 12.3 million or 4% higher at EUR 349.5 million (2005: EUR 337.2 million). The increase was due to the acquisition of Robinson Brick. Wienerberger's remaining U.S. operations suffered from the poor market conditions, which resulted in a decrease in sales volumes.

In 2005, external revenues increased by EUR 52.8 million or 19% (2004: EUR 284.4 million) due to higher volumes as a result of high construction activity in all regions, price increases and the acquisition of three distribution companies.

EBITDA

EBITDA for the six months ended June 30, 2007 was EUR 13.0 million or 41% lower at EUR 18.8 million (HY1 2006: EUR 31.8 million). The decrease was primarily due to a decrease in revenues, lower volumes and the resulting rising cost of idle capacity, as well as lower average U.S. dollar exchange rates, which had a negative effect on EBITDA of EUR 1.5 million.

In 2006, EBITDA was EUR 3.0 million or 5% lower at EUR 63.4 million (2005: EUR 66.4 million).

The decrease was primarily due to lower capacity utilization and higher selling and integration expenses, in part offset by the positive effects from initial consolidation of Robinson Brick.

In 2005, EBITDA increased by EUR 7.3 million or 12% (2004: EUR 59.1 million) due to higher sales volumes and cost reduction effects from previous years' investments. EBITDA did not increase as fast as revenues as a result of the acquisition of three distribution companies because distribution companies typically have lower margins than production companies.

Period by Period Comparison for Investments and Other

Overview

The Investments and Other segment is comprised primarily of the holding company and related costs as well as the non-core activities of the Wienerberger Group (primarily real estate). The Pipelife joint venture, in which Wienerberger holds 50%, is regarded as a financial investment and is therefore consolidated at equity and not included in the operating results of this segment. In the six months ended June 30, 2007 the Pipelife Group—the fourth-largest producer of plastic pipe systems in Europe (based on management estimates)—recorded a further improvement in revenues and earnings after it had already improved its revenues and earnings in 2006. The positive development in the first six months of 2007 was due to a favourable operating environment in most European countries. Only the United States reported a decrease in sales volumes. Sales increased by 15% to EUR 440.3 million based on a strong first quarter in 2007 and also due to the first-time consolidation of newly acquired operations in Ireland. Volumes rose by approximately 10%. The positive development of sales also resulted in an increase of EBITDA by 7% to EUR 46.6 million.

In 2006, the development was primarily the result of a favorable operating environment in Europe, the positive effects of restructuring programs undertaken in previous years and the introduction of numerous innovative products. In 2006, Pipelife revenues grew by 10% to EUR 784 million, and EBITDA rose by 7% to EUR 80.2 million. Pipelife recorded strong growth in Northern Europe, the Baltic States, the new EU member states, Russia and the Balkans, while demand was stable in Western Europe. Plastic pipe activities in the United States were hit by the slump in new residential construction at year end, which impacted earnings. In 2006, Pipelife made two acquisitions in Belgium and the Netherlands, and opened a sales office in Bulgaria.

In 2005, favorable market conditions, combined with the impact of earlier restructuring actions and a number of product launches, led to significant improvements in revenues and earnings. Pipelife was able to pass on most of the rises in prices of the raw materials PVC and PE/PP through higher prices. Revenues totaled EUR 712 million, a 17% increase. Sales volumes rose sharply in Europe and China. Of the larger markets, only Germany and Hungary witnessed weaker demand. Sales in the United States recovered from the after-effects of hurricanes, and picked up towards the end of the year. The stake in the joint venture in Chengdu, China, was disposed of in 2005, and the remaining interests in the subsidiaries in Hungary and Romania were acquired during the year.

Results for Investments and Other for the six months ended June 30, 2007 and 2006 and for the financial years ended December 31, 2006, 2005 and 2004.

% of Group in first six months 2007		Six months ended June 30, 2007	% Change	Six months ended June 30, 2006	2006	% Change	2005	% Change	2004
		(in EUR million, except percentages)							
0	External revenues	0.2	–94	3.4	8.3	+13	7.3	+14	6.4
–6	EBITDA	(15.0)	–73	(8.6)	(23.4)	+29	(18.1)	+3	(17.5)

Revenues

External revenues for the six months ended June 30, 2007 were EUR 3.2 million or 94% lower at EUR 0.2 million (HY1 2006: EUR 3.4 million). The decrease in revenues was due to the sale of the Group's stove tile operations which were included in the segment until December 2006.

In 2006, external revenues were EUR 1.0 million or 13% higher at EUR 8.3 million (2005: EUR 7.3 million).

In 2005, external revenues increased by EUR 0.9 million or 14% (2004: EUR 6.4 million).

EBITDA

EBITDA for the six-month period ended June 30, 2007 was EUR 6.3 million or 73% lower at EUR (15) million (HY1 2006: EUR (8.6) million). The decrease was due to higher holding company costs (caused by higher personnel costs due to increased headcount at the holding level and higher reported expenses of the Group's management stock option plan) and the absence of one-time gains in the prior year period.

In 2006, EBITDA decreased by EUR 5.3 million or 29% to EUR (23.4) million (2005: EUR (18.1) million). The decrease was due primarily to higher holding company costs, which resulted from increased growth of the Group and the related increase in central marketing, engineering and M&A activities.

In 2005, negative EBITDA decreased by EUR 0.6 million or 3% (2004: EUR (17.5) million).

Liquidity and Capital Resources

Liquidity

The Group's liquidity needs relate to major strategic and bolt-on acquisitions, capital expenditure ("capex") on greenfield projects and plant expansions, maintenance capex, debt refinancing and dividend payments.

The main responsibility for raising funds for the Group lies with Wienerberger's corporate treasury department. The Group's local operating companies are responsible for their day-to-day cash management with liquidity being largely centralized via cash pools. Treasury is also in charge of monitoring and managing the Group's foreign exchange exposure.

As of June 30, 2007, undrawn, uncommitted credit lines totaling EUR 1,246.3 million were available to the Group. In addition, the Company benefits from a committed back-stop facility of EUR 250 million due 2012 with an option to extend to 2013. These credit lines and the committed back-stop facility are mainly provided by seven core banks. In the 12 months from the date of this prospectus, the Group expects to meet its capital expenditure and working capital requirements from the net proceeds of this Offering, cash flows from operations and existing credit lines.

As of December 31, 2006, the Group's short-term interest bearing debt amounted to EUR 595.9 million. This short-term debt was refinanced with the proceeds from hybrid bonds issued in February 2007. The Group has only limited maturities in 2008 (EUR 54.0 million) and 2009 (EUR 21.2 million). Larger maturities are scheduled for 2010 (EUR 237.3 million) and 2012 (EUR 434.7 million).

In order to optimize borrowing costs, financial management policies are aimed at maintaining investment-grade ratings.The Group's long term debt has been rated BBB by Standard & Poor's since April 2006 and Baa2 by Moody's since January 2007. Standard & Poor's rates the Group's short term debt A-2. Both rating agencies indicate a stable outlook, meaning that a rating is not likely to change. According to Standard & Poor's, an obligation rated BBB exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation than obligors in higher-rated categories. A short-term obligation rated A-2 is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitment on the obligation is satisfactory. According to Moody's, obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 2 indicates a mid-range ranking.

Each rating reflects the view of the rating agency only at the time the rating was issued. Investors should evaluate each rating separately and look to the rating agencies for any explanations of the significance of their ratings. A rating outlook is an opinion regarding the likely direction of a rating over the medium term. The watch list indicates that a rating is under review for possible change in the short term. The rating agencies can change their ratings at any time if they believe that circumstances so warrant. Rating agencies can be expected to continue to monitor the Group's financial strength and obligations paying ability, and no assurances can be given that future ratings downgrades will not occur, whether due to changes in the Group's performance, changes in rating agencies' industry views or ratings methodologies, or a combination of such factors.

Capital expenditures and acquisitions

The Group structures its acquisitions as asset or share purchases, or combinations of the two. Wienerberger's maintenance capex comprises expenditures related to the replacement, refurbishment and rationalization of existing plants, and environmental investments. The Group's growth capex consists of acquisitions of plants and investments in companies, new plant construction and expansion.

The total capex for asset purchases is reported in the Group's consolidated cash flow statement as ''Purchase of property, plant and equipment and intangible assets''. Cash used for acquisitions structured as share purchases is netted off against cash proceeds from the disposal of consolidated subsidiaries and is reported separately as ''Net payments made for acquisition of companies''. Cash received from asset disposals is reported on a separate line as ''Proceeds from the sale of assets'' and cash received from disposals of shares in associates is reported as ''Net proceeds from the sale of companies''. Any debt incurred to finance an acquisition or assumed in connection with an acquisition is reflected in an increase in long- or short-term financial liabilities, and a corresponding increase in the Group's net debt.

The Group relies principally on debt to finance its large acquisitions, such as the acquisitions of Baggeridge Brick, Arriscraft and Korevaar in 2007 and Robinson Brick in 2006, as well as in connection with its liquidity management in relation to smaller acquisitions. The Group mainly finances smaller acquisitions from cash flows from operations and the proceeds from disposals of non-core assets.

The following table sets out the Group's total capital expenditure and acquisitions as of December 31, 2006, 2005 and 2004, and as of June 30, 2007 and 2006, broken down by segments. For the purposes of the discussion and analysis below, asset and share acquisitions are aggregated and discussed as a single item.

	As of June 30, 2007	% Change	As of June 30, 2006[(1)]	As of December 31, 2006	% Change	As of December 31, 2005	% Change	As of December 31, 2004
	(in EUR million, except percentages)							
Central-East Europe	45.6	–34	69.5	133.7	+9	122.4	–6	129.9
Central-West Europe	14.5	–52	29.9	101.0	+63	61.9	+10	56.4
North-West Europe	48.1	–44	85.7	151.7	+34	113.6	–72	399.8
USA	40.0	–66	116.1	142.0	>100	39.5	–10	43.8
Investments and Other	2.3	>100	0.9	2.0	+54	1.3	–52	2.7
Total capital expenditure and acquisitions	**150.5**	**–50**	**302,1**	**530.4**	**+57**	**338.7**	**–46**	**632.6**

(1) Segment data for the six months ended June 30, 2006 have been adjusted to reflect the transfer for organizational reasons of Finland and the Baltics from North-West Europe to Central-East Europe as of January 1, 2007. Prior period figures have not been adjusted to reflect this transfer.

Capital expenditure and acquisitions for the six months ended June 30, 2007 were EUR 151.6 million or 50% lower at EUR 150.5 million (HY1 2006: EUR 302.1 million) due to significantly higher growth investments in 2006, in particular in connection with the acquisitions of Robinson Brick and the Biegonice Group in Poland. The first half of 2007 does not include the money spent on the acquisition of Arriscraft, Baggeridge Brick and Korevaar. The Arriscraft transaction was concluded on July 20, 2007 and therefore has no effect on the Interim Consolidated Financial Statements. The Interim Consolidated Financial Statements show the purchase price for Baggeridge Brick under other financial assets (TEUR 97,867). In the coming financial reports, Baggeridge Brick will be fully consolidated as of July 1, 2007 after transfer of control. Korevaar, which was acquired as of June 30, 2007, is also included under other financial assets and will be fully consolidated as of July 1, 2007.

Capital expenditure and acquisitions for 2006 were EUR 191.7 million or 57% higher at EUR 530.4 million (2005: EUR 338.7 million). This increase was due primarily to the acquisition of Robinson Brick and higher expenditure on smaller acquisitions, greenfield plant construction projects and capacity expansions. Robinson Brick was acquired at a cost of EUR 95.5 million, and EUR 334.7 million were invested in smaller acquisitions, plant construction and capacity expansions. In 2006, EUR 430.2 million were devoted to capex other than maintenance capex, i.e. growth investments, compared to EUR 250.5 million in 2005.

In 2005, capital expenditure and acquisitions decreased by EUR 293.9 million or 46% (2004: EUR 632.6 million). The decrease was primarily due to exceptionally high expenditure in 2004, which included acquisitions of thebrickbusiness and Koramic Roofing, amounting to EUR 364.6 million. Expenditure on smaller acquisitions, plant construction and capacity expansions totaled EUR 250.5 million in 2005—a decrease of EUR 291.7 million compared to the prior year (2004: EUR 542.2 million). Maintenance capex was EUR 88.2 million in 2005 (2004: EUR 90.4 million).

Period-by-period comparisons of 2006 with 2005, and of 2005 with 2004, by segments

In Central-East Europe, capital expenditure and acquisitions for 2006 were EUR 11.3 million or 9% higher at EUR 133.7 million (2005: EUR 122.4 million). This increase was due primarily to the acquisition of brick plants in Poland, growth investments in most of the Central and East European countries where the Group has a presence, and entry to new markets—notably Russia and Bulgaria.

In 2005, capital expenditure and acquisitions decreased by EUR 7.5 million or 6% (2004: EUR 129.9 million), chiefly as a result of lower maintenance capex and growth investments.

In Central-West Europe, capital expenditure and acquisitions for 2006 were EUR 39.1 million or 63% higher at EUR 101.0 million (2005: EUR 61.9 million). The rise was due primarily to the acquisition of brick, clay roof tile and paver plants in Germany.

In 2005, capital expenditure and acquisitions increased by EUR 5.5 million or 10% (2004: EUR 56.4 million). The change was chiefly caused by slightly higher growth investments and maintenance capex.

In North-West Europe, capital expenditure and acquisitions for 2006 were EUR 38.1 million or 34% higher at EUR 151.7 million (2005: EUR 113.6 million). The increase was due primarily to higher growth investments due to the acquisition a hollow brick plant in Belgium and capacity expansions in most countries.

In 2005, capital expenditure and acquisitions decreased by EUR 286.2 million or 72% (2004: EUR 399.8 million), largely reflecting the exceptionally high level of capital expenditure in 2004 due to the acquisition of Koramic Roofing and thebrickbusiness.

In USA, capital expenditure and acquisitions for 2006 more than trippled to EUR 142.0 million (2005: EUR 39.5 million). This increase of EUR 102.5 million was primarily due to the acquisition of Robinson Brick, as well as a number of smaller acquisitions and investments, including the purchase of two brick merchants, and capacity expansions.

In 2005, capital expenditure and acquisitions decreased by EUR 4.3 million or 10% (2004: EUR 43.8 million). This decrease was due primarily to slightly lower growth investments in 2005 compared to 2004.

In Investments and Other, capital expenditure and acquisitions for 2006 were EUR 0.7 million or 54% higher at EUR 2.0 million (2005: EUR 1.3 million).

In 2005, capital expenditure and acquisitions decreased by EUR 1.4 million or 52% (2004: EUR 2.7 million).

Investments in progress

In 2007, including the Baggeridge Brick, Korevaar and Arriscraft acquisitions and maintenance capex, the Group plans a total investment of approximately EUR 600 million in the development of its core business and maintenance of its assets. This comprises EUR 260 million for a large number of smaller bolt-on projects, EUR 220 million for strategic acquisitions that are already underway, and EUR 115 million for maintenance capex. The Group intends to construct approximately 25 new plants in Eastern Europe until 2012, about eight of which will be located in Russia and the remaining 17 in other Eastern European countries.

Cash flow

The brick and clay roof tile business is highly capital-intensive. It requires a high initial investment and generates stable cash flows, which are used to finance Wienerberger's expansion policy. The integrated growth model, applied by Wienerberger relies on the generation of free cash flows by existing core businesses that require relatively low maintenance capex (see "*Business—Business Strategy—Expand existing business activities through organic growth, greenfield projects and strategic acquisitions thereby strengthening the Group's market position in its existing markets and expanding into new markets*"). Because of its broad geographical diversification, the Group is free to use cash flows independent of the region they originate from in order to expand its operations in others or to enter new markets.

	Six months ended June 30, 2007	% Change	2006	Year ended December 31, 2006	% Change	2005[1]	% Change	2004[1]
	(in EUR million, except percentages)							
	(unaudited)			(audited)				
Cash flow from operating activities	**117.7**	**>100**	**53.3**	**351.6**	**+41**	**250.2**	**–18**	**305.7**
Maintenance capex	(55.2)	+19	(46.3)	(100.2)	+14	(88.2)	–2	(90.4)
Bolt-on projects	(95.3)	–41	(160.2)	(334.7)	+34	(250.5)	+41	(177.5)
External growth projects	(134.1)	+40	(95.5)	(95.5)	n/a	0.0	n/a	(364.6)
Divestments and other	13,5	+69	8.0	20.7	–67	61.8	–23	80.4
Cash flow from investing activities	**(271.1)**	**–8**	**(294.1)**	**(509.7)**	**+84**	**(276.9)**	**–50**	**(552.1)**
Growth investments[2]	229.4	–10	255.8	430.2	+72	250.5	–54	542.2
Free Cash Flow[3]	**76.0**	**>100**	**15.0**	**272.1**	**+22**	**223.8**	**–24**	**295.8**

(1) The presentation of the consolidated cash flow statement was changed in 2006. The above cash flow statement is shown in the revised form, and the data for 2005 and 2004 has been adjusted accordingly in the "*Cash flow from operating activities*" item.

(2) Growth investments equals bolt-on projects plus external growth projects.

(3) Free cash flow represents the sum of cash flow from operating activities, cash flow from investing activities and growth investments.

Cash flow from operating activities

For the six months ended June 30, 2007, cash flow from operating activities was EUR 64.4 million or more than 100% higher at EUR 117.7 million (HY1 2006: EUR 53.3 million) mainly due to higher profits before tax, in part offset by a significant increase in working capital as at June 30 due to a reduction of trade liabilities and increased inventories predominantly in Germany and the United States. The increase in inventories was due to the build-up of inventories which had been depleted during 2006, coupled with a slow-down in sales in both markets.

Cash flow from operating activities for 2006 was EUR 101.4 million or 41% higher at EUR 351.6 million (2005: EUR 250.2 million). The increase was largely driven by an increase in profit before tax as a result of expansion of the Group's business and improved operating performance, partly offset, an increase in paid interest due primarily to higher interest costs and payments for interest accrued in previous years. The increase also reflected positive cash flow from a decrease in inventories, primarily as a result of improved inventory management and strong sales volumes before year end, and an increase in trade payables due primarily to deferred payment of investment expenses in relation to the acquisition of a brick plant in Germany.

In 2005, cash flow from operating activities decreased by EUR 55.5 million or 18% to EUR 250.2 million (2004: EUR 305.7 million). This decline was principally a reflection of an increase in net current assets, higher inventory and a lower increase in trade payables than in 2004. These effects were partly offset by a higher profit after tax.

Cash flow from investing activities

For the six months ended June 30, 2007, cash flow from investing activities was EUR 23.0 million or 8% lower at EUR (271.1) million (HY1 2006: EUR (294.1) million). The decrease was due primarily to lower investments in the first six months of 2007 compared to investments in the prior year period, which included the acquisition of Robinson Brick.

Cash flow from investing activities for 2006 was EUR 232.8 million or 84% higher at EUR (509.7) million (2005: EUR (276.9) million), resulting from a greater number of growth projects in 2006.

In 2005, cash flow from investing activities decreased by EUR 275.2 million or 50% (2004: EUR (552.1) million) due primarily to the high comparison level in 2004, which included the purchase of the remaining interest in Koramic Roofing and the takeover of thebrickbusiness.

Cash flow from financing activities

	Six months ended June 30,			Year ended December 31,				
	2007	% Change	2006	2006	% Change	2005[(1)]	% Change	2004[(1)]
	(in EUR million, except percentages)							
	(unaudited)			(audited)				
Change in long-term financial liabilities	113.7	>100	(123.8)	(293.2)	>100	437	>100	(12.7)
Change in short-term financial liabilities	(319.6)	>100	472.2	510.5	>100	(190.2)	>100	45.7
Dividends paid by Wienerberger AG	(94.9)	+10	(86.4)	(86.4)	+11	(78.0)	+57	(49.8)
Dividends paid to minority shareholders and other changes in minority capital	(0.8)	+60	(0.5)	0.8	–66	2.5	>100	(2.7)
Dividend payments from associates	3.1	n.a.	0.0	3.7	+83	2.0	+1	2.0
Capital increase Wienerberger AG	492.9	n.a.	0.0	0.0	0	0.0	–100	221.8
Cash inflows from exercise of stock options	6.2	+35	4.6	5.3	–2	5.4	n.a.	0.0
Purchase of treasury stock	(13.4)	n.a.	0.0	(8.9)	–58	(21.3)	n.a.	0.0
Cash flow from financing activities	187.2	–30	266.1	131.8	–16	157.3	–23	204.3

For the six months ended June 30, 2007, cash flow from financing activities was EUR 78.9 million or 30% lower at EUR 187.2 million (HY1 2006: EUR 266.1 million). This development reflected the reduced need of funds due to better operating cash flow, and reduced investment in acquisitions and fixed assets whereas at the same time the Group's acquisitions of Korevaar and Baggeridge Brick were recorded as cash used in investing activities pending transfer of control and full consolidation as of July 1, 2007. Financing cash flow was increased by the proceeds from the EUR 500 million issuance of the hybrid bond, but at the same time lowered by the dividend payment of the Group to Wienerberger AG shareholders and minority shareholders of subsidiaries as well as the purchase of treasury stock for the stock option plan. With the proceeds from the hybrid bond Wienerberger reduced short term financial debt.

Cash flow from financing activities for 2006 was EUR 25.5 million or 16% lower at EUR 131.8 million (2005: EUR 157.3 million) reflecting the improved operating cash flow and mainly the increase in short term financing, which was offset by reduced long term financing and the dividend payout during the year.

In 2005, cash flow from financing activities decreased by EUR 47.1 million or 23% (2004: EUR 204.4 million) reflecting mainly the lower cash flow for investments. The financing cash flow was characterized by significant increase in long term financing due to the issue of Wienerberger's senior bond.

Equity

The following table shows changes to equity for the three years ended December 31, 2004, 2005 and 2006 and the six months ended June 30, 2007:

	Issued capital	Share premium	Retained earnings	Treasury stock	Translation reserve	Minority interest	Total
				(in EUR million)			
Balance on December 31, 2004	74.2	415.1	962.6	(13.3)	(105.5)	34.2	**1,367.2**
Net profit			194.4			2.1	**196.4**
Dividend payments			(78.0)			(2.5)	**(80.5)**
Currency translation adjustments					66.6	1.1	**67.7**
Hedging reserves			(47.6)				**(47.6)**
Capital changes						2.4	**2.4**
Changes in minority interest						(7.6)	**(7.6)**
Change in treasury stock			(1.2)	(14.8)			**(16.0)**
Expenses from stock option plans			1.3				**1.3**
Other changes			(0.2)				**(0.2)**
Balance on December 31, 2005	74.2	415.1	1,031.2	(28.1)	(38.9)	29.7	**1,483.1**
Net profit			215.9			2.4	**218.3**
Dividend payments			(86.4)			(0.9)	**(87.3)**
Currency translation adjustments					(30.1)	0.3	**(29.8)**
Hedging reserves			12.5				**12.6**
Capital changes						1.8	**1.8**
Changes in minority interest						(5.8)	**(5.8)**
Change in treasury stock			(1.5)	(2.1)			**(3.6)**
Expenses from stock option plans			2.2				**2.2**
Other changes			0.1				**0.1**
Balance on December 31, 2006	74.2	415.1	1,174.1	(30.3)	(69.0)	27.4	**1,591.4**
Net profit			137.5			2.6	**140.1**
Dividend payments			(94.9)			(0.8)	**(95.7)**
Currency translation adjustments					(7.0)	0.3	**(6.7)**
Hedging reserves			12.9				**12.9**
Capital changes			492.9				**492.9**
Changes in minority interest							
Change in treasury stock			(3.1)	(4.1)			**(7.2)**
Expenses from stock option plans			1.4				**1.4**
Other changes							
Balance on June 30, 2007	74.2	415,1	1,720.8	(34.4)	(76.0)	29.5	**2,129.2**

Group equity as of June 30, 2007 was EUR 2,129.2 million, representing an increase of EUR 537.8 million or 34% on its level at year end (December 31, 2006: EUR 1,591.4 million). This increase primarily reflects an increase of capital in connection with the issue of the hybrid bond and increase in net profit, partly offset by the dividend payment in May 2007.

On December 31, 2006, Group equity amounted to EUR 1,591.4 million—a gain of EUR 108.3 million or 7% (2005: EUR 1,483.1 million). The change was due primarily to the Group's 2006 net profit of EUR 218.3 million and hedging reserves related to foreign exchange swaps of U.S. dollars into euro. This increase was in part offset by a dividend payment of EUR 87.3 million and negative currency translation adjustments of EUR 29.8 million.

On December 31, 2005, Group equity increased by 8% (December 31, 2004: EUR 1,367.2 million). This chiefly reflected the Group's 2005 net profit of EUR 196.4 million and positive currency translation adjustments of EUR 67.7 million, and was partly offset by a dividend payment of EUR 80.5 million, hedging reserves and a change in treasury stock.

Debt

Interest bearing loans (financial liabilities)

As of June 30, 2007, the Group's interest bearing loans amounted to EUR 1,191.7 million, a decrease of EUR 194.9 million or 14% (December 31, 2006: EUR 1,386.6 million). This decrease was due to the issue of the hybrid bond and higher operating cash flow in the six months ended June 30, 2007.

As of December 31, 2006, the Group's interest bearing loans totaled EUR 1,386.6 million. This was an increase of EUR 223.1 million or 19% (December 31, 2005: EUR 1,163.4 million) mainly resulting from the Group's investment activities, partly offset by loan repayments from Operating cash flow.

Fixed-floating mix of interest bearing loans

Interest rate risk is comprised of two components: the optimal average term of all financing and the separation into fixed and variable interest rates. The risk associated with fixed interest rates lies in a possible decline in interest rate levels, while the risk associated with variable interest rates arises from the possibility of an increase in interest rates. In order to analyze interest rate risks (fixed and variable interest rates), financial liabilities must be adjusted for the effects of derivative instruments (hedging) and short-term fixed-interest financial liabilities must be treated as variable-interest items.

The following table shows a fixed-floating break down of the Group's interest-bearing loans in 2006, 2005 and 2004:

	December 31, 2006		2005		2004	
	Fixed interest rate	**Variable interest rate**	**Fixed interest rate**	**Variable interest rate**	**Fixed interest rate**	**Variable interest rate**
	(in EUR million)					
Interest-bearing loans	1,196.8	189.8	953.0	210.4	676.3	225.7
Reclassification of short-term loans with fixed interest rate	-415.9	415.9	–29.3	29.3	–231.7	231.7
Effect from derivative instruments (hedging)	-271.7	271.7	–68.8	68.8	134.7	–134.7
Interest-bearing loans after hedging effect	**509.1**	**877.5**	**854.6**	**308.5**	**579.3**	**322.6**

Short term debt as at June 30, 2007 as a percentage of all interest bearing loans decreased from 43% as at December 31, 2006 to 23% as at June 30, 2007 due to the issue of the hybrid bond which was used to reduce short term borrowings.

Short-term debt as a percentage of all interest bearing loans increased from 8% at December 31, 2005 to 43% at December 31, 2006. The reduction of long term debt was made in preparation for the hybrid bond issue described below. Virtually all of the Group's debt is unsecured.

In February 2007, the Company issued its first hybrid bond and thereby diversified its range of financing sources. The subordinated bond has a principal amount of EUR 500 million. The bond has a perpetual maturity, with the Company's right to redeem the bond after ten years, and a fixed coupon of 6.5% for the first ten years. Thereafter, the coupon will convert to a variable interest rate based on 3-month Euribor plus 3.25%. The bond is senior only to equity and may be redeemed by the Company in case of a gross-up event at par. In cases of tax events, accounting events, capital events or if the Company makes a clean-up call at a time when less than 25% of the bonds' principal amount is outstanding, the Company may redeem the bond at the make-whole amount, which equals, on a discounted basis, the principal amount plus all remaining interest payments until 2017. Bondholders may redeem the bond only in the event of the Company's liquidation or similar event.

In April 2005, the Company issued a EUR 400 million unsecured senior bond. The bond pays a fixed coupon of 3.875% and is due on April 25, 2012, unless previously redeemed by the bondholders in the event of a change of control or by Wienerberger for taxation reasons. The bonds may be redeemed at par by the Company in case of a gross-up event.

Wienerberger's financing activities are for the most part conducted through two special purpose financing entities, each of which is a wholly-owned subsidiary of the Company. Wienerberger Finanz Service GmbH, provides intragroup financing and hedging and manages the Group's cash pooling system. Wienerberger Finance Service B.V. is the borrower under a EUR 190 million term loan and a EUR 250 million back-stop facility which is currently unused. The back-stop facility is syndicated to seven banks, was recently extended to August 2012 and includes an extension option to 2013. The facility includes financial covenants, requiring a total net debt to EBITDA ratio of at least 3.0 and a change of control clause allowing the lenders, after good faith negotiations, to declare the loan due and payable if a person acquires the power to direct the management based on a voluntary or mandatory takeover bid (see "*Regulation of the Austrian Securities Markets Takeover Act*").

The EUR 190 million syndicated term loan was entered into in July 2005 for the purpose of refinancing a syndicated term loan signed in 2003 and used to finance the acquisition of 50% of shares in Koramic Roofing. The loan includes financial covenants (total net debt to EBITDA ratio) and a change of control clause comparable to the one included in the EUR 250 million back-stop facility. The loan agreement further includes a mandatory prepayment clause requiring prepayment of the loan in cases of illegality, if the Group receives insurance proceeds (unless used to replace the related asset) or proceeds from disposals of more than EUR 70 million in one financial year or if the underlying OeKB refinancing is cancelled. A portion of EUR 133 million is still outstanding, due in 2010.

In addition, the Group had available undrawn credit lines as of June 30, 2007 of roughly EUR 1.3 billion. Most of the lines are uncommitted as such lines do not attract Austrian stamp duty.

Change of control clauses are included in the 2005 corporate bond, the 2007 hybrid bond and the syndicated term loans concluded in 2005 and 2006.

The Group is currently in compliance with all its covenants under the hybrid bond, the corporate bonds, the syndicated term loan, the back-stop facility and other financial agreements.

Net debt

The Group defines its net debt as the sum of long and short-term financial liabilities and liabilities arising from finance leases less liquid funds. Liquid funds include securities, cash and cash at bank, and intragroup receivables and payables from financing. Some of the intragroup receivables and payables from financing may not be liquid, resulting in the net debt figure being understated. Moreover, there can be no assurance that the Group would be able to dispose of its portfolio of securities, which largely consists of fixed income securities, quickly at their current market prices.

As of June 30, 2007, net debt was EUR (900.2) million (long term financial liabilities EUR (911.8) million, short term financial liabilities EUR (279.9) million, liabilities arising from finance leases EUR (15.3) million, cash and cash at bank EUR 227.2 million, securities EUR 64.3 million and intragroup receivables and payables from financing EUR 12.2 million). This represented a decrease of EUR 259.6 million or 22% (December 31, 2006: EUR (1,159.8) million) due to the proceeds from the hybrid bond issue and lower capital expenditures. As of December 31, 2006, net debt was EUR (1,159.8) million (long term financial liabilities EUR (790.7) million, short term financial liabilities EUR (595.9) million, liabilities arising from finance leases EUR (16.2) million, cash and cash at bank EUR 193.5 million, securities EUR 40.0 million and intragroup receivables and payables from financing EUR 9.5 million)—an increase of EUR (225.4) million or 24% (December 31, 2005: EUR (934.4) million). The increase was due primarily to an increase in the Group's capital expenditure required to implement its expansion strategy and growth investments, which amounted to approximately EUR 430 million (2005: EUR 250.5 million).

As of December 31, 2005, net debt was EUR (934.4) million (long term financial liabilities EUR (1,074.5) million, short term financial liabilities EUR (89.0) million, liabilities arising from finance leases EUR (23.1) million, cash and cash at bank EUR 219.9 million, securities EUR 22.4 million and intragroup receivables and payables from financing EUR 9.9 million)—an increase of EUR (172.0) million or 22.6% (December 31, 2004: EUR (762.4) million). The increase was due primarily to EUR 250.5 million in growth investments and an increase in working capital, from EUR 418.8 million in 2004 to EUR 479.6 million in 2005, due to weaker demand.

Gearing

The Group's gearing is defined as net debt divided by equity including minority interests.

Gearing was down from 72.9% on December 31, 2006 to 42.3% on June 30, 2007, due to the issuance of the hybrid bond and higher operating cash flow.

Gearing rose from 63.0% on December 31, 2005 to 72.9% on December 31, 2006. The increase was due primarily to higher net debt driven by growth investments.

The Group's gearing rose to 63.0% on December 31, 2005 from 55.8% on December 31, 2004. The main factor responsible for this was higher net debt as a result of to growth investments.

Contingent liabilities and guarantees

The following table summarizes contingent liabilities as of December 31, 2006, 2005 and 2004:

	As of December 31, 2006	2005	2004
	(in EUR million)		
Sureties	0.2	0.0	0.0
Guarantees	1.5	2.0	6.4
Obligations from bills of exchange	0.0	0.0	0.0
Other contractual obligations	0.0	0.4	1.6
Contingent liabilities and guarantees	1.7	2.5	8.0

Capital employed

Capital employed is calculated by adding the Group's consolidated equity to its financial liabilities and financing leases, and deducting its liquid funds, which include cash and financial assets and net intragroup receivables/payables. Some of the intragroup receivables and payables from financing may not be liquid, resulting in the understatement of capital employed. See "*Debt—Net debt*".

	As of June 30, 2007	% Change	As of June 30, 2006[1]	As of December 31, 2006	% Change	As of December 31, 2005	% Change	As of December 31, 2004
	(in EUR million, except percentages) (unaudited)			(in EUR million, except percentages) (audited)				
Central-East Europe	661.9	+5	632.3	624.3	+10	569.5	+22	468.1
Central-West Europe	492.5	+15	428.5	453.8	+15	396.3	+10	359.1
North-West Europe	1,099.1	+7	1,023.6	1,058.9	+11	952.9	+8	885.4
USA	470.5	+8	434.3	437.6	+27	345.0	+24	277.3
Investments and Other	11.9	–46	21.9	23.6	–9	25.8	–38	41.7
Total capital employed	2,735.8	+8	2,540.7	2,598.2	+13	2,289.4	+13	2,031.5

(1) Segment data for the six months ended June 30, 2006 have been adjusted to reflect the transfer for organizational reasons of Finland and the Baltics from North-West Europe to Central-East Europe as of January 1, 2007. Prior period figures have not been adjusted to reflect this transfer.

Capital employed as of June 30, 2007 was EUR 195.1 million or 8% higher at EUR 2,735.8 million (June 30, 2006: EUR 2,540.7 million). This increase mainly reflects investments in new plants, bolt—on projects and acquisitions, and a EUR 77.4 million increase in inventory. The issue of the EUR 500 million hybrid bond, entirely recognized as equity, was used to finance investments and to reduce net debt by EUR 324.1 million compared to June 30, 2006 figures.

Capital employed for 2006 was EUR 308.7 million or 13% higher at EUR 2,598.2 million (December 31, 2005: EUR 2,289.4 million). Investments amounted to EUR 530.4 million in 2006 including the acquisition of Robinson Brick as well as bolt-on projects and smaller acquisitions of EUR 334.7 million. The remaining portion of the increase accounts for maintenance, environmental and rationalization investments (EUR 100.2 million). Net debt increased by 225.4 million to EUR 1,159.8 million and inventories rose by EUR 63.9 million to EUR 509.8 million (December 31, 2005: EUR 445.9 million).

As of December 31, 2005, capital employed was up by EUR 257.9 million or 13%, (December 31, 2004: EUR 2,031.5 million). This increase was mainly driven by investments totaling EUR 338.7 million. The remaining investments (maintenance capex) equaled EUR 88.2 million. Net debt and inventories increased by EUR 172.0 million (December 31, 2004: EUR 762.4 million) and EUR 54.4 million (December 31, 2004: EUR 391.4 million), respectively.

As capital employed of foreign business units was effectively hedged against translation risks arising from foreign exchange fluctuations, currency effects for the periods discussed above were negligible.

Provisions

Wienerberger establishes various types of provisions. The Group's non-current provisions defined as liabilities not expected to mature within one year relate mainly to provisions for deferred taxes, pensions and severance payments, warranties and site restoration. As of December 31, 2006, the Group's non-current provisions amounted to EUR 241.7 million. Current provisions with an expected maturity of one year or less were EUR 46.4 million as of December 31, 2006, primarily reflecting short term restructuring provisions, a provision for lawsuits and short term tax provisions.

INDUSTRY OVERVIEW

The following discussion provides an overview of the masonry and roof tile industries.

Bricks are used for structural, load bearing, and non-load bearing purposes. So-called "facing bricks" are used to clad load bearing walls (cavity wall system) whereas so-called "hollow bricks" are used to build load bearing walls and structures as well as non-load bearing inner walls (monolithic wall system), which are then usually clad with other cladding materials such as renders and plasters or facing bricks. The roofing market comprises two main segments: pitched roofs (which is the predominant segment) and flat roofs. Roof tiles are used exclusively to cover pitched roofs. Clay tiles and concrete tiles are the two main roof tile products.

The brick and roof tile industries share a number of similarities, including:

- local production serving primarily regional markets;
- seasonality, with low levels of sales occurring during the winter months;
- similar production processes, technologies and principal raw materials;
- high initial investment and some subsequent capital requirements;
- similar customers and parallel distribution channels; and
- primary usage of final products in the residential housing construction markets typically dependent on building traditions which have developed historically based on the availability of raw materials and the climate.

However, while the brick industry is principally driven by new housing starts which are dependent on economic cycles and long-term interest rates, the demand for roof tiles is driven to a similar extent by new housing starts but also by renovations, making the roof tile industry less cyclical.

Global Brick Industry

Key industry characteristics

The global brick industry is characterized by a number of regional manufacturers and only a small number of major manufacturers with an international presence. The fragmented structure reflects the local nature of demand and a manufacturing process which favors a regional approach. In the past, small and medium sized, privately owned companies that operated between one and three brick plants dominated the industry. Since the beginning of the 1980s, large corporate groups began to improve the production process and to consolidate the industry. Today, several international companies serve the facing brick market, including Boral (United States and Australia), CRH (United States, United Kingdom and Continental Europe), Hanson/HeidelbergCement (United States and United Kingdom) and the Wienerberger Group (Continental Europe, United Kingdom and United States). In hollow brick production, the Wienerberger Group is the only globally-operating company.

The brick industry is in general highly regional, since transportation costs are an important component of the overall costs of the products and the value of bricks is low in relation to their weight and volume, resulting in high transportation costs. Currently, transporting hollow bricks for more than 200 to 300 km is generally uneconomical, whereas facing bricks can generally be economically transported 500 to 600 km via road, rail and ship. Imports between regional markets are not frequent in the case of hollow bricks as hollow bricks produced outside one region may not meet the needs of local end users in terms of standard specifications and other technical features. If at all, hollow bricks are usually exported from regions with production overcapacities in order to optimize capacity utilization in such regions or if a producer intends to test the characteristics of a local market before acquiring production facilities or establishing a greenfield operation in such market. Due to the inefficiency of brick transportation over long distances, the ability to maintain a dense network of production plants that serve local markets gives large companies a competitive advantage over smaller manufacturers.

In the case of facing bricks, imports between regional markets are more common, such as within the Benelux countries and from the Benelux countries to the United Kingdom. The principal reasons for more frequent imports of facing bricks compared to hollow bricks are the following:

- facing bricks are subject to fewer technical requirements compared to hollow bricks, where local technical specifications can constitute market barriers;
- facing bricks are chosen for their aesthetic qualities and not their technical specifications, leading to an increased willingness of consumers to pay higher prices;

- the color of facing bricks is largely determined by the regional provenience of clay. Therefore, if there is demand for a specific color in a market, consumers are willing to pay higher prices; and
- the total production cost of facing bricks is higher than for hollow bricks. Therefore, for facing bricks transportation costs constitute a smaller portion of the total cost at construction site than for hollow bricks.

The brick industry is very capital intensive, with an initial investment in most cases of between 2 and 2.5 times the annual revenues, and is characterized by high fixed costs (approximately 55% of total costs). The high level of initial capital investment constitutes a barrier to entry for new competitors, especially for minor local players, and creates an advantage for larger, established producers. An important component of costs is energy. Natural gas is the most frequently used energy source in the bricks industry, although other fuels, such as fuel oil and coal, are also used. For this reason, the brick industry has been affected by the increase of natural gas prices in the past years. Raw material deposits are available in most parts of the world. Regulations for their use vary by country. Clay is mainly collected in open clay pits which are usually part of the plants. Therefore, clay is typically obtained from third parties only where a particular quality of clay is required to achieve a desired facing brick color.

Demand trends

The best indicator of demand trends (i.e. volumes) for brick markets is the residential construction sector which the Group believes to account for approximately 85% of hollow brick and 70% of facing brick demand worldwide, the remainder representing commercial and public building demand. Brick sales are mainly driven by single and two-family housing starts. Due to its exposure to the residential construction sector the brick industry is subject to typical macroeconomic drivers such as GDP growth rate, consumer spending, confidence levels and, to a lesser extent, long-term interest rates (i.e. mortgage rates). In addition, weather is an important external factor determining demand because severe weather negatively impacts house builders' ability to work.

Brick use and competition from substitute products

Bricks compete with other building materials. Competition from substitute products of facing bricks is more limited compared to hollow bricks because of facing bricks' unique product characteristics. However, facing bricks can be substituted with other cladding materials such as plasters, renders, stucco and natural stone and other materials including vinyl, wood, aluminium siding or glass. On the other hand, hollow bricks experience competition from substitute products in various regional markets, because hollow bricks' product characteristics are more comparable to those of substitute products. Hollow bricks substitute products include aerated concrete blocks, prefabricated concrete panels, cast concrete, calcium silicate and timber. More generally, buildings constructed with bricks also compete with prefabricated houses.

The determining factors for the choice of a particular building material include price and brick laying costs, consisting of the cost of transporting the material to the construction site, the cost of additional products required to build with such material, the cost of any specialized equipment required to handle such material and the labor cost involved in handling such material. In addition, local building traditions, availability of clay and the fact that bricks are a natural product play an important role in customer demand.

In certain Eastern European countries where residential housing is often built through the do it yourself (DIY) method of construction, labor cost is not as important a factor, thus lowering the brick laying costs of hollow bricks compared to higher priced substitute products, which in turn may require special equipment (such as cranes) that is often expensive or unavailable in those countries. Facing bricks, in turn, have relatively high brick laying costs compared to substitute products because they require qualified brick layers which are hard to find and expensive in some more economically developed countries, and are generally not suitable for DIY construction. Therefore facing bricks are often chosen for high-end residential houses in more economically developed countries.

An important factor in choosing a particular material for load bearing walls is the technical aspects of the material such as thermal and sound insulation, load bearing capacity, frost resistance and water proofing capability, the specifications for which are often mandated by local, national or EU regulations. The primary geographic markets for hollow bricks are Continental Europe, most parts of Asia (including China), North Africa and Latin America.

Facing bricks are typically viewed as a brand product, since they are in plain view and define the outward appearance of a building. Consequently, the customers' taste and current fashion trends play an important role in the facing brick market. The main geographic markets for facing bricks are North America, the United Kingdom and Northwestern Europe, Australia and South Africa.

The European Roof Tile Industry

The roof tile industry shares many similarities with the brick industry. However, while the brick industry is primarily driven by new housing starts which in turn are driven by economic growth, demographics and low long-term interest rates, roof tile demand is driven by both housing starts and housing renovations. Severe weather can increase levels of renovations from time to time. The Company estimates that more than one half of total roof tiles sold is used for renovations. Demand for roof tiles is therefore more stable and less cyclical than demand for bricks, as the renovation business is much less sensitive to economic cycles.

The roofing market for housing comprises two main segments: pitched roofs and flat roofs. Roof tiles are used exclusively to cover pitched roofs and are considered as small elements for covering pitched roofs. Clay tiles and concrete tiles are the two main roof tile products, competing with substitution products such as natural slates, fiber cement slates and metal coverings. In addition, concrete roof tiles are a direct substitution product for clay roof tiles. Management estimates that, within the overall roofing market, clay roof tiles and concrete roof tiles have market shares of approximately 33% and 20%, respectively, while substitution products account for the remaining 47%. The relative shares of the different products in the total roofing market vary from country to country and sometimes among regions. In most European countries, clay roof tiles are either the traditional product or have replaced concrete tiles as the lead product. Concrete roof tiles, which have a competitive price advantage compared to clay roof tiles because of cheaper production costs, have substantial market shares in many European countries and are the predominant product in a limited number of European countries, such as the Czech Republic and the United Kingdom. In the 1960s, clay tiles lost a significant market share to concrete tiles due to development of new technological equipment and processes in the concrete tile industry that have substantially improved quality of the products and production efficiency. Since then, clay tiles have been able to regain market share by improving quality and aesthetics and are at present the leading product in most European countries.

The choice of a particular roofing material is determined by consumer taste, current trends, price and the total cost involved in handling the material. In the case of renovations, the type of existing roof construction also plays a role. Similar to facing bricks, roof tiles are used for the outer leaf of houses, which emphasizes aesthetic qualities and brand. The market for clay roof tiles in Europe can be viewed as a growing market, as the trend toward clay roof tiles is expected to continue. While clay roof tiles are relatively more expensive than substitute products, their principal advantages are the following:

- clay roof tiles are the highest quality product which is preferred by customers and enjoys long tradition in most European countries;
- clay roof tiles can be produced in a large range of shapes, sizes, colors and surface finishes, including glazing and engobes;
- clay roof tiles have good technical qualities, such as frost resistance, are long-lasting and require minimal maintenance;
- compared to some substitute products, clay roof tiles are comparatively light, making roof support construction cheaper; and
- due to improvements in the production process during the past decades, clay roof tiles can be produced in large format, reducing the time and cost of covering a roof.

Within the clay roof tile market, there are two main product categories: molded tiles and traditional flat (so-called "biber") tiles. Molded tiles are manufactured in large formats, with sizes ranging from eight pieces to a maximum of 25 pieces per square meter, whereas for flat tiles between 40 and 80 pieces are customarily used to cover one square meter. Using large tiles reduces the time required for covering a roof.

Within the roof tile industry, usually 6% to 8% of all pieces sold are accessories as opposed to regular roof tiles. The Company estimates that accessories, which are priced at a premium compared to regular roof tiles to reflect higher production and storage costs, typically represent 25% to 30% of total revenues. One of the factors contributing to a successful roof tile business is offering a broad range of high quality accessories which match the quality of the roof tiles.

In general, roof tiles have a higher value-to-weight ratio than bricks. As a result, for roof tiles, transportation costs constitute a smaller percentage of the total cost than for bricks. Roof tiles can be transported economically for 600 to 800 km.

Throughout Europe, with the exception of Germany, the roof tile industry is relatively consolidated compared to the brick industry. Large producers benefit from economies of scale and full product range. Management estimates that the largest producers of roof tiles include Lafarge Roofing (including Bramac and Tondach joint ventures), estimated to be the world's largest producer of roof tiles (clay and concrete), followed by the Wienerberger Group (including Koramic Roofing, Bramac and Tondach joint ventures), Imerys and Terreal (producers of clay roof tiles focused on the French market) and Etex (clay and concrete roof tiles as well as fiber cement slates).

BUSINESS

Overview

The Group's core business is the manufacturing of products for use in masonry, facades, roofs and paving. In these market segments, Wienerberger concentrates primarily on four product groups: hollow bricks, facing bricks, (clay and concrete) roof tiles and (clay and concrete) pavers. Products are marketed under the Group's brand name Wienerberger and the brands Porotherm and Poroton (Germany only) for hollow bricks, Terca and General Shale for facing bricks and clay pavers, Koramic for clay roof tiles, and Semmelrock for concrete pavers. In addition, the Group participates in a plastic pipe joint venture, Pipelife International GmbH ("Pipelife").

Management estimates that the Group is the largest producer of bricks in the world. In hollow bricks, the Group is the leading global producer and in facing bricks the Group is the leading producer in Europe and the United States (co-leader with Boral), according to management estimates. In 2006, brick activities accounted for 73% of Group revenues and 77% of Group EBITDA.

Wienerberger is the second largest manufacturer of clay roof tiles in Europe, according to management estimates. In 2006, roof tile activities accounted for 21% of Group revenues and 24% of Group EBITDA.

Pavers accounted for 6% of Group revenues and 4% of Group EBITDA in 2006.

Wienerberger's main geographic areas of activity are Europe (except for Iberia) and Northern America. As of June 30, 2007 the Group operated 253 plants in 26 countries with 14,296 employees. Wienerberger generated revenues of EUR 2,225 million and an EBITDA of EUR 471.9 million in 2006.

The Group's key strengths are its focus primarily on clay-based products for masonry, facades, roofs and paving, as attractive segments in the building materials sector, its leading market positions (according to management estimates), its regionally diversified revenue base with growth potential and its experienced management team with a successful acquisition track record.

Wienerberger is focused on delivering a profitable growth strategy aimed at strengthening its market position in its existing markets and expanding in new markets with superior profit and cash flow potential. The Group's expansion plans foresee both bolt-on projects and strategic acquisitions in existing and new markets.

Key Competitive Strengths

Focus on building products for wall, facade and roof as an attractive segment in the building materials sector

Wienerberger is positioned in profitable product segments of the building materials sector. Bricks have a centuries old tradition in many regions around the world and in most of these markets bricks represent the preferred material for residential housing construction. In a few other markets such as France, where bricks used to have a lower share in the masonry market, the Group's products have become increasingly popular in recent years and have been able to gain market share from substitute products. The combination of stable market shares in established brick markets along with the potential for market share increases in some new markets makes the brick markets in which Wienerberger is active very attractive because they are characterized by stable cash flows.

In addition, the Group's core brick and clay roof tile businesses form a strategic combination. Bricks and roof tiles are complementary products that share similar sales and production-related characteristics. Both products are used in housing construction and necessitate a combination of technical requirements and aesthetic qualities. The products are manufactured from the same primary raw material, clay, and their production employs similar technologies. They are targeted to the same group of customers and sold through similar distribution channels. In view of the Group's well established reputation for excellence in bricks and roof tile products and service quality, the Group expects to benefit from this attractive building materials segment.

Leading market positions

Management believes that the Group is the largest producer of hollow bricks worldwide and holds the number one position in Europe and the United States (co-leader with Boral) in facing bricks. Management estimates that the Group is also Europe's second largest producer of clay roof tiles. Through its own operations and joint ventures, the Group has the leading market position in hollow bricks, facing bricks and/or roof tiles in most of the markets in which it operates. In addition, according to management estimates, the Group holds leading market positions in pavers in Europe.

Diversified revenue base with growth potential

With activities in all major markets in Europe (except for Iberia) and the United States, the Group believes that it is broadly protected against regional variances in economic conditions, which should reduce the cyclicality of its earnings. While demand for bricks is predominantly driven by new residential construction, demand for roof tiles is driven by both new residential construction and renovation. The Group's presence in the roof tile business hence makes its results less dependent on macro-economic cycles since approximately 50% of roof tile sales are directed to the renovation market. The Group's high revenue share in Eastern Europe is a major growth driver. The Group expects that further improvements in its earnings will be primarily driven by growth markets in Eastern Europe and by the eventual recovery of the U.S. and German housing markets.

Competitive advantage as a multinational player in the brick industry

The Group believes that as a multinational player it has a competitive advantage over smaller local competitors for the following reasons:

- the Group benefits from economies of scale in many areas; for example, it employs sophisticated management control systems and its large centralized engineering department drives the production improvement and innovation process; the Group also benefits from synergies in procurement;
- the Group is in good position to counter-balance regional market downturns and to capitalize on a downturn through an increase in market share, primarily through acquisitions, due to the earnings stream from regions which continue to grow at the time;
- the Group has flexibility to adjust production capacity to market developments in order to achieve the highest possible capacity utilization;
- due to its strong market position, the Group enjoys a high degree of market recognition for its branded products;
- the Group has direct access to the customer; it maintains strong relationships with large building materials distributors and developers for whom the Group is a reliable source of supply due to its ability to smoothen disruptions in production through its broad plant network;
- the Group has good access to capital and financial flexibility;
- the Group offers a broad product range;
- the Group manages its energy supply efficiently; and
- the Group can transfer and implement know-how across its operations worldwide.

Experienced management team with a successful acquisition track record

The Group's management team has an extensive knowledge base and integration experience developed over the past 20 years. Wienerberger's historic growth is based on numerous acquisitions and management has a proven track record of successfully identifying, executing and integrating these acquisitions and greenfield projects quickly and efficiently. Management has repeatedly proven that it is capable of implementing cost saving measures to generate additional value from newly acquired operations.

Business Strategy

Achieve above industry average growth in operating EBITDA and EPS through bolt-on projects and strategic acquisitions, thereby strengthening the Group's market position in its existing markets and expanding into new markets

The Group's strategic focus is directed towards the expansion of its activities in the manufacture of products for masonry, facades, roofs and paving. Wienerberger's business model is designed to ensure that the Company focuses on profitable and value enhancing growth projects. The Group's growth model distinguishes its growth investments between bolt-on projects and strategic acquisitions. Bolt-on projects are defined as the extension of existing plants, greenfield projects (construction of new plants) as well as smaller acquisitions. In order to achieve its growth targets, the Group aims to invest approximately EUR 300 million per year in bolt-on projects independently of any strategic acquisitions it may make. The diversification of the Group's growth through a large number of bolt-on projects minimizes risk and optimizes the opportunity for synergies with existing activities. For these projects, the Group's management targets a cash flow return on investment ("CFROI") of 16 to 22%, including synergies and capital expenditure, in the third year after the start of the investment; this corresponds to a target multiple of 4.5 to 6.0 times EBITDA in the third year after the start of the investment. Additionally, the Group is prepared to make selected strategic acquisitions to the extent such activities create value. These projects are expected by management to enable the Group to gain leading market positions. For such acquisitions, the Group's management has targeted a CFROI of 16%, including synergies and capital expenditure, in the third year after investment, corresponding to a target multiple of 6.0 times EBITDA in the third year after the start of the investment. The acquisitions of Robinson Brick in 2006 and Baggeridge Brick and Arriscraft in 2007 are recent examples of strategic acquisitions. In exceptional cases, the Group is prepared to make strategic acquisitions, with a CFROI of under 16% if it believes such acquisitions have the potential to provide a platform for future growth.

Wienerberger's expansion policy is financed by its integrated growth model. Maintenance capital expenditure has been relatively low at around 60% of depreciation during the last three business years and management expects this level to remain constant in the coming years. This means that, despite the need for funds to service debt and pay dividends, sufficient free cash flow has been generated by existing business to invest EUR 150 to 200 million per annum in expansion through bolt-on acquisitions during the last three business years. Free cash flow in 2007 is also expected to release roughly this amount for growth projects.

The Group is focused on delivering a profitable and value enhancing growth strategy aimed at strengthening its market position in its existing markets and expanding in new markets with greater profit and cash flow potential. The Group typically expands into markets adjacent to existing operations and has built-up new markets via exports. When demand for the Group's products reaches a sufficient level, either an acquisition target is looked for or a suitable production site is sought to build a greenfield plant. Currently, an important target market for expansion is Russia, where the Group has followed the start of operations in its first plant in Kiprevo, 120 km northeast of Moscow, with the construction of a new plant in Kazan, 800 km east of Moscow and the construction of a second production line in Kiprevo. Further target markets include the Ukraine and Bulgaria, where a local brick plant has been acquired in 2006. The Company has rebuilt this plant and has started operations in the third quarter of 2007. The Group also plans to further expand its existing capacities in Poland and Romania and to develop its market position in the Balkan States. In France, the Group is pursuing a strategy to increase market penetration of hollow bricks which have gained market share recently. Other markets in Asia and Africa are investigated and are potential areas of investment in the medium-term with first projects scheduled to start by the end of 2008.

Achieve continuous optimization through improvement of products, customer service and technological efficiency

Another main element of Wienerberger's business strategy is to achieve cost efficiency and economies of scale. Management believes that it can gain significant sales and cost synergies from the size and global presence of the Group's operations as described in "*Key Competitive Strengths—Competitive advantage as a multinational player in the brick industry*" above. The Group's strategy for its existing businesses is to accomplish continuous optimization and profitable growth through constant improvement of products, customer service and the efficiency of all processes. The Group aims to achieve cost efficiency primarily through efficient energy sourcing, optimization of plant network and production processes and employment of new technologies across the Group. In customer service, the Group has undertaken a number of initiatives in order to drive organic growth.

Capitalize on broad product range and leading market positions

Through its extensive network of plants, the Group maintains the broadest product range in the industry, including approximately 1,500 different types of facing bricks, a range of hollow bricks in different sizes and with specific thermal and sound insulation capacities, as well as a large range of roof tiles and paving products. The Group ensures that it is in line with trends in housing construction, and offers customers the formats, colors and texture of bricks, roof tiles and paving products in high demand, while also meeting the highest possible standards required by the market. In order to capitalize on its market position, the Group coordinates its national advertising campaigns throughout Europe to build on the Group's pan-European sales profile. The brands advertised across Europe are the Group's brand and the brands Porotherm and Poroton (Germany only) for hollow bricks, Terca and General Shale for facing bricks and clay pavers and Koramic for clay roof tiles.

Products

Hollow Bricks

Hollow bricks are used for load-bearing exterior and interior walls, as well as for nonload-bearing partition walls or fillwork. A wall made of hollow bricks is normally not seen after completion because it is covered with plaster or paneling.

The technical advantages and features of walls made from hollow bricks include high load bearing capacity, good thermal insulation and heat accumulation, sound insulation, high fire resistance (nonflammable) and moisture regulating capacity.

Wienerberger hollow bricks are sold under the Porotherm brand (Poroton in Germany), and are optimized to meet special applications and requirements. Examples are thick clay blocks for exterior walls, which deliver good thermal insulation, special heavy clay blocks for improved sound insulation and seismic-resistant bricks for safe construction in earthquake zones.

The Wienerberger hollow brick system also includes brick lintels and brick ceiling systems, which make it possible to build an entire house out of bricks.

Facing Bricks

Facing bricks are used in visible brick architecture: facades and interior walls are made from or covered with these bricks. A wall made of facing bricks is a design element, and also provides good protection from the weather. Facing bricks can also be used in a wide range of decorative applications: for example interior walls, exterior enclosures, arches or chimney cappings. Wienerberger facing bricks are sold under the Terca brand in Europe and General Shale in the United States. They offer a wide range of design alternatives through the combination of colors, shapes and surface structures.

Facing bricks can also be combined together in prefabricated elements for fast construction. Especially in the area of non-residential construction, brick architecture can therefore play an important role in modern, economic building.

The development of new colors, surface structures and special shaped bricks plays an important role. The Group's goal is to meet the design requirements of architects and builders, and progress with the times.

Roofing Systems

Clay roof tiles are used primarily to cover pitched roofs. They not only provide sustainable protection for houses from the weather, but also represent an important design element for architects. Clay roof tiles are not only used in new construction, but also to a large extent in the renovation of existing buildings.

Wienerberger clay roof tiles are sold under the Koramic brand. They are available in a wide variety of forms (pressed or plain tiles), colors and surfaces (natural, glazed, sanded or engobed). For each type of tile, Wienerberger offers a complete line of special tiles and accessories such as ridge tiles and verge tiles.

Through its 50% holding in Bramac, the Wienerberger Group also produces concrete tiles that are used to cover pitched roofs, primarily in Austria and the southeast region of Europe. Concrete roof tiles are used primarily in new residential construction.

Pavers

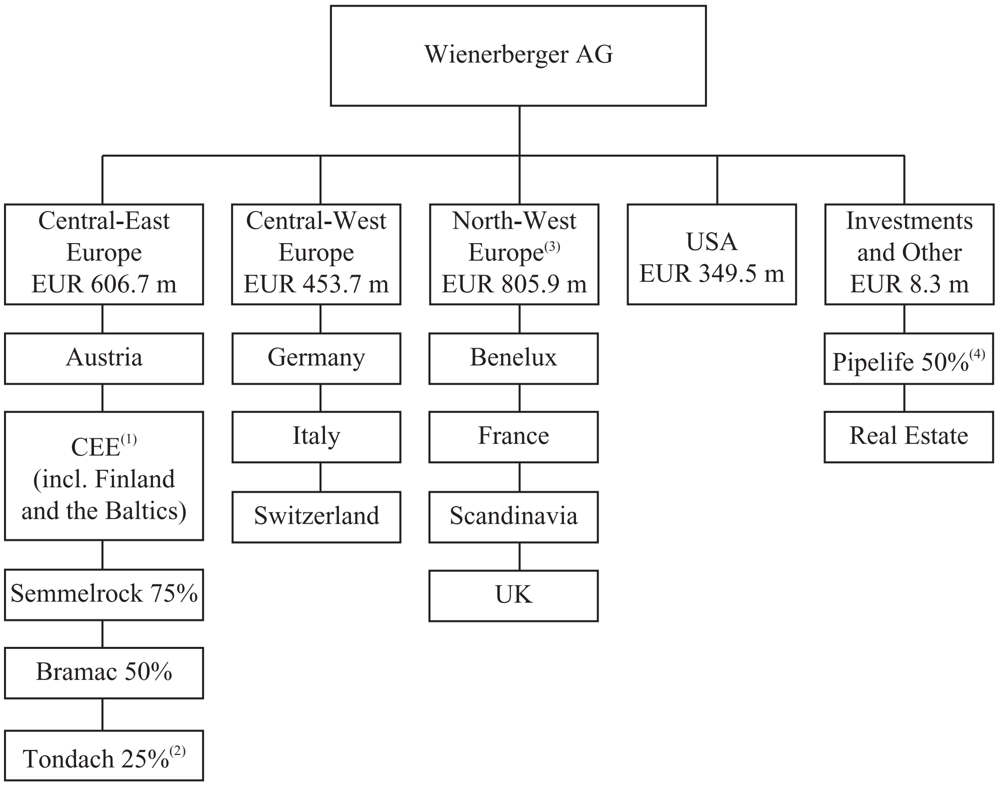
Wienerberger produces pavers as clinkers made of clay or as concrete tiles and slabs. These materials are used by homeowners (for driveways, paths, terraces and garden design), as well as in public areas (for sidewalks, open areas and pedestrian zones).

Wienerberger offers pavers in a large range of shapes, colors and surface structures. The Group markets its clay pavers under the Terca brand and its concrete pavers under the Semmelrock brand. Semmelrock concrete pavers also permit the spatial structuring and design of garden landscapes, for example with products for slopes, planters and fencing systems.

Organization and Business Segments

The Company is the holding company of the Group which directly or indirectly holds all participations of the Group as shown in the Consolidated Financial Statements. The Company does not have any operating activities.

The Group has set up a geographic segmentation in order to reflect the Group's regional focus which gives responsibility to local operating management for all core products manufactured within a country. The Group operates in the following five segments: Central-East Europe, Central-West Europe, North-West Europe and U.S.A., each including all or part of the Group's core operations (bricks, clay roof tiles and pavers) in the respective geographic areas, and Investments and Other which includes the Group's non-core activities, that is its portfolio of real estate and non-operating assets and holding company costs. The results of the joint venture Pipelife are consolidated at equity. The diagram below sets forth the Group's segments as of January 1, 2007, and external revenues per segment for financial year 2006.



(1) As of January 1, 2007, the segment Central-East Europe contains operations in Poland, Czech Republic, Hungary, Romania, Slovakia, Croatia, Finland, the Baltics, Slovenia, Russia, Ukraine, Bulgaria and Bosnia-Herzegovina.

(2) Tondach's revenues are not included in segment revenues. Tondach is consolidated at equity.

(3) As of January 1, 2007 the subsidiaries in Finland and the Baltics (revenues of EUR 30.1 million in 2006) were transferred for organizational reasons from the North-West Europe segment to the Central-East Europe segment.

(4) Pipelife's revenues are not included in segment revenues. Pipelife is consolidated at equity.

Central-East Europe

Central-East Europe covers the mature home market of Austria and the growth markets in Poland, the Czech Republic, Hungary, Romania, Slovakia, Croatia, Slovenia, Bulgaria and Russia where the Group has built or is currently building production facilities. As of January 1, 2007, Finland and the Baltics, previously included in the North-West Europe segment, were transferred to the Central-East Europe segment. In Bosnia-Herzegovina and the Ukraine, the Group has sales-only operations. In Central-East Europe, the Group primarily manufactures hollow bricks and lintels as well as girders and bricks for ceilings. Hollow bricks are mainly sold under the trademark name Porotherm. The Group also manufactures facing bricks in Austria and Hungary and roof tiles in Poland. In addition, the Group has two roof-tile joint ventures (Bramac and Tondach Gleinstätten), which produce and market concrete and clay roof tiles in Central and Eastern Europe. Furthermore, the Group has a majority interest (75%) in Semmelrock International GmbH ("Semmelrock") which produces concrete pavers and slabs used in garden and outdoor construction in Austria, Croatia, Hungary, the Czech Republic, Slovakia, Poland and Romania.

Since the early 1990s, countries in Central and Eastern Europe have undergone political and economic reforms which boosted income levels and created a middle class wanting to improve their standard of accommodation. This has fuelled the growth in the residential construction market. The Group's Central-East European operations have been characterized by higher profit margins than the rest of the Group due to a combination of lower costs and strong market positions.

Bricks are a well known and widely used building product in Central and Eastern Europe. The extent of bricks being used for load bearing walls is similar throughout the region, with hollow bricks being the leading material for wall construction in most markets, followed by aerated concrete blocks. A significant portion of the region's residential construction market utilizes the do-it-yourself ("DIY") method of construction. Because the DIY method involves low labor costs, which can comprise a significant portion of the total cost of handling bricks, the use of hollow bricks compared to substitute products is widespread in this geographic area. Facing bricks have a small share of the total cladding market in Central and Eastern Europe except for Northern Poland.

The Group entered the Central and Eastern European brick business in 1990 by purchasing four plants from the Hungarian government. Since then, the Group has expanded its operations through acquisitions and greenfield projects to become the leader in the Central and Eastern European brick market. Apart from local brick producers who usually operate one to three brick plants, in Central and Eastern Europe the Group competes with a number of major Western European aerated concrete product manufacturers such as YTONG and Fels/Hebel, both part of the Haniel group.

The Group started its roofing activities in 1972, by entering into the Bramac joint venture with Braas (now Lafarge Roofing), an international building materials producer. Management estimates that Bramac is a leading producer of concrete roof tiles in Austria and Eastern Europe, operating a total of twelve plants in eight countries. Day to day business of this joint venture is conducted by independent management, whereas strategic decisions are made by the supervisory board, consisting of four members, two from the Group and two from Lafarge Roofing.

The Group also owns a 25% interest in Tondach Gleinstätten, a leading clay roof tile producer in Central-East Europe (according to management estimates), with 19 production facilities throughout Eastern Europe and Austria. The remaining percentage is owned by the Olbrich and Garside families (50%) and Lafarge Roofing (25%).

Furthermore, the Group produces concrete pavers at 13 plants in Austria, Croatia, Hungary, Poland, Slovakia, Czech Republic and Romania through Semmelrock and clay pavers at six plants in the Netherlands and two plants in Germany.

Distribution in Central and Eastern Europe is usually done through wholesalers or sales to retail dealers. The clay required for production is usually quarried in clay pits owned by the plants. Energy, in the form of natural gas, coal or saw dust, is generally procured on a local level.

Outlook and strategy

Management believes that demand for bricks will further grow in 2008 in most countries in the region except Finland. In Eastern Europe, the building materials market is characterized by above-average growth in new housing construction, which continues to shift further east since the accession of Romania and Bulgaria to the European Union. Euroconstruct forecasts significantly higher mid-term growth in residential construction for the Eastern European EU countries than for Western Europe, although temporary regional declines, as those experienced in 2005, cannot be excluded (Euroconstruct June 2007). The Group therefore sees substantial long-term opportunities throughout this entire region. Wienerberger intends to use its competitive advantages with respect to costs and products, and gradually increase its activities in Eastern Europe through acquisitions and the expansion of production capacity. In particular, the Group wants to use short-term declines in demand and the resulting market pressure to further strengthen its positions.

In Poland, management expects further growth in all segments. The Group's strategy is to improve earnings while maintaining market share and to focus on new products for hollow bricks and clay roof tiles. Wienerberger is currently constructing a new hollow brick plant in Olesnica and extending capacities in Lebork and Dobre (completion expected by the end of 2008).

In the Czech Republic, management expects further growth. The Group intends to concentrate on high precision clay blocks. Wienerberger is planning to reconstruct the existing plant in Hodonin.

In Slovakia, management expects slight market growth. The Group's strategy is to optimize prices while maintaining market share. Wienerberger's investments include measures to reduce the production of air pollution ash in all plants.

In Hungary, management is currently seeing a slight increase in construction activity which may further improve in 2009. The Group's strategy is to increase its market share and to start the production of high precision clay blocks.

In Romania, management expects continued strong demand although there is a risk that new building code requirements may limit the use of bricks. The Group aims at growing at a rate which equals or exceeds the market. Current projects include a capacity increase at the Gura Ocnitei plant, optimization of the Sibiu plant and the construction of a new plant in Triteni (Cluj).

In Bulgaria, management expects a good market development. The Group entered the market with the construction of its first plant in Lukovit, which commenced operation in the third quarter of 2007 and will consider further bolt-on projects.

In Croatia and Slovenia, management expects slight growth but at the same time pressure on prices due to excess capacity. The Group aims at optimizing prices despite unfavorable market environment.

In Russia and the Ukraine, management is currently seeing a favorable market environment. In Russia, growth is expected due to the government's focus on residential construction. Wienerberger followed the start of operations in Russia in its first plant in Kiprevo with further projects in order to develop its position. In the Ukraine, the start of a greenfield project is planned.

In Finland, management expects a slight leveling-off of the market. The Group's strategy for Finland as well as Estonia is to develop new products and increase prices in line with the market.

In the mature Austrian market, management expects a slight growth in the building materials market but at the same time pressure on prices due to excess capacity. The Group is focused on strengthening its market position and defending bricks' market share by further developing its competence in energy efficient buildings. Optimization of cost structure and improvements in capacity utilization are also important goals.

In addition, the Group will continue to explore opportunities to expand into new markets with growth potential, amongst others the Balkan and Baltic states.

In its concrete paver business, Wienerberger aims at increasing its market share in Central-East Europe, where demand is growing, through product innovation and production expansion of existing plants and additional greenfield projects.

Central-West Europe and North-West Europe

Western European activities are split into two segments: Central-West Europe and North-West Europe. Central-West Europe covers the mature markets of Germany, Switzerland and Italy. North-West Europe contains operations in the Netherlands, Belgium, France, the United Kingdom, Denmark, Norway and Sweden. The Group operates plants in each of those markets. The split of Western Europe into two segments reflects the fact that these segments differ in terms of construction methods and materials used in wall construction. With regard to cladding materials, facing bricks are predominant in the Netherlands, Belgium, Northern France, Northern Germany, Denmark and the United Kingdom. Hollow bricks for load bearing walls are mainly used in Germany, Switzerland, France, Belgium and Italy.

Germany is the dominant country in the Group's Western European operations primarily due to the size of the Group's German operations. In Western Europe the Group manufactures molded and extruded facing bricks, hollow bricks, ceilings, clay pavers and chimney systems. Facing bricks are sold under the trademarks Terca and Desimpel and hollow bricks are sold under the trademarks Porotherm, Poroton and certain other trademarks.

The Group entered the Western European brick markets in 1986 through the acquisition of the German Oltmanns Group with one facing and three hollow brick plants. In order to expand its business in Western Europe, in 1996 the Group acquired Terca, a leading manufacturer of facing as well as hollow bricks in Belgium and the Netherlands, from Koramic Roofing. At the time, Terca operated seven facing and four hollow brick plants in Belgium, eight facing brick plants and one windowsills plant in the Netherlands, three facing brick plants in France and two facing brick plants in Germany. To further expand its market reach to Northern Europe, the Group acquired the brick manufacturing operations of Optiroc in January 2001, with a total of eight facing brick plants in Denmark, Norway, Sweden, Finland and Estonia, and sales-only operations in the United Kingdom. In order to optimize its operations during the economic downturn, the Group closed certain plants in 2001.

In February 2002, the Group acquired the Continental European operations of Hanson Bricks to strengthen its market position in Western Europe through the addition of 23 brick plants of which 21 were located in Western

Europe. The acquisition of the Continental European operations of Hanson Bricks added significant capacity to the Group's facing brick production facilities.

In 2003, Wienerberger acquired a 50% stake in Koramic Roofing, one of the largest producers of clay roof tiles in Europe with leading positions in a number of markets, for a consideration of EUR 212 million. One year later, the Group exercised its options to purchase the remaining 50% and invested a further EUR 223.9 million for this purpose. Through this acquisition, Wienerberger advanced to number two in clay roof tiles in Europe and established roofing systems as a second core business. Under the brand name Koramic (ZZ Wancor in Switzerland), the Group operates 19 clay roof tile production sites in Germany, Switzerland, France, Belgium, the Netherlands, Poland and Estonia. From these sites, tiles are exported to other countries, including the United Kingdom and Scandinavia.

In September 2004, the Group entered the market in Great Britain by acquiring thebrickbusiness, a leading manufacturer in the United Kingdom, with nine plants, for a price (including debt) of EUR 128.1 million. The Group also acquired a brick plant near London.

In June 2007, Wienerberger acquired Korevaar, an independent producer of pavers and facing bricks located in the Netherlands, which, at the time of the acquisition was the third largest producer of clay pavers in the Netherlands, according to management estimates. Korevaar operates plants in Schipperswaard and Zennewijnen and conducts trading business under the Bos & Vermeer brand.

In July 2007, Wienerberger acquired a 99% share in Baggeridge Brick, a British company listed on the London stock exchange, by means of a tender offer, for a total consideration of GBP 99.4 million. Baggeridge Brick, with headquarters in Sedgley near the city of Birmingham, operates four production plants in the Midlands and one in the south of England, manufacturing facing bricks, pavers and products for the facade. In addition, Baggeridge Brick has significant excess raw material reserves and one undeveloped site near Birmingham with planning permission for future production. These assets are of strategic value to Wienerberger for future growth projects in the United Kingdom. In the most recently completed financial year, Baggeridge Brick generated revenues of GBP 55.0 million, and an EBITDA of GBP 7.3 million, employing a work force of 562 people. At the time of the acquisition, Baggeridge Brick was the number four producer of bricks and clay pavers in the United Kingdom, according to management estimates. For Wienerberger, the acquisition offers enhancement of its production facilities in the United Kingdom, expansion of its product portfolio as well as capability to significantly increase its presence in the Irish market.

Management estimates that the Group is a market leader in Western Europe, holding the European leadership position in hollow bricks as well as facing bricks. Competition in Western Europe has generally been stable. In the cladding market, most competition comes from other facing brick producers, such as CRH, Hanson/HeidelbergCement, Röben and smaller local companies. In the masonry market, the Company competes with a number of small local brick producers as well as international companies, including the Haniel group (YTONG and Hebel).

Distribution in Western Europe is usually done through sales to wholesalers and retail dealers. The clay required for brick production is usually quarried in clay pits owned by plants, in the case of facing bricks part of the clay is bought on the market in order to produce different colors. Energy, in the form of natural gas, saw dust or oil, is generally procured at a local level in close coordination with the Group's central international procurement department.

Outlook and strategy

Management's general focus in the mature Western European market is to maximize generation of free cash flows which can be utilized to pursue the Group's growth strategy. Further acquisitions and organic growth are relied upon to reinforce the Group's market position. As a driver for organic sales growth, the Group will carry on its efforts to promote bricks as the building material of choice for residential construction. Continuous optimization of costs and capacity utilization are an additional focal point of the Group's activities in Western Europe.

Management anticipates stable development in Western Europe:

In Germany, the residential construction market continues to be weak, which could be due to inflation, rising energy prices and higher VAT. In 2007, the German construction market reached its lowest level since the second world war. Recovery is uncertain, but management expects an improvement in the mid-term. The Group intends to improve its brand positioning, raise prices to offset higher costs, promote product innovation and launch new products, such as bricks with higher thermal insulation qualities.

In Belgium, where the market is on a high level, management expects a slight decrease in the residential construction market, the Group's strategy is to optimize its business by regrouping industrial sites (Zonnebeke, Rumst) and increasing capacity.

In the Netherlands, management expects that higher construction activity will lead to volume increases. Wienerberger aims at achieving a higher market share in all product segments and supplying additional demand by imports from Belgium and Germany.

In France, management expects a stable or slightly decreasing development of the residential construction market. Wienerberger aims to strongly increase its volumes of clay blocks and roof tiles. The Group has converted or is currently converting two facing brick plants into clay brick plants (Angervilliers—completed end of 2006, Hulluch—expected date of completion end of 2008) and is building a new plant in Durtal and an accessory line in Lantenne.

In the United Kingdom, management expects a stable market development and strives to increase prices and production. In addition, the acquisition of Baggeridge Brick is expected to strengthen the Group's market position.

In Denmark, Sweden and Norway the market is stable at a high level. The Group's strategy is to achieve higher volumes of facing bricks and clay roof tiles.

In Italy, management expects a slight decline of the residential construction market, decreasing price levels and excess capacity on the market. The Group intends to hold prices of its products stable, increase sales of high precision clay blocks and optimize costs.

In Switzerland, the Group intends to maintain its market share of bricks and increase the market share of clay roof tiles despite a possible decline in the construction sector.

North America

The United States is the largest market for facing bricks worldwide. In the United States, production of facing bricks is, to a large extent, concentrated in the Southeast, Southwest and Midwest due to the limited availability of clay in other regions. According to the Brick Industry Association (''BIA''), facing bricks accounted for 20% of the total U.S. residential façade market in 2007, with vinyl having the largest market share (36%).

The Group entered the U.S. market in 1999 through the acquisition of General Shale, at the time the second largest U.S. facing brick manufacturer based on volumes. In 2000, it expanded its presence in the U.S. facing brick market through the acquisition of Cherokee Sanford and Darlington.

In 2006, the Group took over Robinson Brick with one facing brick and three concrete block plants and seventeen distribution outlets in six states west of the Mississippi river.

In July 2007, Wienerberger acquired all operating units of Arriscraft. The company, with headquarters in Cambridge, Ontario (Canada), operates three production sites in Cambridge, Ontario (Canada), Saint-Étienne-des-Grés, Quebec (Canada), and Fort Valley, Georgia (United States). It is the largest producer of manufactured stone in North America (based on management estimates), which is a growing niche product for wall cladding. The acquisition of Arriscraft marks an important milestone in Wienerberger's growth strategy in North America by expanding the Group's product portfolio to include manufactured stone and expanding the Group's regional coverage to include Canada. In the most recent completed financial year, Arriscraft generated revenues of CAD 79.2 million, and an EBITDA of CAD 11.3 million, employing a work force of over 400 people.

In the United States, the Group manufactures facing bricks, concrete blocks for walls and pavers. With the acquisitions of Robinson Brick and Arriscraft, the Group's product portfolio has been expanded to include thin bricks, building stone and manufactured stone.

In the United States, the top five brick producers account for an estimated 65% of the total market capacity. Apart from various smaller local manufacturers, the Group competes mainly with four major producers of facing bricks: Boral, ACME Bricks, Hanson/HeidelbergCement and Glen Gery (CRH). Of the five producers of facing bricks in the United States, the Group is the largest together with Boral.

The Group distributes its products in the United States both through sales to retailers and through direct distribution to end users. The Group continues to increase its direct distribution network by investing in distributors because direct distribution allows the Group to be closer to the market. The clay required for the brick production is usually quarried in clay pits owned by the plants. In the United States, the Group uses mainly coal dust and saw dust in addition to natural gas as energy sources for its kilns. The lower cost for these materials compared to natural gas gives the Group a certain cost advantage.

Outlook and strategy

Despite the current decline in new housing construction, management considers the United States to be a growth market for the Group in the long term. This is due to expected positive demographic developments in the Group's main U.S. markets caused by immigration, domestic migration and other demographic factors. In the United States, both the rate at which housing is replaced and renovation activity is usually higher than in Europe. Currently the United States are experiencing a major downturn in the residential construction market, which has been exacerbated by the crisis in the sub-prime mortgage business. Housing starts declined by 13% in 2006, with particularly strong decline in the Midwest, which is one of the Group's most important markets. Forecasts foresee a further decline of in the range of 20-25% for 2007. Management does not see any recovery in U.S. new residential construction in the short-term.

Management intends to further expand business activities in the United States through regional growth and bolt-on acquisitions, should opportunities arise due to the challenging market environment. The Group's strategy is to increase market shares through the expansion of sales in the south and the west of the United States and in Canada as well as through the production of pavers. Key focal points are also a further increase of direct distribution and growth of distribution partnerships in key markets, improvements in capacity utilization and an increase in sales of concrete blocks and manufactured stone. Product development and innovation, such as promotion of premium product mix and automation of production, are an additional area of focus.

Investments and Other

Investments and Other consists of the Group's joint venture Pipelife, as well as some non-operating real estate and the holding company with related headquarters costs.

The Group owns a 50% interest in Pipelife, a joint venture which management estimates is the fourth largest European manufacturer of plastic pipes based on revenues. In 2006, Pipelife generated total revenues of EUR 784 million and an EBITDA of EUR 80 million. As of June 30, 2007, Pipelife operated 30 plants in 29 countries. Since 2004, Pipelife has been consolidated at equity and classified as a financial investment. It is managed independently and neither draws on the Company's funding nor benefits from guarantees issued by the Company. Pipelife aims at achieving profitable growth with a focus on Central and Eastern Europe, as well as increasing market shares of sewer, house, electrical installation, products for hot and cold use and agricultural pipes. The Group intends to maintain high return on investment, generate free cash flow from operating activities and increase productivity. Ongoing projects include the construction of a new plant in Russia and acquisitions in Ireland which are intended to provide access to the Irish and UK markets for products for hot and cold use.

In addition, the Group owns a portfolio of real properties that are not required for operational purposes (see "*Fixed Assets—Real Property*").

Principal Markets

In analyzing its existing core brick and roof tiles businesses, the Group distinguishes between three types of markets - growth markets, new markets and mature markets - and employs a different strategic focus in each of the markets, reflecting each market's individual dynamics.

Growth Markets

The Group views its Eastern European markets as its most important growth markets. Wienerberger expects to benefit from substantial long-term growth opportunities, with the brick and roof tile market driven by the upgrading and expansion of the region's housing stock and the expected accelerated growth as a result of the transition of Eastern European economies.

The United States is the world's largest facing brick market and is characterized by above-average population growth, making it a strategic market for the Group. In the United States, the Group's strategy is to maintain or achieve the leading position in the regions in which it operates and to increase margins through the development of the Group's own distribution capabilities by way of strategic investments in local brick distributors.

In both Eastern Europe and North America (United States and Canada), the Group intends to grow its operations further by both acquiring existing producers and building new plants. A recent example of such an acquisition was the takeover of Arriscraft, the leading manufactured stone producer in Canada and the United States (based on management estimates).

New Markets

The Group targets new markets in countries in which bricks hold a high market share and where there are attractive growth prospects. The potential to gain a leading position in new markets over the medium term is also an important consideration. The Group has rebuilt a plant in Bulgaria, built a plant in Estonia and is currently evaluating market entry opportunities in the other Baltic states, Ukraine, Serbia and India (where a new plant construction is planned in 2008). In addition, management continuously investigates other markets for future expansion.

Mature Markets

The Group views all its other markets as mature markets and expects low market growth in these markets in the medium term. In some of these markets, such as France, however, the Group sees potential for growth through the continued promotion of clay as the material of choice and a substitute for concrete in residential housing construction. The strategy in mature markets is for constant optimization of operations via internal improvements in order to maximize free cash flow generation for reinvestment. The Group plans further acquisitions in mature markets to expand the Group's positions and to capitalize on integration synergies.

Suppliers and Raw Materials

Although the brick business is characterized by highly decentralized procurement, the Group manages to realize synergies through Group-wide purchasing arrangements. In this regard, the Company's strategic procurement department works closely with local units to identify areas with synergy potential and realize cost savings through coordinated procurement activities. In the United States, procurement is largely done independently, with Group cooperation limited to knowledge exchange.

In the production of bricks and clay roof tiles, the Group is dependent on a reliable supply of clay. For approximately two thirds of its clay requirements, the Group relies on its own clay reserves located at or in the proximity of production sites. While no official measurements are available, internal Group experts estimate that most of the existing plants have over 15 years of exploitable clay reserves and newly constructed plants have reserves for over 25 years. In addition, the Group has various long-term agreements on the exploitation of clay reserves which cover approximately one third of its clay requirements. The Group's remaining requirements are sourced from various local suppliers based on contracts which are usually concluded for periods of one to two years. These generally fixed-price contracts do not oblige the Group to purchase minimum amounts, but provide for favorable price adjustments in the event of higher consumption. In 2006, clay was purchased from third party suppliers for approximately EUR 35 million.

Energy is a major component of the Group's production costs. In 2006, the cost of energy for the Group totaled EUR 316 million, or approximately 14% of revenues, compared to EUR 250 million in 2005, or approximately 13% of revenues. In 2006, these expenses were divided as follows: 66% for natural gas, 22% for electricity, 7% for oil and 5% for coal and other. European electricity markets relevant for the Group have been characterized by substantial price increases in recent years. The Group tries to protect itself against price increases by concluding fixed-price contracts with electricity suppliers, typically with duration of one year. The development in the prices of natural gas is, with exception of the U.S. and UK markets, chiefly dependent on the prices of fuel oil and gas oil and on the U.S. dollar exchange rate. For natural gas purchases, the Group typically uses several gas suppliers in each country where it conducts operations due to the relatively lower level of consolidation in the gas supply market compared to the electricity market. Most of the Group's gas contracts, particularly in Western Europe, include formula-based prices. The Group pursues a strategy of hedging a certain percentage of its gas supply according to the following guidelines: at least 75% of gas supply must be hedged for the next six months, 50% for the next twelve months and 25% for the next 24 months. The risk of gas price fluctuations is analyzed quarterly on the Group level based on a cash flow at risk calculation for the next twelve months.

The Group does not own a significant fleet of trucks and uses contractors for transportation, spending approximately EUR 110 million annually for transportation of finished goods. In addition, approximately EUR 30 million is spent annually on pallets and EUR 18 million on shrink film. These materials are bought from a number of suppliers.

Marketing and Distribution

The Group's marketing function is split according to the three main product lines: hollow bricks, facing bricks and roof tiles. Continuous product development is the Group's primary marketing priority. For hollow bricks, the Group focuses on the improvement of technological characteristics (such as fast installation of high precision clay blocks) and maintenance of competitive prices. For facing bricks, the Group targets product range and customer service. The Group strives to establish trends and fashion with respect to bricks as well as provide strong pre and after sales support to purchasers. With regard to roof tiles, the Group's focus is on extension of its product offering to a broad range of colors, shapes and sizes.

The Group works together with brick associations and other brick producers to promote the use of bricks in both residential and commercial construction. In addition, the Group targets its marketing at various groups including resellers (wholesalers and retailers), professionals (architects, designers, builders and roofers) and individuals. The Group has made significant investment in sales networks and pre-sales activities (show rooms, marketing campaigns) which are key to marketing bricks and roofing products.

Distribution of the Group's products is done primarily through wholesalers and retailers of building materials and is supported by the Group's own strong sales organization.

Research and Development

The Group's products must meet the demands of modern building technology and architecture, combining economy with aesthetics. The Group's research and development expenditure amounted to approximately EUR 5 million per annum, or under 1% of annual revenue during the period 2004 to 2006. The Group believes that its research and development expenditures, as a percentage of revenues, fall within the building materials industry average.

The Group's research and development activities are concentrated in two general areas: products and technology. A permanent focus of the Group's development efforts is the search to improve manufacturing performance and quality, such as new methods for optimization of the air stream in the drying process. The sharp rise in energy prices over the last two years has also shifted the focus of Wienerberger's engineering department to the more efficient use of primary energy sources (gas, coal and crude oil). For this purpose, the Group has established its own energy task force, which includes a manager from each relevant market. Internal energy benchmarks have been defined as the basis for establishing an international know-how transfer on the use of energy. The data gathered as part of this project is being used to improve energy use throughout the Group. First results have already been seen in Hungary, the Czech Republic and Poland, where energy consumption fell by up to 10% in 2006. Improvements in product quality have recently focused on the use of highly wear-resistant materials, such as ceramics or carbides. The Group also strives to meet rising customer demands on the physical properties and workability of the Group's products by increasing their technical and aesthetic differentiation. For hollow bricks, the key differentiating factors are the insulation properties, both thermal and sound, load bearing qualities and fast installation of high precision clay blocks, areas where the Group meets the strictest technical standards. For facing bricks and clay roof tiles, new colors, shapes and structures, which are subject to shifting fashion trends, are regularly introduced. At present, the Group's product offering includes more than 1,500 different facing bricks, the widest product range in the market.

Although the Group has a decentralized structure, engineering is a key central function within the Group. It provides technical support for the entire Group, including development of production technology and know-how exchange. The Group recognizes that knowledge transfer is key to continuous improvement. Therefore, innovations in one plant are "exported" to other production sites. The Group maintains two central laboratories in Austria and in Belgium, which serve as the Group's centers for raw materials research.

Competition

An analysis of the Group's competitive position needs to reflect the product segments in which the Group operates.

In the European facing brick market, the Group faces competition from large international groups, such as CRH, Hanson/HeidelbergCement and Röben, and from smaller local companies. In addition, substitute products such as glass, render, stone and aluminium compete with facing bricks. The US facing brick market is relatively consolidated with the Company estimating to be holding the number one position (co-leader with Boral). The other major players in the market are ACME Bricks, Hanson/HeidelbergCement and Glen Gery (CRH) which together with Boral and General Shale account for approximately 65% of production capacity in the United States.

In the hollow brick markets competition is largely from numerous, mostly local producers of hollow bricks as well as from producers of substitute products such as aerated concrete (Ytong and Hebel, both part of the Haniel group) and producers of calcium-silicate (Fels and Silka, both part of Haniel group, HeidelbergCement and local companies).

Management estimates that the Group is the second largest producer of clay roof tiles in Europe. In this market, it competes with several producers who have a substantial presence in a number of countries, such as Lafarge Roofing (including Bramac), which management estimates is Europe's leading producer of clay and concrete tiles, Etex, a producer of concrete and fiber cement tiles, and Imerys and Terreal, manufacturers of clay tiles. In Germany, the Group also competes with privately owned mid-size roof tile producers.

Employees

The table below provides a breakdown of the Group's employees by segment for 2006, 2005 and 2004 (employee numbers are annual average of full time equivalent employees):

	2006		2005		2004	
Employees by segment	**Number of employees**	**% of total employees**	**Number of employees**	**% of total employees**	**Number of employees**	**% of total employees**
Central-East Europe	4,612	33.8	4,767	35.8	4,558	37.5
Central-West Europe	2,151	15.8	2,002	15.0	1,768	14.6
North-West Europe	4,213	30.9	4,203	31.5	3,539	29.1
U.S.A.	2,483	18.2	2,194	16.5	2,117	17.4
Investments and Other	180	1.3	161	1.2	172	1.4
Total	13,639	100.0	13,327	100.0	12,154	100.0

Wienerberger believes that it maintains good relationships with its employees and trade unions and has not experienced significant issues in the past. Most employees across the Group are unionized. In the past three years, the Group has not had substantial work stoppages in Austria or elsewhere.

In order to increase motivation and strengthen identification with the success of the Group, management receives a fixed salary as well as a variable component that is based on earnings indicators and qualitative criteria. An important factor for the focus of management on shareholder value is Wienerberger's stock option plan, which covers 72 key employees. The terms of this plan are described in "*Management and Corporate Governance—Stock Option Plan*". In addition, certain white collar employees are entitled to a bonus payment depending on the achievement of certain targets and for certain employees a life insurance agreement is in place.

Since Wienerberger's future success is largely dependent on sustainable advancement of human capital, the Group emphasizes training on all levels.

The Group maintains several different pension plans for its employees. In Austria, the Group has made pension commitments to selected managers and to selected employees by providing for voluntary contributions to a pension fund. These pension schemes are defined benefit and defined contribution plans with a limited funding. In the United States, Switzerland and the United Kingdom, the Group's plans include both defined benefit and defined contribution plans. In the Netherlands, pension claims are satisfied primarily through contributions to a Dutch industry-wide pension fund.

In 2006, expenses for pensions totaled EUR 10.9 million, compared to EUR 11.6 million in 2005. The unfunded portion of the Group's obligations under its defined benefit plans amounted to EUR 51.0 million as at December 31, 2006. In addition, legal regulations grant Austrian employees whose employment began prior to January 1, 2003 the right to a lump-sum payment at retirement or termination by the employer, dependent on the length of service. Similar obligations exist in France and Italy. These future obligations are recorded in provisions for severance payments. For all employment contracts with Austrian employees concluded on or after January 1, 2003, the employer has to contribute 1.53% of each employee's monthly salary to an employee benefits provision fund. In case of termination of the employment, the employee has a claim for payment or transfer of the accrued amounts against the fund. Detailed information concerning pension obligations is provided in the notes to the Consolidated Financial Statements included elsewhere in this prospectus.

Environmental Matters

The Group's companies are subject to a broad range of laws, regulations and standards with respect to the protection of the environment in the countries in which it has production facilities or properties, such as laws and regulations regarding air noise emissions, CO_2 emissions, discharges to land and water, and the use and handling of waste and other hazardous materials and standards relating to construction materials. The number of these laws and regulations have increased over the past years, in particular in the European Union and the United States where the Group operates important facilities. Furthermore, such laws have become more stringent in the past years and have been interpreted more strictly by the authorities. This trend is expected to continue. The Group could be required to incur significant expenditures to establish compliance with new regulations.

The Group is generally required to obtain permits or licenses for industrial operations which cause emissions, discharge or waste. Such permits and licenses typically establish limitations and standards with respect to the operations which must be complied with. Periodic renewals of the permits or licenses may be required. In addition, the Group is required to obtain permits prior to performing excavations. To management's best knowledge, the Group is in compliance with current material environmental laws and regulations and has all material environmental permits and licenses required for its operations. Wienerberger is not aware of any material environmental claims that would have the ability to materially adversely impact the Group's financial position or results of operations. However, the risk factor section on environmental risks should be considered. Please refer also to *''Risk Factors—The Group is subject to stringent environmental and health and safety laws, regulations and standards which result in costs related to compliance and remediation efforts that may adversely affect the Group's result of operations and financial condition''*.

The Group works actively to develop and implement measures designed to protect the environment, investing approximately an average EUR 10-15 million annually in environmental protection measures. These measures range from the mining and utilization of raw materials to product development, production process and applications up to the point of disposal and recycling. Environmental costs also include the costs for restoration of land following discontinuation of operations on a site. The Group's capital expenditures for environmental improvement projects in 2007 are budgeted at EUR 14 million.

The further development and adaptation of production technologies form a key basis for the Group's technical environmental management. In particular, the Group works to reduce the use of energy and discharge of emissions and to minimize waste. The use of biogenic fuel and installation of thermal post-combustion equipment to cut energy requirements and organic hydrocarbon emissions represent an important step in this process. The Group's activities also focus on the reduction of sulfur flue gases through the use of dust collectors.

Many of the Group's manufacturing sites have a history of industrial use and, although the Group applies strict environmental operating standards, soil and groundwater contamination has occurred in the past at a limited number of sites. While to date the remediation measures required have not resulted in significant costs, future possible expenditures for clean-up cannot be ruled out.

The Group's recently acquired subsidiary Baggeridge Brick owns three landfills in the United Kingdom. These landfills are operated by third parties who are primarily liable for the deposited waste. Management believes that none of these landfills contains hazardous waste. The Group's landfills in Austria were transferred to the ANC Foundation (see *''Certain Relationships and Related Party Transactions''*).

Pursuant to the expected amendments of technical specifications for construction materials within the European Union, the manufacturing and use of construction materials marketed in the European Union will have to comply with various hygiene, health and environmental protection standards. As a result, the Group as well as its competitors, may be required to comply with such further requirements.

The Group's kilns produce substantial amounts of CO_2, a gas believed to be partly responsible for the greenhouse effect. In order to assist in complying with international obligations to reduce CO_2 emissions, the European Union introduced the EU Greenhouse Gas Emissions Trading Directive (No. 2003/87/EC) in 2003. Under the Directive, each EU member state must issue a National (Emissions) Allocation Plan (NAP), setting out the amount of CO_2 to be allocated for free to industrial installations covered by the Directive, including those installations involved in the manufacture of bricks and roof tiles. If an installation cannot operate within its free allocation, as determined by the relevant NAP, the owner will be required to reduce emissions or purchase allowances from third parties.

In phase one of the EU-emissions trading scheme (2005-2007), the Group has not so far faced any material shortage of emission allowances. In the second phase (2008-2012), however, NAPs foresee a reduction of emission allowances. It cannot be excluded that the Group will be subject to a significant underallocation of certificates in phase two or later phases of the EU emission trading-scheme, which may lead to an increase in the Group's production costs as a result of a need to purchase emissions allowances or implement emission reduction measures. Production costs may also increase if the emissions trading scheme leads to increased energy prices in the future. Since most NAPs allocate almost all allowances to existing plants and foresee only small reserve quantities for new facilities, it cannot be excluded that the Group might not be able to obtain sufficient allowances for new facilities. Nevertheless, the Group does not expect any competitive disadvantage resulting from costs related to emissions trading, since any additional costs will also have to be borne by its competitors.

Fixed Assets

Real Property

Most of the Group's operating real property is used as production sites (including quarries) and offices.

The Group's corporate headquarters are located in the Vienna Twin Tower based in Wienerberg City in Vienna. The Company previously owned part of the entity, which owns the Vienna Twin Tower. The Company sold its minority stake in this entity in 2004 and is currently leasing the headquarters.

The table below sets forth the number of production sites in each country where Wienerberger (including Bramac and Tondach joint ventures) operates as of June 30, 2007:

Country	Number of Production Sites
Poland	19
Czech Republic	22
Hungary	23
Austria	15
Romania	5
Slovakia	6
Croatia	5
Slovenia	4
Russia	1
Bulgaria	1
Estonia	3
Finland	2
Macedonia	1
Serbia and Montenegro	1
Total Central-East Europe	**108**
Germany	38
Switzerland	4
Italy	5
Total Central-West Europe	**47**
Belgium	19
Netherlands	23
France	12
United Kingdom	14
Denmark	4
Norway	1
Sweden	2
Total North-West Europe	**75**
United States	21
Canada	2
Total North America	**23**
Total Wienerberger Group	**253**

The production sites listed above are predominantly owned by the Group and are not subject to any major mortgages or liens. In addition, the Group also owns or leases various other operating properties of lesser economic significance in Austria and abroad. The Group's facilities are adequate for its business, both currently and for the foreseeable future.

The Wienerberger Group also owns a number of properties that are not required for operational purposes with a total book value of EUR 28.8 million as of December 31, 2006 (2005: EUR 33.0 million). These comprise clay pits that have been fully exploited and real property in excess of current operational needs. These assets are expected to be sold over the mid to long-term, and are therefore classified as investment property.

Other Fixed Assets

Aside from real property, the Group's material fixed assets consist of production and office equipment. Such assets are predominantly owned by the Group and are not subject to encumbrances.

Intellectual Property and Brand Names

Patents

The Group places high priority on the patents protecting the Group's innovations. The Group owns a large number of patents relating to production technology developed internally which are valid for the European Union.

A particularly important patent relates to the use of the Group's fast firing technology, which allows for the drying and firing of bricks in one layer in the production process. This leads to a more efficient production, increasing a plant's capacity. An increase in capacity reduces energy consumption and firing time and therefore generates time and costs savings. The Group holds patents for this technology in 23 European countries. The Group also owns key patents for seismic-resistant clay bricks and sound-insulating bricks, which have been developed by the Group. Other patents relate to the kiln and various technical parts of the automation of production processes.

The Company has entered into an exclusive license agreement with the owner of European and national patent applications and registered industrial designs relating to a process for using a polyurethane glue (foam) instead of a common cement mortar to erect masonry with high precision clay blocks, such as the Porotherm blocks. This process can be used for clay blocks as well as for other high precision masonry building materials. The polyurethane foam glue has been internationally registered under the brand name "DRYFIX".

Trademarks

The Group has registered trademarks for its master brand "Wienerberger" and core product brands in over 30 countries in the European Union, Eastern Europe and the United States. The trademark "Terca", which is owned by the Group for bricks and pavers and used under a license agreement with Koramic Building Products for other building materials, is registered in the Benelux countries, Germany, France, Switzerland and an additional 18 European countries. The Group uses the trademark "Poroton" for the marketing of hollow bricks in Germany. In the remaining hollow brick markets, the Group uses its trademark "Porotherm", registered as a European Community trademark and in 31 countries, mainly for its hollow bricks business. In the United States, General Shale owns thirteen registered U.S. trademarks, with the registration of a fourteenth trademark still pending.

Pursuant to a license agreement, Wienerberger has the right to use the "Koramic" brand in connection with roof tiles and related products in those European countries where the products are marketed. Pursuant to another license agreement, the Group has the right to use the "Koramic" brand in connection with all building materials except roof tiles and related products through 2015. Under this agreement, the Company has the option to acquire the entire interest in the "Koramic" trademark.

Except as disclosed above, the Group is not dependent on any intellectual property owned by third parties.

Insurance

The Group maintains insurance in such amounts and with such coverage and deductibles as management believes is reasonable and prudent. The Group is insured against claims resulting from general liability, including product liability and professional liability, as well as against property damage, business interruption and environmental risks due to damage to premises or buildings, which it considers to be its principal risks. The Group also maintains directors & officers (D&O) insurance (see "*Management and Corporate Governance—Management Board—Management Compensation*", "*Management and Corporate Governance—Supervisory Board—Supervisory Board Compensation*").

Material Contracts

In the usual course of its business, Wienerberger enters into numerous contracts with various other entities. Wienerberger has not, however, entered into any material contracts outside the ordinary course of its business within the past two years.

Regulatory Matters

The Group is subject to comprehensive regulatory provisions under Austrian and EU law, as well as in all local jurisdictions where it has facilities, including health and safety laws, employment laws and competition laws. The Group believes that it is substantially in compliance with all of these laws and regulations, as they are currently interpreted. In addition, to the best of its knowledge, there are no current or potential material regulatory claims against the Group.

In December 2006, the German cartel authorities carried out searches at the offices of all major clay roof tile producers located in Germany. These investigations were conducted in connection with suspected agreements in restraint of competition, and also involved Wienerberger's roofing business in Germany. In order to support the quick resolution of this matter, the Group has provided the authorities with all requested documents and answered all questions. As of the date of this prospectus the Company is not aware of further developments in this matter.

In September 2007, the Danish cartel authorities carried out a search at the Copenhagen office of Wienerberger. This investigation was performed in connection with an investigation into possible coordinated effects and abuses of a dominant position. To management's knowledge, all major brick producers in Denmark were subject to the same investigation. The Company has provided its full cooperation to the authorities and is presently awaiting further results from the investigation.

The Group would like to underscore the fact that price-fixing agreements or any other anti-competitive behavior do not comply with its business practices.

Legal Proceedings

The Company and its subsidiaries are party to certain lawsuits and administrative proceedings before various courts and governmental agencies arising from the ordinary course of business involving various contractual, labor and other matters. The Company believes that the ultimate effect of these proceedings will not have a material adverse impact on the Group's financial position or results of operations.

MANAGEMENT AND CORPORATE GOVERNANCE

General

The Company has a two-tier board structure, consisting of a Management Board (*Vorstand*) and a Supervisory Board (*Aufsichtsrat*). The Management Board is responsible for the executive management and represents the Company towards third parties. The Supervisory Board is responsible for supervising the management and internal controls of the Company. Members of the Management Board are appointed by the Supervisory Board. Members of the Supervisory Board are elected by the shareholders' meeting (*Hauptversammlung*). Under Austrian co-determination rules, the Company's works council has a right to delegate one third of the Supervisory Board members. The corporate bodies of the Company are bound by applicable Austrian law, the Articles of Association (*Satzung*), the rules of procedure for the Management and Supervisory Boards, as adopted by the Supervisory Board, and are in compliance with the Austrian Code of Corporate Governance (the "CGC"). The following is a summary of the most important provisions of the legal framework.

The members of the Management Board and Supervisory Board may be contacted at the Company's business address at Wienerberg City, Wienerbergstraße 11, A-1100 Vienna, Austria.

Management Board

Appointment, Duties and Procedures of the Management Board

Members of the Management Board are appointed by the Supervisory Board for a maximum period of five years; re-election is possible. Pursuant to the Articles of Association of the Company, the Management Board consists of up to four members. Only those persons may be appointed to the Management Board who have not reached their 65th birthday on the date of appointment or reappointment. The Supervisory Board may remove a member of the Management Board prior to the expiration of its term for cause, such as gross negligence or deliberate breach of duty.

If the Management Board consists of more than one member, the Company is represented either by two members of the Management Board acting jointly, or by any one member of the Management Board acting together with an authorized signatory holding a general power of attorney (*Prokurist*). Subject to statutory restrictions, the Company may also be represented by two authorized signatories.

The Management Board reports to the Supervisory Board at least annually regarding fundamental questions of future business policy as well as the future development of the assets, financial and earnings positions of the Company based on a forecast (yearly report). The Management Board reports to the Supervisory Board regularly, at least quarterly, on the progress of business operations against forecast (quarterly report).

The Management Board is not subject to instructions from the shareholders or from the Supervisory Board. Pursuant to the Austrian Stock Corporation Act (*Aktiengesetz*) (the "Stock Corporation Act"), the Articles of Association of the Company and the rules of procedure for the Management Board (*Geschäftsordnung für den Vorstand*), certain management measures or significant transactions require the prior consent of the Supervisory Board or one of its committees. A failure by the Management Board to obtain such consent does not affect the validity of the transaction, but may render the Management Board liable for damages. The consent of the Supervisory Board or committees of the Supervisory Board is required for material decisions including:

- determination of general principles of the Company's business policy and corporate strategy;
- acquisition and disposal of participations; acquisition, disposal and closing down of companies and businesses exceeding certain thresholds pursuant to the rules of procedure for the Management Board of the Company;
- acquisition, disposal and encumbrance of real estate exceeding certain thresholds pursuant to the rules of procedure for the Management Board of the Company;
- adoption of the Company's yearly budget and investment plan;
- investments exceeding certain thresholds pursuant to the rules of procedure for the Management Board of the Company;
- establishment or closing down of certain lines of business and production methods as well as material changes in the Company's product and service programs;
- issuance of bonds or conclusion of loan or credit agreements if they exceed certain thresholds and are not subject to the exemptions stated in the rules of procedure for the Management Board of the Company;

- granting of loans and credits or assumption of liabilities of third parties, each outside of the ordinary course of business and exceeding certain thresholds pursuant to the rules of procedure for the Management Board of the Company;
- acquisition and disposal of patents and acquisition and granting of licenses, each exceeding certain thresholds pursuant to the rules of procedure for the Management Board of the Company;
- entering into syndicate, shareholders', joint venture or similar agreements;
- establishment or closing down of branch offices;
- conclusion of contracts for the exclusion of profit or loss; and
- conclusion of contracts with Supervisory Board members or companies in which a member of the Supervisory Board has a considerable economic interest relating to the performance of services outside their respective scope of activities as Supervisory Board members for the Company or a subsidiary for remuneration which is not insignificant.

Members of the Management Board

Currently, the Management Board consists of the following four members(1):

Name	Position	Age(2)	Year first appointed	Year current term expires
Wolfgang Reithofer	Chairman of the Management Board, Chief Executive Officer (CEO).	58	1985	2011
Heimo Scheuch	Member, Chief Operating Officer (COO).	40	2001	2009
Willy Van Riet	Member, Chief Financial Officer (CFO).	50	2007	2010
Johann Windisch	Member, Chief Operating Officer (COO).	54	2001	2009

(1) Johann Tschuden was member of the Management Board from May 2001 to March 2007.
(2) Age at the date of prospectus.

Wolfgang Reithofer

Mr. Reithofer was born in Vienna, Austria, in 1948. While working toward his Doctorate of Laws at the University of Vienna, he also attended courses in technical mathematics and business administration. After nine years as assistant to the board and officer of Union Baugesellschaft and Österreichische Realitäten AG, he joined Wienerberger as an officer in 1981 with responsibility for personnel, legal affairs, controlling, and accounting. After only four years he was appointed to the Management Board in 1985; he became Vice-Chairman in 1992 and CEO in May 2001.

Heimo Scheuch

Mr. Scheuch was born in Villach, Austria, in 1966. After the completion of legal studies at the Universities of Vienna and Paris and studies at the Vienna University of Economics and Business Administration, the City of London Polytechnic and Ecole Superieure de Commerce de Paris, he began his career with the legal firm Shook, Hardy & Bacon in Milan and London as a corporate finance specialist. In 1996 he joined Wienerberger AG as assistant to the Management Board; in 1997 he moved to the senior management of Terca Bricks in Belgium, where he became CEO in 1999. In May 2001 he was appointed to the Management Board of Wienerberger AG as COO.

Johann Windisch

Mr. Windisch was born in Erlauf, Austria, in 1952. After receiving his doctorate in Industrial Engineering and Management from the Technical University of Vienna and consulting work for Agiplan in Vienna, he joined Wienerberger in 1980 as assistant to the Management Board. He assumed management of the controlling and accounting departments in 1983, and was appointed head of the building construction area in 1987. He was then appointed to the management board of Wienerberger Ziegelindustrie, where he became CEO in 1999. In May 2001 he was elected to the Management Board of the Company as COO.

Willy Van Riet

Mr. Van Riet was born in Dendermonde, Belgium, in 1957. After receiving his master's degree in Business Economics from the University of Ghent, he started his career as an auditor and subsequently senior manager with PricewaterhouseCoopers in Belgium. He was active in the building materials sector beginning in 1993, first as Chief Financial Officer of Terca and later Koramic Building Products (also as a member of the Wienerberger Supervisory Board). In 2004 he joined the Wienerberger Management Committee and took over the management of Wienerberger Limited in the United Kingdom. On April 1, 2007 Mr. Van Riet was appointed CFO of the Company.

Management Compensation

The remuneration of the members of the Management Board comprises a fixed base salary that corresponds to the individual duties, as well as to the strategic and operating responsibilities of the Board members. The variable component depends on the base salary and the Group's consolidated profit after tax before minority interest. The variable component is limited to 200% of the annual fixed salary for all members of the Management Board and is subject to verification by the auditors.

Cash payments to members of the Management Board totaled EUR 3.9 million for 2006 (2005: EUR 3.6 million). Of this amount, EUR 1.7 million represent fixed base salaries and EUR 2.2 million are variable components.

Cash compensation Management Board(1) In thousand EUR		**2006**			**2005**	
	Fixed	**Variable**	**Total**	**Fixed**	**Variable**	**Total**
Wolfgang Reithofer	642	742	**1,385**	626	668	**1,294**
Johann Tschuden(2)	316	474	**789**	308	441	**749**
Heimo Scheuch	316	474	**789**	308	441	**749**
Johann Windisch	395	496	**891**	385	441	**826**
Total	**1,669**	**2,186**	**3,854**	**1,627**	**1,991**	**3,618**

(1) Willy Van Riet was appointed member of the Management Board effective April 1, 2007.

(2) Johann Tschuden was member of the Management Board from May 2001 to March 2007.

With respect to the options granted to the Management Board members in 2006 see "*Stock Option Plan*".

Members of the Management Board are also entitled to a company car and personal insurance. Accident insurance provides cover for death and incapacity, private liability insurance covers the legal liability of the board members resulting from personal injury, physical damage and financial loss to third parties. Furthermore, the Group has a D&O insurance covering all members of the management and supervisory bodies of the Group companies.

All members of the Management Board are also entitled to a company pension under the Company's pension fund scheme with APK, an external pension fund, based on contributions by the Company. The CEO is both a beneficiary under the pension fund scheme and has an additional pension arrangement according to which he is entitled to a fixed indexed pension payment. The Company has no obligations beyond these agreements. Contributions to pension funds and provisions for pensions of members of the Management Board totaled EUR 1.2 million in 2006 (2005: EUR 1.1 million). In 2006, the Group paid out EUR 595,480 to former members of the Management Board and their surviving dependents (2005: EUR 588,789).

All Management Board members are entitled to statutory severance payments upon termination of their employment, which depend on total compensation, as well as the length of service with the Company. Severance compensation for the CEO may equal up to two year's compensation. The members of the Management Board are subject to a non-competition clause for the term of their employment.

Each of the present members of the Management Board may terminate his employment agreement, by giving six-month notice within six months of a change of control in the Company. Such right of termination is not applicable during the twelve months prior to the expiry of the term of appointment. In the event of early termination, all entitlements under the employment agreement remain unaffected until the expiry of the original term of appointment, except the entitlement to a company car. A change of control under the agreements arises if one or more shareholders of the Company are required to make a mandatory offer pursuant to the Takeover Act (see "*Regulation of Austrian Securities Markets—Takeover Act*") or if a voluntary offer results in a bidder holding more than 50% of the Company's voting rights.

Supervisory Board

Appointment, Duties and Procedures of the Supervisory Board

The Supervisory Board consists of at least three members elected by the shareholders' meeting plus the members appointed by the works council. Up to two former members of the Management Board or senior executives (*leitende Angestellte*) may serve as members of the Supervisory Board at a given time. Since the Company's Articles of Association do not contain a maximum number, the statutory limit of 20 members elected by the shareholders' meeting applies (the CGC provides for a limit of ten members; see "*Compliance with Austrian Corporate Governance Code*"). Pursuant to the Austrian Labor Constitutional Act (*Arbeitsverfassungsgesetz*) the Company's works council may delegate one member for every two members of the Supervisory Board elected by the shareholders' meeting, and, in the event of an uneven number of elected members, an additional works council member. Currently, the Supervisory Board consists of eight members elected by the shareholders' meeting and four members nominated by the Company's works council.

Supervisory Board members are elected with simple majority of the votes cast at a shareholders' meeting for a maximum period until the general shareholders' meeting deciding upon the discharge of the Supervisory Board for the fourth financial year following the financial year of election; re-election is possible. Each year after the annual shareholders' meeting a minimum of one fifth of the elected Supervisory Board members must resign. The Personnel and Nomination Committee selects potential nominees which are presented to the shareholders' meeting by the Supervisory Board. If the Supervisory Board consists of more than five elected members and the number of Supervisory Board members cannot be divided by five, the next higher or next lower number which can be divided by five shall be taken as a basis for calculating the number of resigning members in an alternating fashion. In case the number of Supervisory Board members is lower than five, one elected Supervisory Board member shall be required to resign every second year only. The members to resign are primarily those whose term of office is going to expire. If the requisite one fifth of the members do not resign, those members whose term of office is going to expire next must resign. If the number of members who are due to resign is higher than required under the above formula, members who shall be required to resign are determined by a drawing. The resigning members shall also be determined by a drawing if according to the above rules the members who shall resign have not yet been determined. Resigning members may be re-elected.

Only those persons may be elected to the Supervisory Board who have not reached their 70th birthday on the date of election or reelection. The shareholders' meeting may remove any Supervisory Board member it has elected by a simple majority of the votes cast at the relevant shareholders' meeting. Members of the Supervisory Board delegated by the works council can be removed only by the works council.

The Supervisory Board is responsible for supervising the management of the Company. Supervision is exercised by review, discussion and approval, as required, of reports prepared by the Management Board. In addition, the Supervisory Board may request reports on specific matters relating to the Company or the Group as a whole. Certain material decisions of the Management Board require the prior consent of the Supervisory Board (see "*Management Board—Appointment, Duties and Procedures of the Management Board*"). The Supervisory Board represents the Company in transactions with a member of the Management Board and appoints and removes members of the Management Board.

The Supervisory Board elects a Chairman and one or more Vice-Chairmen. Members of the Supervisory Board may resign by written notice. A notice period of four weeks applies if the number of Supervisory Board members falls below three. In the event an elected member resigns before expiry of his term, the next general shareholders' meeting may elect a replacement for the remainder of the term. A replacement has to be elected without undue delay by an extraordinary shareholders' meeting, if the number of Supervisory Board members falls below three. The Supervisory Board issues its own rules of procedure (*Geschäftsordnung für den Aufsichtsrat*).

The Supervisory Board meets at least quarterly. At least three members of the Supervisory Board including its Chairman or one of its Vice-Chairmen must be present at a meeting to constitute a quorum. Resolutions of the Supervisory Board are adopted by simple majority of the votes cast. In the case of a deadlock, the chairman of the meeting casts the decisive vote.

Members of the Supervisory Board

The current members of the Supervisory Board are(1):

Name	Position	Age(2)	Year first appointed	Year current term expires
Friedrich Kadrnoska	Chairman	56	2002	2011
Christian Dumolin	Vice-Chairman	61	1996	2010
Karl Fink	Member	62	2006	2011
Peter Johnson	Member	60	2005	2010
Harald Nograsek	Member	48	2002	2011
Claus Raidl	Member	64	2004	2009
Wilhelm Rasinger	Member	59	2006	2011
Franz Rauch	Member	67	2004	2012
Rupert Bellina	Member(3)	49	2005	n.a.
Claudia Krenn	Member(3)	35	2002	n.a.
Karl Sauer	Member(3)	54	1996	n.a.
Gerhard Seban	Member(3)	39	2006	n.a.

(1) Helmut Urban was member of the Supervisory Board until February 2006. Rupert Hatschek and Franz Lauer were members of the Supervisory Board until April 2006.

(2) Age at the date of prospectus.

(3) Works council representative.

Shareholder Representatives

Friedrich Kadrnoska

Mr. Kadrnoska was born in Vienna, Austria, in 1951. After his studies of commercial science at the Vienna University of Economics and Business Administration, Friedrich Kadrnoska joined the Austrian bank Zentralsparkasse. In the course of his thirty-year career with the bank, he held a number of different positions, including assistant to the Director General, Head of Department, and Head of Division. In 1995 he was appointed Member of the Board of Bank Austria AG. From 2003, he served as Deputy Chairman of the Board of Bank Austria Creditanstalt AG, responsible for human resources, investments and Eastern Europe. He resigned from this function in February 2004. Currently he serves as Member of the Board of the privat foundation ‘‘Privatstiftung zur Verwaltung von Anteilsrechten’’; since April 2005, he has also been working on a free-lance basis.

Christian Dumolin

Mr. Dumolin was born in Kortrijk, Belgium, in 1945. After his studies in Economics he started his career in the insurance business. In 1980 he took over the management of Koramic Building Products of which he meanwhile became majority shareholder. At present Christian Dumolin is chairman and managing director of Koramic Building Products. Next to that, he is also member of the board of directors of a large number of quoted and non-quoted companies in Belgium and abroad. He is also member of the Council of Regency of the Nationale Bank van Belgie (Belgian National Bank).

Karl Fink

Mr. Fink was born in Kapfenberg, Austria, in 1945. After his studies of commercial science at the Vienna University of Economics and Business Administration he achieved his degree ‘‘Diplomkaufmann’’ in 1971. Then he started his career working for Marubeni Corporation in Tokio and was in charge of the ‘‘Authorized Representative’’ in Berlin, responsible for international trade in goods Eastern Europe, Western Europe, Japan and other countries. In 1975 Mr. Fink joined the Wiener Städtische Wechselseitige Versicherungsanstalt in Vienna, and became the head of the division industrial insurance. Since 1987 he is a member of the management board of Wiener Städtische Allgemeine Versicherung AG - emphasis industry, transport, reinsurance and international business. As of July 2004 he became vice president in charge of property insurance of Wiener Städtische Versicherungs AG.

Peter Johnson

Mr. Johnson was born in Chatham, United Kingdom, in 1947. After completing his studies in economics at Oxford, Peter Johnson worked for Unilever PLC. He transferred to Redland PLC in 1973, where he became head of corporate planning in 1984 and later managing director of Redland Bricks Ltd. In 1988 he was appointed director of Redland PLC with responsibility for the brick and roof tile business in the United Kingdom, Europe, Australasia and the United States. Peter Johnson was CEO of George Wimpey Pic, and is currently chairman of the board of DS Smith Pic and member of the management board of the House Builders Federation in the United Kingdom.

Harald Nograsek

Mr. Nograsek was born in Graz, Austria, in 1958. After his studies of commercial science at the Vienna University of Economics and Business Administration, Harald Nograsek began his career in the loan review unit of the Austrian bank BAWAG. Subsequently, he joined the RZB Group as an asset manager; in 1980 he changed over to Länderbank as an investment manager. After the establishment of Bank Austria AG through the merger of Länderbank with Zentralsparkasse, he became head of the Financial Investment Division; following the take-over of Creditanstalt by Bank Austria, he became head of division responsible for all investments of the Bank Austria Creditanstalt Group. Since 2004 he has held the position of CFO and COO and is currently CEO on the management board of Österreichisches Verkehrsbüro AG.

Claus Raidl

Mr. Raidl was born in Kapfenberg, Austria, in 1942. After his studies at the Vienna School of Commerce (now Vienna University of Economics), Claus Raidl held an assistant position at the Institute of Applied Social and Economic Research. Subsequently he worked for a bank and a certified public accountant. He was appointed Member of the Board of Vienna Holding in 1981 and Member of the Board of Austrian Industries in October 1982. He joined the Board of voestalpine in 1985 and became its Deputy Chairman in 1986. In the course of the restructuring of Austrian nationalized industry he served as Deputy-CEO of voestalpine Stahl AG and Member of the Board of Austrian Industries AG. Since 1991, he has been Chief Executive Officer of Böhler-Uddeholm AG.

Wilhelm Rasinger

Mr. Rasinger was born in Vienna, Austria, in 1948. After completing his studies in business management, he joined the Hernstein International Management Institute as the project manager for finance and accounting. In 1976 he received his doctorate in business management and started consulting work with a focus on business analyses, controlling and financing issues as well as the preparation of business plans and comparative business studies. Mr. Rasinger worked as a manager in the insurance industry for more than ten years, serving as the head of internal audit and asset management as well as the managing director of a leasing company. Since 1982 he has also lectured at the Technical University of Vienna. Mr. Rasinger is currently the managing partner of Inter-Management Unternehmensberatung Gesellschaft m.b.H. (since 1993) and chairman of IVA - investor interest association (since 1999).

Franz Rauch

Mr. Rauch was born in Rankweil, Austria, in 1940. Having graduated from high school, Franz Rauch had to take over the management of Rauch Fruchtsäfte Ges.mbH at the age of 20. Over the past 45 years, he has turned the company into one of the world's leading producers of fruit juices with several production sites and distribution centres in Austria and abroad. The company acquired Brauerei Fohrenburg AG, the largest brewery in Western Austria, in 1995 and took over Hirschmann Automotive GmbH, a major subcontractor of the European automotive industry with about 900 employees, in 2003. As a Member of the Supervisory Boards of both companies, Franz Rauch takes a significant influence on their further development.

Employee Representatives

Rupert Bellina

Mr. Bellina was born in Klagenfurt, Austria, in 1958. He joined Semmelrock group in 1978, where he is currently employed as planning engineer. Since 2005, Mr. Bellina has been chairman of the works council of Semmelrock Baustoffindustrie GmbH.

Claudia Krenn

Ms. Krenn was born in Mödling, Austria, in 1971. She joined Wienerberger in 1993, where she is currently working in office management. Since 2002, she is also chairwoman of the Company's works council (*Betriebsratsvorsitzende*).

Karl Sauer

Mr. Sauer was born in Stockerau, Austria, in 1952. He joined Wienerberger in 1984 as an operations fitter in the Göllersdorf brick plant. Since 2000, Mr. Sauer is chairman of the Group's European works council and since 2001, he is also chairman of the Austrian central works council (*Zentralbetriebsratsvorsitzender*).

Gerhard Seban

Mr. Seban was born in Vienna, Austria, in 1967. He joined Wienerberger in 1990 as a forklift driver. In 1990, he was elected to the works council of Wienerberger Ziegelindustrie GmbH, Hennersdorf, Austria. Since 2001 Mr. Seban is member of the Group's European works council and since 2005 he is chairman of the works' council at Wienerberger Ziegelindustrie GmbH.

Committees of the Supervisory Board

According to the Articles of Association, the Supervisory Board may establish committees that may be granted decision powers. Committees can be established permanently or for specific tasks.

The Supervisory Board has established an Presidium and Remuneration Committee (*Präsidium und Vergütungsausschuss*), an Audit Committee (*Prüfungsausschuss*), a Project Committee (*Projektausschuss*) and a Personnel and Nomination Committee (*Personal- und Nominierungsausschuss*).

Works council delegates may be represented in committees in proportion to their representation on the Supervisory Board (except for meetings of the Presidium and Remuneration Committee which deal with the relations between the Company and the members of the Management Board other than the appointment and revocation of Management Board members and the granting of options for shares of the Company).

In committees consisting of only two persons, all of its members must be present at a meeting to constitute a quorum. The rules of procedure of the Supervisory Board apply to the Supervisory Board Committees, unless the Supervisory Board resolves differently.

Presidium and Remuneration Committee

The Presidium and Remuneration Committee is responsible for all matters regarding the relations between the Company and the members of the Management Board other than the appointment and revocation to the Management Board and the granting of options for shares of the Company. In particular, the Presidium and Remuneration Committee is responsible for the Management Board members' compensation and the content of their employment agreements. The Presidium and Remuneration Committee is authorized to conclude, modify or terminate employment agreements of the Management Board members.

The members of the Presidium and Remuneration Committee are the Chairman and the Vice-Chairman of the Supervisory Board.

Audit Committee

The Audit Committee is responsible for the audit and preparation of the approval of the financial statements and consolidated financial statements of the Company, the preparation of a proposal for the distribution of profits and the review of the management report. Furthermore, the Audit Committee prepares the proposal for the election of the Company's auditor by the shareholders' meeting.

One member of the Audit Committee must be a financial expert with special knowledge and practical experience in finance and accounting and reporting (*Finanzexperte*). Persons who were members of the Management Board, executives or auditors of the Company or persons having certified the consolidated financial statements of the Company within the last three years may not be financial expert or chairman of the Audit Committee.

The current members of the Audit Committee are Harald Nograsek, Wilhelm Rasinger and Karl Sauer.

Project Committee

The Project Committee is authorized to approve transactions and measures within certain thresholds that do not require the approval of the Supervisory Board as a whole and also makes decisions in urgent cases.

The current members of the Project Committee are the Chairman and the Vice-Chairman of the Supervisory Board, Peter Johnson, Claus Raidl and Karl Sauer.

Personnel and Nomination Committee

The Personnel and Nominating Committee is responsible for succession planning. The responsibilities of the Personnel and Nomination Committee include the selection of nominees for the Supervisory Board in accordance with the criteria of independence. This Committee recommends candidates to the Supervisory Board which are then presented to the shareholders' meeting for election.

The current members of the Personnel and Nomination Committee are the Chairman and the Vice-Chairman of the Supervisory Board, Karl Fink, Franz Rauch and Karl Sauer.

Supervisory Board Compensation

The Company's Articles of Association provide for an annual remuneration for the members of the Supervisory Board, which includes fixed and variable components as well as additional remuneration for special duties, if any. The annual base remuneration amounts to EUR 10,000. Members of the Audit Committee, Project Committee and the Personnel and Nomination Committee receive an additional remuneration of EUR 5,000 per committee and year. In addition, each member of the Supervisory Board is entitled to a performance-based compensation in the amount of 0.07‰ of profit after tax (before minority interests) as shown in the Group's consolidated financial statements for each financial year, provided that the auditor has issued an unqualified opinion. The remuneration for the Chairman and the Vice-Chairman of the Supervisory Board amounts to 200% and 150%, respectively, of the compensation of ordinary members of the Supervisory Board. In addition to the annual remuneration, members of the Supervisory Board are reimbursed for actual expenses.

Furthermore, members of the Supervisory Board are protected up to a certain coverage limit by a D&O insurance policy provided by the Company which extends to personal liability of the board members arising from negligent breaches of duty committed within the scope of activity as a corporate body.

In 2005 and 2006 the total remuneration of the Supervisory Board amounted to EUR 294,650 and EUR 305,197 respectively.

Duty of Loyalty and Care

Members of the Management Board and Supervisory Board owe a duty of loyalty and care to the Company. In carrying out their duties they must exercise the standard of care of a prudent and diligent business person. They are required to take into account a broad range of considerations when making their decisions, including the Company's interests and those of the shareholders, employees, creditors, and the public.

Generally, a shareholder has no direct recourse against members of the Supervisory Board or the Management Board in the event that they are believed to have breached their duty.

Certain Additional Information about Board Members

Activities Performed Outside the Wienerberger Group

The following table sets out the names of all companies and partnerships (excluding subsidiaries of Wienerberger AG) of which each of the members of the Supervisory Board and Management Board has been a member of the administrative, management or supervisory boards or partner (as the case may be) at any time in the five years prior to the date of this prospectus:

Name	Name of Company	Function	Current function (yes/no)
Management Board			
Wolfgang Reithofer	W Vermietungs-GmbH	Managing director	Yes
	IMMOEAST AG	Vice-chairman of the supervisory board	Yes
	Wiener Börse AG	Member of the supervisory board	Yes
	Österreichische Bundesbahnen-Holding Aktiengesellschaft	Member of the supervisory board	No
	ÖBB-Immobilienmanagement Gesellschaft mbH	Member of the supervisory board	No
	ÖBB-Dienstleistungs Gesellschaft mbH	Member of the supervisory board	No
	ÖBB-Personenverkehr Aktiengesellschaft	Vice-chairman of the supervisory board	No
	ÖBB-Infrastruktur Bau Aktiengesellschaft	Chairman of the supervisory board	No
	TONDACH GLEINSTÄTTEN AG	Chairman of the supervisory board	No
	ANC Privatstiftung	Member of the management board	No
	ANC Beteiligungs GmbH	Managing director	No
	ANC Industriebeteiligungsverwaltung GmbH	Managing director	No
	ANC Vermögensverwaltung GmbH	Managing director	No
	MV Liegenschaftsverwaltungsgesellschaft mbH	Managing director	No
	Steirische Ziegelwerke Gesellschaft m.b.H.	Managing director	No
Heimo Scheuch	Sto AG	Member of the supervisory board	Yes
Willy Van Riet	Koramic Building Products	Member of the board of directors, CFO	No
Johann Windisch	TONDACH GLEINSTÄTTEN AG	Member of the supervisory board	Yes
Supervisory Board			
Friedrich Kadrnoska	Privatstiftung zur Verwaltung von Anteilsrechten	Member of the executive board	Yes
	Österreichisches Verkehrsbüro AG	Chairman of the supervisory board	Yes
	Allgemeine Baugesellschaft—A. Porr Aktiengesellschaft	Chairman of the supervisory board	Yes
	Wiener Börse AG	Vice-chairman of the supervisory board	Yes
	VISA-SERVICE Kreditkarten Aktiengesellschaft	Member of the supervisory board	Yes
	Wiener Privatbank Immobilieninvest AG	Member of the supervisory board	Yes
	Conwert Immobilieninvest AG	Member of the supervisory board	Yes
	Porr Technobau und Umwelt Aktiengesellschaft	Member of the supervisory board	Yes
	Porr Projekt und Hochbau Aktiengesellschaft	Member of the supervisory board	Yes
	VISA Europe Limited	Director of the board	Yes
	UniCredito Italiano	Director	Yes
	GUS Consulting GmbH	Chairman of the advisory board	No
	Asset Management GmbH	Chairman of the supervisory board	No
	BA Private Equity GmbH	Member of the supervisory board	No
	BANKPRIVAT AG	Chairman of the supervisory board	No
	SKWB Schoellerbank AG	Vice-chairman of the supervisory board	No
	Splitska Banka D.D.	Member of the supervisory board	No
	PBK BPH SA	Member of the supervisory board	No
	Commercial Bank Biochim AD	Member of the supervisory board	No
	HVB Bank Czech Republic a.s.	Member of the supervisory board	No
	HVB Bank Hungary Rt.	Member of the supervisory board	No
	Investkredit Bank AG	Member of the supervisory board	No
	Oesterreichische Kontrollbank AG	Member of the supervisory board	No
	Wiener Privatbank Immobilieninvest AG	Member of the supervisory board	No
	Ruefa Reisen AG	Member of the supervisory board	No
	Bank Austria Creditanstalt AG-Stiftung I zur Förderung der Wirtschaftsuniversität Wien	Member	No
	Bank Austria Creditanstalt AG-Stiftung II zur Förderung der Wirtschaftsuniversität Wien	Member	No
	Bank Austria Creditanstalt AG-Stiftung III zur Förderung der Wirtschaftsuniversität Wien	Member	No
	Stiftung der Bank Austria Creditanstalt AG zur Förderung der Wissenschaft und Forschung an der Universität Wien	Member	No
	Stiftung der Bank Austria Creditanstalt AG zur Förderung der Wissenschaft und Forschung an den Fakultäten für Betriebswirtschaft, Politikwissenschaft und Soziologie sowie Volkswirtschaft und Statistik der Leopold Franzens-Universität Innsbruck	Member	No

Name	Name of Company	Function	Current function (yes/no)
Christian Dumolin	Auguria Residential Real Estate	Director	Yes
	Banking Finance and Insurance Commission	Member of the supervisory board	Yes
	Belgian Corporate Governance Institute	Member of the board of trustees	Yes
	Brinvest	Director	Yes
	CLEAR2PAY	Director and president	Yes
	C.V.C. Capital Partners Benelux	Member of the advisory board Belgium	Yes
	De Palingbeek	Director	Yes
	Flanders International Airport	Director	Yes
	Hallex	Director	Yes
	Holim	Director	Yes
	Koramic Finishing Products	Director and president	Yes
	Koramic Investment Group[1]	Managing director and president	Yes
	Kortrijk Innovatie Netwerk (Kortrijk.In)	Director	Yes
	Lamifil	Director	Yes
	Lessius	Director	Yes
	Lessius Ventures	Director	Yes
	Levimmo	Director	Yes
	Mercapital Sociedad de Capital Inversion BV	Director	Yes
	National Bank of Belgium	Honorary regent	Yes
	Rec-Les	Director	Yes
	Sobikor	Director	Yes
	Spector Photo Group	Director	Yes
	USG People	Member of the supervisory board	Yes
	Verbond van Belgische Ondernemingen	Member of the management board	Yes
	Vlerick Leuven Gent Management School	Member of the general board	Yes
	Vlaamse jonge ondernemingen	Director	Yes
	VOKA Kamer van Koophandel West-Vlaanderen	Member of the local board Kortrijk	Yes
	Brant Industrial Services Group	President	No
	De Steeg Investments	Director	No
	Dolintex	Director	No
	Foto invest	Director	No
	Indumo	Director	No
	Lamitref Industries	President	No
	Mediaxim	Director	No
	Mercapital Sociedad de Capital Inversion NV	Director	No
Karl Fink.........................	WIENER STÄDTISCHE Versicherung AG Vienna Insurance Group	Member of the management board	Yes
	Wiener Städtische Wechselseitige Versicherungsanstalt Vermögensverwaltung	Member of the management board	Yes
	TBIH Financial Services Group N.V.	Chairman of the supervisory board	Yes
	ZPAD Bulstrad	Chairman of the supervisory board	Yes
	Bulgarski Imoti Versicherung AG	Chairman of the supervisory board	Yes
	Bulgarski Imoti Lebensversicherung AG	Chairman of the supervisory board	Yes
	Donau Versicherung AG	Vice-chairman of the supervisory board	Yes
	Kooperativa genossenschaftliche Versicherung AG (Prag)	Vice-chairman of the supervisory board	Yes
	Kooperativa genossenschaftliche Versicherung AG (Bratislava)	Vice-chairman of the supervisory board	Yes
	TU Compensa S.A.	Vice-chairman of the supervisory board	Yes
	TU nZ Compensa S.A.	Vice-chairman of the supervisory board	Yes
	TuiR CIGNA S.A.	Member of the management board	Yes
	VIG Polska Sp.z.o.o.	Member of the management board	Yes
	Wiener Städtische Osiguranje a.d.	Member of the supervisory board	Yes
	Moskauer Versicherungsgesellschaft (MSK-Life)	Member of the supervisory board	Yes
	AT&S Austrian Technologie & Systemtechnik AG	Member of the supervisory board	Yes
	Österreichische Hagelversicherung Versicherungsvereing auf Gegenseitigkeit	Member of the supervisory board	Yes
	Sektion Industrieversicherung des Verbandes der Versicherungsunternehmen Österreichs	Chairman	Yes
	InterRisk Versicherungs-AG	Chairman of the supervisory board	No
	InterRisk Lebensversicherungs-AG	Chairman of the supervisory board	No
	Risk Consult Sicherheits- und Risiko-Managementberatung GmbH	Chairman of the supervisory board	No
	Investkredit Bank AG	Member of the supervisory board	No
	Semperit AG Holding	Member of the supervisory board	No
	Montanversicherungs Aktiengesellschaft	Chairman of the management board	No

1 As well as various other companies of the Koramic Group

Name	Name of Company	Function	Current function (yes/no)
Peter Johnson	George Wimpey PLC	Director and CEO	No
	DS Smith PLC	Chairman of the board	Yes
	Home Builders Federation	Director	No
Harald Nograsek	DDSG—BLUE DANUBE SCHIFFAHRT GMBH	Member of the supervisory board	Yes
	Kärnten Verkauf Incoming GmbH	Member of the supervisory board	Yes
	Kärntner Reisebüro Gesellschaft m.b.H.	Chairman of the supervisory board	Yes
	RUEFA Utazasy Iroda Kft.	Member of the supervisory board	Yes
	Cestovna kancelaria RUEFA CS sro.	Member of the supervisory board	Yes
	Cetovni kancelar RUEFA REISEN sro.	Member of the supervisory board	Yes
	Ruefa Reisen Biuro Podrozy Sp.z.o.o.	Member of the supervisory board	Yes
	Verkehrsbüro Hotellerie GmbH	Chairman of the supervisory board	Yes
	Verkehrsbüro Kulinarik GmbH	Vice-chairman of the supervisory board	Yes
	Motel One Central & East Europe GmbH	Member of the supervisory board	Yes
	Fontana Sporthotel Gesellschaft m.b.H.	Managing director	Yes
	Österreichisches Verkehrsbüro Aktiengesellschaft	Chairman of the management board	Yes
	Ruefa Reisen Direktbuchung GmbH	Managing director	Yes
	Verkehrsbüro Finanzmanagement GmbH	Managing director	Yes
	Verkehrsbüro-Ruefa Reisen GmbH	Managing director	Yes
	Asset Management GmbH	Member of the supervisory board	No
	B.A. Cayman Islands	Member of the supervisory board	No
	Pioneer Investments Austria GmbH	Member of the supervisory board	No
	Adria Bank Aktiengesellschaft	Member of the supervisory board	No
	Bank Austria Creditanstalt Leasing GmbH	Member of the supervisory board	No
	Bank Austria Creditanstalt Wohnbaubank AG	Member of the supervisory board	No
	UNIVERSALE International Realitäten GmbH	Member of the supervisory board	No
	Schoellerbank Aktiengesellschaft	Vice-chairman of the supervisory board	No
	Lambacher HITIAG Leinen Aktiengesellschaft	Vice-chairman of the supervisory board	No
	HVB Czech Republic	Member of the supervisory board	No
	Biochim A.D.	Member of the supervisory board	No
	CAIB Polska S.A.	Member of the supervisory board	No
	Union Versicherungs-AG	Member of the supervisory board	No
	BANKPRIVAT AG	Member of the supervisory board	No
	CA IB Corporate Finance Beratungs Ges.m.b.H.	Member of the supervisory board	No
	BA-CA Private Equity GmbH	Vice-chairman of the supervisory board	No
	Bank Austria Creditanstalt Versicherung AG	Member of the supervisory board	No
	VISA-SERVICE Kreditkarten Aktiengesellschaft	Member of the supervisory board	No
	Bank Austria Creditanstalt Real Invest GmbH	Member of the supervisory board	No
	Splitska Banka D.D.	Member of the supervisory board	No
	Rail Tours Touristik Gesellschaft m.b.H.	Member of the supervisory board	No
	RINGTURM Kapitalanlagegesellschaft m.b.H.	Member of the supervisory board	No
	Vitana Salat- und Frischeservice GmbH	Managing director	No
Claus Raidl	BÖHLER-UDDEHOLM Aktiengesellschaft	Chairman of the management board	Yes
	Wiener Börse AG	Member of the supervisory board	Yes
	DONAU Allgemeine Versicherungs AG	Member of the supervisory board	Yes
	voestalpine Bahnsysteme GmbH	Vice-chairman of the supervisory board	Yes
	EK Mittelstandsfinanzierungs AG	Chairman of the supervisory board	Yes
	BÖHLER Edelstahl GmbH	Member of the supervisory board	No
	BÖHLER Schmiedetechnik GmbH	Vice-chairman of the supervisory board	Yes
	UBF Mittelstandsfinanzierungs AG	Chairman of the supervisory board	No
	Ernst-Krenek-Institut-Privatstiftung	Member of the management board	Yes
	"Academia Scientiarum et Artium Europaea" Privatstiftung	Member of the supervisory board	Yes
Wilhelm Rasinger	Erste Bank der oesterreichischen Sparkassen AG	Member of the supervisory board	Yes
	CEE Immobiliendevelopment AG	Member of the supervisory board	Yes
	BÖHLER-UDDEHOLM Aktiengesellschaft	Member of the supervisory board	No
	Steirerobst Aktiengesellschaft	Member of the supervisory board	No
	Inter-Management Unternehmensberatung Gesellschaft m.b.H.	Managing director	Yes
	"Am Klimtpark" LiegenschaftsverwaltungsgmbH	Managing director	Yes
Franz Rauch	Rauch Fruchtsäfte Gesellschaft mbH	Managing director	Yes
	OTAG Oberflächentechnologie AG	Member of the supervisory board	Yes
	Bank Austria Creditanstalt AG	Member of the supervisory board	Yes
	Vorarlberger Kraftwerke AG	Member of the supervisory board	Yes
	Generali Holding Vienna AG	Member of the supervisory board	Yes
	Fohrenburg Beteiligungs-AG	Member of the supervisory board	Yes
	Vorarlberger Illwerke AG	Member of the supervisory board	Yes
	Hirschmann Automotive GmbH	Member of the supervisory board	Yes
	ÖBB Holding AG	Member of the supervisory board	Yes
	Rail Cargo Austria AG	Member of the supervisory board	Yes

Name	Name of Company	Function	Current function (yes/no)
Rupert Bellina	None	n.a.	n.a.
Claudia Krenn	None	n.a.	n.a.
Gerhard Seban	None	n.a.	n.a.
Karl Sauer	None	n.a.	n.a.

Conduct of Board Members

Within the five years prior to the date of this prospectus, no member of the Management Board or Supervisory Board:

- was convicted in relation to fraudulent offences;
- was associated with bankruptcies, receiverships or liquidations in his capacity as a director or senior manager; except for Mr. Nograsek who acted as member of the management board of BCU Realitäten Privatstiftung up to its dissolution in 2006; and Mr. Dumolin who is currently acting as liquidator (*Liquidator*) in the winding up of New Building Products.
- was officially and publicly incriminated and/or sanctioned by statutory or regulatory authorities (including designated professional bodies); or
- has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

Shares Held by Board Members

The following table sets forth the number of shares held by the members of the Management Board and the Supervisory Board as of August 31, 2007:

	Number of shares held as of August 31, 2007
Management Board	
Wolfgang Reithofer	204,041
Heimo Scheuch	28,121
Willy Van Riet	1,350
Johann Windisch	25,000
Supervisory Board	
Friedrich Kadrnoska	759
Christian Dumolin	23,690
Karl Fink	0
Peter Johnson	0
Harald Nograsek	0
Claus Raidl	0
Wilhelm Rasinger	10,274
Franz Rauch	0
Total	**293,235**

Conflicts of Interest

No potential conflict of interests exists in respect of any member of the Management Board or Supervisory Board between his duties to the Company and his private duties and/or other duties. There are no family ties between members of the Management Board and the Supervisory Board.

The Company has no outstanding loans to and no guarantees on behalf of any members of the Supervisory Board or Management Board.

Pursuant to the CGC, a sufficient number of members of the Supervisory Board should be independent of the Company and its management (see "*Compliance with Austrian Corporate Governance Code*"). In accordance with the CGC, the Company has adopted guidelines to evaluate the independence of Supervisory Board members. Pursuant to these guidelines, a member of the Supervisory Board is deemed independent if it does not have any business or personal relations with the Company or its Management Board that constitute a material conflict of interests suited to influence the behavior of such member. In particular, the Supervisory Board member must not have served as member of the Management Board or senior executive (*leitender Angestellter*) of the Company (or its affiliates) in the past five years, must not have maintained any significant business relations with the Company (including its affiliates) in the past year, must not have acted as auditor of the Company in the past three years, must not be a member of the management board of another company in which a member of the Management Board of the Company is a supervisory board member and must not be a close relative of a member of the Management Board or of persons who are in one of the positions described above.

The Company believes all members of its Supervisory Board to be independent as set forth in the CGC.

Other Legal Relations with the Company

No legal relationships exist between the members of the Management Board or the Supervisory Board (including Board members who retired in 2007) and the Company or any of its subsidiaries other than their respective appointments as Board members and the relating service agreements.

Stock Option Plan

The Wienerberger Group has implemented a stock option plan for members of the Management Board, members of management of Group companies and other eligible employees of the Wienerberger Group (the "Stock Option Plan"). The options granted under the Stock Option Plan are non-negotiable and non-marketable. Each option entitles its holder to purchase one share at the exercise price from the Company. The exercise price equals the four weeks average share price as from the announcement of preliminary results for the past reporting year and amounted to EUR 38.50 in 2006. The options can be exercised after a period of two years and must be exercised within five years ("Exercise Period"). Within the Exercise Period, the options may be exercised within four weeks after announcement of the quarterly results. If the option holder resigns during the two-year period, the options are forfeited. The number of options granted depends on the achievement of certain financial performance figures of the Wienerberger Group. One third of the shares that are purchased through the exercise of these options are subject to a 24-month retention period starting on the date of exercise; the remaining shares are not subject to a retention period.

The following table sets forth information on the options granted for each period to members of the Management Board and other eligible Group employees under the Stock Option Plan.

Numbers of options granted for each period(1)	2006	2005	2004
Members of the Management Board			
Wolfgang Reithofer	18,000	12,354	18,000
Heimo Scheuch	15,000	10,295	15,000
Willy Van Riet(2)	5,000	3,432	n.a.
Johann Tschuden(3)	15,000	10,295	15,000
Johann Windisch	15,000	10,295	15,000
Total number of options granted to the Management Board	**68,000**	**46,671**	**63,000**
Other key employees	**225,000**	**140,702**	**300,000**
Total number of options granted	**293,000**	**187,373**	**363,000**

(1) Options for the year 2007 will be granted based on the achievement of 2007 financial performance figures.

(2) Willy Van Riet was appointed member of the Management Board effective April 1, 2007.

(3) Johann Tschuden was member of the Management Board from May 2001 to March 2007.

More detailed information concerning the Stock Option Plan is provided in note 33 to the Consolidated Financial Statements included elsewhere in this prospectus.

Compliance with the Austrian Corporate Governance Code

The CGC was published by the Austrian Working Group on Corporate Governance, a group of private organizations and individuals in 2002 and has been amended most recently in June 2007.

The CGC primarily applies to Austrian stock market-listed companies that undertake to adhere to its principles. The CGC is based on statutory provisions of Austrian corporate law, securities law and capital markets law ("Legal Requirements", "L-Rules"). In addition, the CGC contains rules considered to be a part of common international practice, such as the principles set out in the OECD Principles of Corporate Governance and the recommendations of the European Commission. Non-compliance with some of these rules must be explained ("Comply or Explain", "C-Rules"). The CGC also contains rules that are voluntary and do not require explanation in the case of deviations ("Recommendation", "R-Rules").

The principal rules and recommendations of the CGC include:

- equal treatment of shareholders under equal circumstances;
- remuneration for members of the management board should comprise fixed and business performance related components (based on long-term indicators); the individual remuneration for each member of the management board should be reported in the annual financial statements;
- stock option plans for members of the management board should be approved by the shareholders' meeting and be based on objective parameters to be defined in advance; subsequent changes of the parameters should be avoided;
- conflicts of interests of members of the management board and the supervisory board should be disclosed in the annual financial statements;
- a sufficient number – in the opinion of the supervisory board – of members of the supervisory board should be independent of the company and its management and the supervisory board should define the criteria that constitute independence;
- supervisory board committees should be established, in particular an audit committee (for accounting and auditing issues), a remuneration committee (for remuneration and other issues with management board members) and a nomination committee;
- supervisory board members may not assume any functions on the boards of other enterprises that are competitors of the company;
- the number of members of the supervisory board (excluding employees' representatives) should be ten or less; supervisory board members should not sit on the supervisory boards of more than eight other listed companies (chairperson counts twice);
- annual and quarterly financial statements (drawn up according to internationally recognized accounting standards) should be published in a timely manner (within four and two months, respectively) and must remain publicly accessible for at least five years;
- communication structures should be established to meet information needs of shareholders in a timely and adequate manner, in particular by using the internet; dates essential for shareholders should be communicated sufficiently in advance; consolidated financial statements and interim reports should be published on the company's website in German and English;
- any director's dealings should be disclosed on the company's website directly or by referring to the website of the FMA;
- prior to appointing independent auditors, the supervisory board should receive a statement disclosing any relationship between the auditors (including related parties) and the company and its management board;
- the independent auditors should make regular assessments of the company's risk management; and
- an annual report regarding compliance with the CGC should be included in the annual financial statements posted on the company's website.

The Company currently complies in full with all "L-Rules" and "C-Rules" of the CGC.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Shares held by Management Board Members in the Company and other Companies of the Group

For information on shares held by members of the Management Board in the Company see "*Management and Corporate Governance—Certain Additional Information about Board Members—Shares held by Board Members*".

Activities of Members of the Management Board in Companies other than the Company

For information on activities of the members of the Management Board in companies other than the Company see "*Management and Corporate Governance—Certain Additional Information about Board Members—Activities performed outside the Wienerberger Group*".

Related Party Transactions

Relationships with Shareholders

The Group has, from time to time, entered into business relationships with its shareholders and affiliates. Transactions with related parties are described in the notes to the Consolidated Financial Statements contained elsewhere in this prospectus.

Relationship with the ANC Foundation

In 2001, the Company decided to substantially reduce the holdings and assets of its real estate and other businesses which were not considered part of the Company's core business, and to better manage potential exposure to environmental law related claims. The decision was made to gradually dispose of certain non-core assets by transferring these assets to a private foundation and its subsidiaries.

In 2001, the Company founded a private foundation, ANC Foundation. The ANC Foundation is self-owned and is administered by a three-member board of directors. No executive of Wienerberger is a director of the ANC Foundation or its subsidiaries. Wienerberger has no shares or other interests in the ANC Foundation and believes that it has no power to control the ANC Foundation. Wienerberger is not required to make any additional contributions to the ANC Foundation or its subsidiaries. Shareholders of Wienerberger are beneficiaries of the ANC Foundation in proportion of their holding of Wienerberger shares.

In 2001, the Company sold certain of its real estate, including three landfills operated by the Group in Austria, to a wholly-owned subsidiary of the ANC Foundation.

In October 2003, the Company sold its 50% stake in Steinzeug Abwassersysteme GmbH to ANC Foundation at book value. In addition, the Company transferred its holding (at the time 3% of the entire share capital) in Immofinanz Immobilien Anlagen AG, an Austrian stock corporation, to a subsidiary of the ANC Foundation in exchange for participation rights to 90% of the future earnings in this subsidiary. A large part of these rights was sold in 2004.

In 2005, the Company sold certain of its real estate in Austria to Mineralstoffverwertungsgesellschaft mbH, an indirectly wholly owned subsidiary of the ANC Foundation, for EUR 10 million.

DESCRIPTION OF THE SHARE CAPITAL OF THE COMPANY AND THE ARTICLES OF ASSOCIATION

The following is a summary of the material terms of the Company's Shares, as set out in the Articles of Association and certain relevant provisions of the Stock Corporation Act. This description is only a summary and does not include all the information contained in the Articles of Association. The Company encourages a review of the full Articles of Association, which are available for inspection at the Company's principal offices or on the internet (www.wienerberger.com). The information on the Company's website is not incorporated by reference into this prospectus.

The Articles of Association were last amended at the general shareholders' meeting held on May 10, 2007.

Share Capital and Shares

Prior to the Offering, the Company's issued and fully paid-in share capital amounts to EUR 74,167,796, divided into 74,167,796 no-par value ordinary voting bearer shares (*auf Inhaber lautende Stückaktien*). Each Share represents a calculated notional amount of EUR 1 of the share capital. As of September 18, 2007 the Company held 818,603 treasury shares.

Following completion of the Offering and assuming that all New Shares are issued, the Company's issued and fully paid-in share capital will amount to EUR 83,947,689, divided into 83,947,689 no-par value ordinary voting bearer shares, each representing a calculated notional amount of EUR 1 of the share capital.

All Shares of the Company including the New Shares are issued under Austrian law. The Existing Shares are and the New Shares will be freely tradable. The Company is not aware of any limitations that limit the rights of non-Austrians to own the Company's Shares or to exercise voting rights in accordance with the procedures described below.

Development of the Share Capital since 2004

As of January 2004, the Company's share capital amounted to EUR 65,278,973 divided into 65,278,973 no-par value ordinary voting bearer shares, each representing a calculated notional amount of EUR 1 of the share capital.

The general shareholders' meeting held on May 11, 2004 resolved to authorize the Management Board, subject to the consent of the Supervisory Board, to increase the Company's share capital from EUR 65,278,973 by up to EUR 31,639,486 in one or several tranches, by issuing up to 31,639,486 new no-par value ordinary voting bearer or registered shares against contributions in cash or in kind, until May 13, 2009. The Management Board has been further authorized to exclude the subscription rights of the shareholders only in those cases mentioned in the report of the Management Board on the exclusion of subscription rights (for further information on subscription rights see "*General Provisions regarding Subscription Rights*").

Pursuant to the joint resolutions of the Management Board and the Supervisory Board dated May 11, 2004 and June 2, 2004, the Company increased its share capital by EUR 8,080,748 to EUR 73,359,721 and, pursuant to a further resolution of the Management Board with the consent of the Supervisory Board dated June 15, 2004 and July 2, 2004, by an additional EUR 808,075 to EUR 74,167,796 to cover over-allotments. The capital increases were registered with the commercial register on June 8, 2004 and July 6, 2004, respectively.

Capital Increase in Connection with the Offering

The New Shares will be issued based on the remaining authorized capital amounting to EUR 22,750,663 pursuant to a resolution of the Management Board with the approval of the Supervisory Board, each dated September 20, 2007, to increase the Company's share capital by up to EUR 9,779,893 to up to EUR 83,947,689 by issuing up to 9,779,893 no-par value ordinary voting bearer shares. The New Shares will carry dividend rights from and including the financial years starting from January 1, 2007. The Offer Price and the exact volume of the capital increase will be determined by a separate resolution to be adopted by the Management Board with the approval of a Special Committee of the Supervisory Board which is expected to be passed on or about October 8, 2007.

The capital increase is expected to be registered with the commercial register on October 10, 2007. Following a capital increase in the full amount of the resolutions of the Management Board and the Supervisory Board on September 20, 2007, the share capital will amount to EUR 83,947,689, divided into 83,947,689 no-par value ordinary voting bearer shares.

Authorized Conditional Capital

The general shareholders' meeting held on May 11, 2004 resolved to authorize the Management Board, subject to the consent of the Supervisory Board, to approve a conditional capital increase by up to EUR 1,000,000, in one or several tranches, by issuing up to 1,000,000 new no-par value ordinary voting bearer shares against contributions in cash, until May 13, 2009, for purposes of stock options to members of the Management Board, management members of group companies and other eligible employees of Wienerberger Group.

The number of shares that may be issued utilizing such authorized conditional capital corresponds to the maximum number of options available under the Stock Option Plan (see "*Management and Corporate Governance—Stock Option Plan*").

Conversion and Option Rights

There are currently no options or rights of conversion in respect of the Company's Shares other than the options granted under the Company's Stock Option Plan described under "*Management and Corporate Governance—Stock Option Plan*".

Form and Certification of the Shares

Form and contents of the share certificates are determined by the Management Board. The right to request issuance of individual share certificates is not excluded under the Company's Articles of Association.

Of the Company's 74,167,796 Existing Shares, 328,000 shares are represented in single share certificates (*Einzelaktien*), and 73,839,796 shares are represented by a modifiable interim certificate (*veränderbare Zwischensammelurkunde*). The modifiable interim certificate has been deposited with the clearing system of OeKB, Am Hof 4, A-1011 Vienna, Austria.

The New Shares will be represented by a modifiable interim certificate deposited with the clearing system of OeKB, Am Hof 4, A-1011 Vienna, Austria. Title to the Company's New Shares will therefore be transferred in accordance with the rules of that clearing system (see "*Market Information—The Vienna Stock Exchange—Trading and Settlement*").

General Provisions regarding a Change of the Share Capital

Austrian law permits a stock corporation to increase its share capital in any of the following ways:

- through a shareholders' resolution on the issuance of new shares against contributions in kind or in cash (ordinary capital increase/*ordentliche Kapitalerhöhung*);
- through a shareholders' resolution authorizing the management board, subject to approval of the supervisory board, to issue new shares up to a specified amount (not exceeding 50% of the issued share capital) within a specified period, which may not exceed five years (authorized capital/*genehmigtes Kapital*);
- through a shareholders' resolution on the issuance of new shares up to a specified amount for specific purposes, such as for employee stock options (not exceeding 10% of the issued share capital), for conversion rights granted to holders of convertible bonds or for use as consideration in a merger (not exceeding 50% of the issued share capital) (conditional capital/*bedingtes Kapital*);
- through a shareholders' resolution authorizing the management board to effect a conditional capital increase with the approval of the supervisory board in order to grant stock options to employees, executives and members of the management board up to a certain nominal amount (not exceeding 10% of the issued share capital) (authorized conditional capital/*genehmigtes bedingtes Kapital*); or
- through a shareholders' resolution authorizing the conversion of unrestricted reserves or retained earnings into share capital, with or without the issuance of new shares (*Kapitalberichtigung*).

According to the Articles of Association, an ordinary capital increase requires approval by a simple majority of the share capital present or represented at the shareholders' meeting. However, if the subscription rights of existing shareholders are to be excluded, a 75% majority of the share capital present or represented at the shareholders' meeting is required. Shareholder resolutions approving authorized capital, conditional capital or authorized conditional capital, require a 75% majority of the share capital present or represented at the shareholders' meeting.

Authorization to Acquire Treasury Stock

Pursuant to the Stock Corporation Act, the Company may purchase its own shares only in the following limited circumstances:

- upon approval of the shareholders' meeting, for a period not exceeding 18 months and limited to a total of 10% of the share capital, if the shares are listed on a regulated market (such as the Official Market of the Vienna Stock Exchange), or if the shares are intended to be offered to the Company's employees or employees of certain affiliated companies; the resolution must determine a minimum and a maximum consideration), provided that the Company keeps sufficient reserves;
- where the shares are acquired without payment of consideration or where the Company is acting as agent on a commission basis;
- to prevent substantial, immediately threatened damage to the Company (subject to the limitation of 10% of the overall share capital), provided that the Company keeps sufficient reserves;
- by way of a universal legal succession (i.e., succession by merger);
- for the purpose of indemnifying minority shareholders, provided that the Company keeps sufficient reserves; or
- as part of a redemption of shares in accordance with the rules for capital decreases approved by the shareholders' meeting.

The Company holds 894,603 Shares representing 1.2% of the share capital with an aggregated book value as of June 30, 2007, of EUR 34.4 million and an aggregated calculated notional amount of the Company's share capital of EUR 894,603. The shareholders' meeting held on May 10, 2007 authorized the repurchase of shares for a period of up to 18 months starting with May 10, 2007, of up to a total of 10% of the share capital.

General Provisions regarding Subscription Rights

Under Austrian law, shareholders generally have subscription rights (*Bezugsrechte*) allowing them to subscribe for any new shares (including securities convertible into shares, securities with warrants to purchase shares, securities with profit participation or participation certificates) to maintain their existing share in the share capital. Such subscription rights are in proportion to the number of shares held by the shareholder. Shareholders may waive or transfer their subscription rights.

The shareholders' subscription rights may be excluded by a resolution of 75% of the share capital present or represented at the shareholders' meeting. A shareholders' resolution resolving upon an authorized capital may exclude the subscription rights or authorize the Management Board to exclude the subscription rights with a majority of 75% of the share capital present or represented at the shareholders' meeting. The decision of the Management Board to issue the shares from authorized capital and to exclude the shareholders' subscription rights requires the consent of the Supervisory Board. If shares are issued from a conditional capital, there are no subscription rights.

Subscription rights are not deemed to be excluded, when new shares are subscribed for by a credit institution, in order to offer the new shares to the existing shareholders.

Pursuant to the Stock Corporation Act, the period to exercise subscription rights may not last less than two weeks. The Management Board must publish a notice of the issue price and the commencement and duration of the exercise period in the Official Gazette.

Shareholders' Meeting

Convention of the Shareholders' Meeting

The shareholders' meeting is convened by the Management Board or the Supervisory Board. The shareholders' meetings take place at the registered seat of the Company in Vienna, Austria, at any of the Company's domestic branch offices or in any of the provincial capitals of Austria. According to the Articles of Association, the holders of shares or interim certificates are required to deposit their shares (or interim certificates, as the case may be) with a depository (*Hinterlegungsstelle*) in accordance with Section 107 para 2 of the Sock Exchange Act, and to keep such shares deposited until conclusion of the shareholders' meeting. The depository may be an Austrian notary public or the head office of a domestic or foreign credit institution, as specified in the notice announcing the shareholders' meeting. Shares or interim certificates will also be deemed to be properly deposited when kept in a blocked securities account at another credit institution with the approval of and on behalf of a depository appointed by the Company. Shareholders are required to deposit their shares allowing at least three business days between the date of deposit and the date of the shareholders' meeting. The invitation notice may provide for an additional requirement (submission of a numbered share register). If no share certificates or interim certificates have been issued, the invitation notice to the shareholders' meeting must contain the information under which conditions shareholders shall be entitled to attend the shareholders' meeting.

The Company must publish a notice of the shareholders' meeting so as to allow shareholders not less than fourteen days for depositing their shares or interim certificates, not counting the day of publication (the "Deposit Period"). The Company's Articles of Association state that, in any event, at least three weeks must pass between the day of the last publication of the invitation notice and the day of the shareholders' meeting.

The depository has to inform the Company of any shares deposited with it no later than one day after expiry of the Deposit Period. Shareholders may appoint proxies to represent them at shareholders' meetings.

The general shareholders' meeting must take place within the first eight months of each financial year.

Voting Rights and Majority Requirements

Each share entitles its holder to one vote at the shareholders' meeting. There is no minimum attendance quorum in the shareholders' meeting. Resolutions of the shareholders' meeting are passed with simple majority of the votes cast or, in matters which require a majority of the share capital, with simple majority of the share capital present, unless mandatory law requires a higher majority.

Under Austrian mandatory law, the following measures require a majority of at least 75% of the share capital present or represented at a shareholders' meeting:

- change of the business objectives;
- increase of share capital with a simultaneous exclusion of subscription rights;
- creation of authorized capital or conditional capital;
- decrease of share capital;
- exclusion of subscription rights for convertible bonds, participating bonds and participation rights;
- dissolution of the Company or continuation of the dissolved company;
- transformation of the Company into a limited liability company (*GmbH*);
- approval of a merger or a spin-off (proportionate to shareholdings);
- transfer of all assets of the Company; and
- approval of profit pools or agreements on the operation of the business.

A majority of 90% of the entire share capital is required for an upstream merger pursuant to the Transformation Act (*Umwandlungsgesetz*), with certain exceptions, for a spin-off disproportionate to shareholdings pursuant to the Spin-Off Act (*Spaltungsgesetz*) or for a squeeze-out pursuant to the Austrian Act on the Squeeze-out of Minority Shareholders (*Gesellschafter-Ausschlussgesetz*) (see "*Regulation of Austrian Securities Markets—Squeeze-out of Minority Shareholders*").

A shareholder or a group of shareholders holding at least 20% of the share capital may object to settlements or waivers of liability claims of the Company against members of the Management Board or the Supervisory Board.

A shareholder or a group of shareholders holding at least 10% of the share capital may in particular:

- require special audits of activities with respect to the management of the Company, if these activities took place within the previous two years;
- veto the appointment of a special auditor and request a court to appoint another special auditor;
- request an adjournment of the shareholders' meeting if the annual financial statements are found to be incorrect by the shareholders who require such adjournment;
- request a court to recall a member of the Supervisory Board for cause; and
- request the assertion of damage claims by the Company against members of the Management Board or the Supervisory Board or certain other parties, if the claim is not obviously unfounded.

A shareholder or a group of shareholders holding at least 5% of the share capital may in particular:

- request that a shareholders' meeting be convened or, if the Management Board and the Supervisory Board do not comply with such request within a maximum period of two months, request a court to convene a shareholders' meeting or, upon court approval, convene a shareholders' meeting themselves;
- request that a topic be put on the agenda of the shareholders' meeting;
- request the assertion of damage claims of the Company against members of the Management Board or the Supervisory Board or certain other parties, if a special report reveals facts which may entitle to such damage claims;
- request court appointment of another auditor of the financial statements for cause; and
- appeal a shareholders' resolution, if such resolution provides for amortization, accumulated depreciation, reserves and accruals exceeding the limit set by law or the Articles of Association.

Change or Impairment of Shareholder's Rights

The Stock Corporation Act contains provisions that protect the rights of individual shareholders. As a general rule, shareholders must be treated equally under equal circumstances, unless the concerned shareholders agree otherwise. Furthermore, measures affecting shareholders' rights generally require a shareholders' resolution. The rights of holders of the shares as a group can be changed by amendment of the Articles of Association.

The Articles of Association do not provide for more stringent conditions for the exercise of shareholders' rights than those provided by law. In addition, the Articles of Association do not allow changes to, or restrictions on, shareholders' rights under less stringent conditions than those provided by law.

Neither Austrian law nor the Articles of Association restrict the right of non-resident or foreign holders of the shares to hold or vote the shares.

General Provisions regarding Profit Appropriation and Dividend Payments

The New Shares carry full dividend rights for the financial year starting January 1, 2007 and the following financial years.

Each shareholder is entitled to receive an annual dividend, if and to the extent that the distribution of dividends is resolved by the shareholders' meeting. Based on the proposal of the Management Board and the report by the Supervisory Board, the shareholders' meeting resolves whether dividends will be paid for any financial year and on the amount and timing of any such dividend payments.

Pursuant to the Company's Articles of Association, profits of the Company (i.e., the net profit resulting after depreciation, adjustments, setting-up of provisions and reserves including allocation to the statutory reserve) shall be distributed as dividends as follows: (a) first, up to 5% of the registered capital shall be distributed to the shareholders as dividends—to the extent the shareholders' meeting has not resolved on extraordinary reserves or on the carrying forward of the net profit to a new account; (b) secondly, up to 10% of the residual amount may be allocated to the Supervisory Board, taking into consideration Section 98 para 3 Stock Corporation Act; (c) the residual amount shall be distributed to the shareholders to the extent the shareholders' meeting does not resolve on a different appropriation.

Unless the shareholders' meeting resolves otherwise, dividends that are approved by the shareholders' meeting will be distributed via the paying agent to the shareholders on a pro rata basis, according to the number of shares they own. Dividends are payable within ten days from the resolution of the shareholders' meeting unless the shareholders' meeting resolves otherwise. Dividends that have not been collected by shareholders within three years are deemed forfeited and become part of the Company's unrestricted reserve (*freie Rücklage;* for further details see "*Dividend Policy*").

Dissolution

The dissolution of the Company requires a majority of at least 75% of the share capital present or represented at the shareholders' meeting. If the Company is dissolved, any assets remaining after repayment of the outstanding debts and supplementary capital will be distributed pro rata to the shareholders.

GENERAL INFORMATION ABOUT THE COMPANY

Legal and Commercial Name, Registered Seat, Financial Year, Duration

Wienerberger AG is a stock corporation formed under Austrian law for an indefinite period, with its registered seat in Vienna and its business address at Wienerberg City, Wienerbergstraße 11, A-1100 Vienna, Austria. The Company was founded as Wienerberger Ziegel-Fabriks und Bau-Gesellschaft and first registered on April 10, 1869. The Company may be reached at its business address (+43 (1) 60192-463) or on its website under www.wienerberger.at. The information on the Company's website is not incorporated by reference into this prospectus. The Company's as well as the Group's commercial name is Wienerberger. The Company is registered with the commercial register under FN 77676 f. The Company's financial year is identical with the calendar year.

Corporate History

In 1819 Alois Miesbach founded the business which today is Wienerberger in Vienna, Austria. Following rapid expansion during the nineteenth century, Wienerberger had gained leadership in brick production within the Austro-Hungarian Empire. In 1869, Wienerberger was first listed on the Vienna Stock Exchange. After World War II, Wienerberger was forced to confine its operations to Austria due to the geopolitical situation. In 1986, Wienerberger expanded beyond the Austrian borders through the acquisition of the Oltmanns group, a brick manufacturer in Germany with one facing brick and three hollow brick plants. In 1990, the Group entered the Eastern European markets through an acquisition in Hungary which was followed by acquisitions in the Czech Republic, Slovakia and Poland. Within 20 years, the Group has grown from a small local Austrian building material player to the world's largest brick producer with brick production facilities in 26 countries, and five export markets and a leading position in most of the brick markets in which it operates (according to management estimates).

In the mid-1990s, the Group started to focus on its core brick activities, as well as related building products such as its pipes and roofing investments. This new strategy was implemented through disposition of non-core assets and acquisition of additional core assets. For example, in 1997 the Group sold Treibacher Abrasives, a producer of abrasives, and in 2000 the Group sold Treibacher Industrie AG, a producer of metallurgy powders. In 2003, the Group disposed of its clay pipe business, Steinzeug Abwassersysteme GmbH.

By the late 1990s, the Group's strategy became to focus on its core brick and roof tile businesses by achieving leading positions in important markets through acquisitions and greenfield projects. In furtherance of this strategy, the Group made the following acquisitions:

- In 1995, the Group acquired the Sturm group in Eastern France consisting of 16 plants producing hollow bricks, roof tiles and concrete products. The acquisition enabled the Group to enter the French market.
- In 1996, the Group acquired the operations of Terca Bricks, N.V. ("Terca") in Belgium, the Netherlands, France and Germany from Koramic Roofing. At the time, Terca was the largest producer of facing bricks in Continental Europe with 29 plants.
- In 1996, the Group made a 51% majority investment (later increased to 75%) in Semmelrock, a producer of concrete pavers with operations in Austria, Czech Republic, Hungary, Slovakia, Poland and Croatia.
- In 1999, the Group entered the U.S. market through the acquisition of General Shale, the second largest U.S. facing brick producer based on volumes, with 25 factories in the Southeast and Midwest of the United States, for USD 260 million.
- In 2000, the Group expanded its presence in the United States by acquiring Cherokee Sanford, the sixth largest facing bricks producer in the United States at that time with five plants for USD 81 million. In addition, the Group acquired one brick plant in Pennsylvania through the acquisition of Darlington.
- In 2001, the Group acquired eight hollow brick plants from Megalith in Germany for EUR 47 million. The Group also acquired the brick business of Optiroc for EUR 54 million, consisting of eight facing brick plants in Denmark, Estonia, Finland, Norway and Sweden and sales-only operations in the United Kingdom.
- In 2002, the Group acquired Hanson Bricks' Continental European operations for EUR 65.4 million, consisting of 23 brick plants, primarily producing facing bricks in the Netherlands, Belgium, Germany, Poland and France.
- In 2003, the Group acquired a 50% percent interest in Koramic Roofing for EUR 211.5 million, with 13 roof tile plants in Belgium, the Netherlands, France, Germany, Poland and Estonia.

- In 2004, the Group exercised its option to acquire the remaining 50% interest in Koramic Roofing for a total consideration of EUR 223.9 million. Simultaneously, Wienerberger placed a capital increase to finance this acquisition. In addition, the Group acquired thebrickbusiness in the United Kingdom for EUR 128.1 million (including debt).
- In 2005, Wienerberger invested in 30 bolt-on projects totaling EUR 250.4 million.
- In 2006, Wienerberger acquired Robinson Brick, headquartered in Denver, Colorado, the leading brick producer in the western part of the United States (according to management estimates), for USD 121.5 million.
- In 2007, the Group completed the acquisition of Baggeridge Brick, a listed British manufacturer of facing bricks, pavers and products for the facade for GBP 99.4 million. In addition, the Group acquired Canadian manufactured stone specialist Arriscraft for CAD 107 million.

Corporate Purpose

The Company's business objectives as stated in Section 2 of its Articles of Association include:

- production, acquisition and sale of building materials of all kinds, in particular ceramic products, especially bricks, stoneware and other clay products, fat lime and hydraulic lime, cement, cement products and porcelain products and plaster products;
- production, acquisition and sale of products made of concrete, in particular building blocks, floor elements and other building elements made of lightweight concrete and heavyweight concrete;
- production, acquisition and distribution of paints, lacquers and chemical products for construction, in particular emulsions, impregnation substances and the like;
- extraction and sale of stones, crushed stone, sand, clay and other types of soil, of fuels of all kinds as well as the exploitation of water power and water surfaces;
- acquisition, parcellation, lease and sale of real properties and immovable goods of all kinds;
- carrying on of the building trade, in particular construction of new buildings, extensions and carrying out of alterations of any kind as well as carrying out asphaltation work; paving and relocation of plates, stoves, pipes and carrying out of stove-fitter's work;
- trade in goods of all kinds, including the operation of petrol stations as well as retail and wholesale trading in fuels and building materials; carrying on the trade of a commercial agent;
- transportation of goods of all kinds, in particular of the products and materials listed under items above as well as production, acquisition and operation of the means of transport required for that purpose;
- the work of an advertising consultant, advertising agent as well as that of an insurance broker;
- services in automatic data processing and information technology;
- operation and management of an office engaged in mechanical engineering, electronic engineering, chemistry, mining and metallurgy as well as cultural technology, including consultancy services, the drawing of plans, technical equipment and communications;
- acquisition of interests in other companies of the same or of a related type in Austria and abroad as well as the establishment of branches and subsidiaries in Austria and abroad.

The Company may carry out any transactions or take any measures which serve the purpose of the Company.

Major Shareholders and Controlling Interests

The following table sets forth for each of the Company's shareholders who notified the Company of their holding of 5% or more of the Company's voting securities, the percentage of outstanding shares owned by such shareholders at the date of the respective notification:

AIM Trimark Investments	5.10% (November 22, 2005)
Capital Group International, Inc.	6.42% (July 11, 2007)

The remaining shares are held by various investment funds and individuals holding below 5% each.

The Company's major shareholders do not have special voting rights. To management's best knowledge, there are no agreements among the Company's shareholders relating to the ownership or voting of the Company's shares.

Significant Subsidiaries

The Company considers the following companies to be its significant subsidiaries:

Name of Company	Country of Incorporation	Registered Seat	Percentage of ownership and voting power
Wienerberger Ziegelindustrie GmbH	Germany	Oldenburger Allee 26, D-30659 Hannover	100
Wienerberger B.V.	The Netherlands	Postbus 144, NL-5300 AC Zaltbommel	100
Wienerberger N.V.	Belgium	Kapel ter Bede 86, B-8500 Kortrijk	100(1)
General Shale Bricks, Inc.	US	3211 North Roan Street, USA-TN 37602 Johnson City	100
Wienerberger Limited	UK	Brooks Drive, Cheadle Royal Business Park, Cheadle, GB-SK 83 SA Cheshire	100
Wienerberger Cegielnie Lebork Sp. zo.o.	Poland	Ul. Ostrobramska 79, PL-04-175 Warsaw	100

(1) Combined (indirect) shareholding.

Auditors

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Porzellangasse 51, A-1090 Vienna, Austria, certified public auditors and members of the Austrian Chamber of Chartered Accountants (*Kammer der Wirtschaftstreuhänder*), have acknowledged the inclusion on page F-55 of their unqualified auditors' opinion in relation to the Audited Annual Consolidated Financial Statements of the Group for the year ended December 31, 2006, KPMG Wirtschaftsprüfungs- und Steuerberatungs GmbH, Porzellangasse 51, A-1090 Vienna, Austria, certified public auditors and members of the Austrian Chamber of Chartered Accountants, have acknowledged the inclusion on page F-99 of their unqualified auditors' opinion in relation to the Audited Annual Consolidated Financial Statements of the Group for the year ended December 31, 2005 and KPMG Alpen-Treuhand GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Porzellangasse 51, A-1090 Vienna, Austria, certified public auditors and members of the Austrian Chamber of Chartered Accountants, have acknowledged the inclusion on page F-147 of their unqualified auditors' opinion in relation to the Audited Annual Consolidated Financial Statements of the Group for the year ended December 31, 2004. Apart from the Audited Annual Consolidated Financial Statements, no information in this prospectus has been audited by the auditors.

Notices

Pursuant to the Company's Articles of Association, notices must be made by publication in the Official Gazette.

Paying Agent and Depository

The depository bank (*Verwahrstelle*) is Oesterreichische Kontrollbank Aktiengesellschaft, Am Hof 4, A-1010 Vienna, Austria.

Paying agent and depository (*Zahl- und Hinterlegungsstelle*) is Bank Austria Creditanstalt AG, Vordere Zollamtsstraße 13, A-1030 Vienna, Austria and Am Hof 2, A-1010 Vienna, Austria. The depository (*Hinterlegungsstelle*) may also be an Austrian notary public or the head office of a domestic or foreign credit institution, as specified in the notice announcing the shareholders' meeting.

Specialist / Market Maker

As of the date of this prospectus, Erste Bank der oesterreichischen Sparkassen AG, Graben 21, A-1010 Vienna, acts as specialist, and Raiffeisen Centrobank AG, Tegetthoffstrasse 1, A-1010 Vienna, Bank Austria Creditanstalt AG, Vordere Zollamtsstraße 13, A-1030 Vienna, and Timber Hill (Europe) AG, Gotthardstrasse 3, CH-6301 Zug, Switzerland, act as the market makers for the Shares of the Company in accordance with the rules of the Vienna Stock Exchange and the prime market segment without contractual arrangement with the Company.

REGULATION OF AUSTRIAN SECURITIES MARKETS

Notification and Disclosure of Shareholdings

The following provisions of the Stock Exchange Act on the disclosure of major shareholdings and directors' dealings apply in relation to issuers having their registered office in Austria and listed on the Official Market (*Amtlicher Handel*) or Semi-Official Market (*Geregelter Freiverkehr*) of an Austrian stock exchange:

Any person (irrespective of whether domestic or foreign) whose voting interest in such an issuer reaches, exceeds or falls below 5%, 10%, 15%, 20%, 25%, 30%, 35%, 40%, 45%, 50%, 75% or 90% through acquisition or sale of shares must give written notification to the issuer, the stock exchange and the FMA. Such notification must be made no later than two trading days after noting or having the possibility to note that the relevant thresholds have been reached, exceeded or are no longer met. The same applies among other things in relation to shares that are subject to option and trust arrangements and to banks that exercise voting rights on behalf of their depositaries by virtue of special voting proxies. The Company is required to publish any such event within two trading days of being notified thereof. The Company is also obliged to publish any changes of the share capital and voting right thresholds as described above at the end of the calendar month of the respective change. Publications need to be made through an EU-wide electronic information dissemination system.

Persons who undertake managerial responsibilities and, where applicable, persons closely associated with them, must publish without delay and notify the FMA within five working days of the existence of any transactions conducted on their own account relating to shares of the issuer, or to derivatives or other financial instruments linked to them (so-called directors' dealings). Such notification requirement does not apply if the aggregated value of such person's transactions does not reach EUR 5,000 per calendar year.

In addition to the above notification and disclosure obligations under the Stock Exchange Act, under certain circumstances, the acquisition of shares or other methods of obtaining control of a company within the meaning of the Austrian Cartel Act (*Kartellgesetz*) may be subject to the Austrian Cartel Court's approval.

Insider Trading & Ad-hoc Information

Austrian law prohibits the abuse of insider information committed in Austria or by Austrian citizens abroad with regards to financial instruments admitted to trading on a regulated market in Austria. Austrian law further prohibits the abuse of insider information committed in Austria with regard to financial instruments admitted to trading on a regulated market in another EU member state. Insider information is defined as detailed information not known to the public which, directly or indirectly, concerns one or more issuers of financial instruments, or one or more financial instruments, and which would, if it were publicly known, substantially influence the quoted value of such financial instruments or of derivatives linked to them, because a reasonable investor would likely use such information as the basis for his investment decision.

An insider is any person who has access to insider information either due to his position as a member of the administrative, managing or supervisory body of an issuer or due to his profession, occupation, responsibilities or shareholding (so called "*Primärinsider*"). Any person who gains access to insider information by way of a criminal offence is also an insider.

Any insider who uses insider information with the intent to gain a pecuniary advantage for himself or a third party by buying or selling financial instruments or by offering or recommending such instruments to third parties, or who provides access to such information to third parties without being required to do so, is subject to a criminal penalty of up to three years' imprisonment. If the financial advantage achieved exceeds EUR 50,000, the penalty is between six months' and five years' imprisonment. If this criminal offence is performed by a person who is not an insider, but has insider information which has been made available to him by an insider (so called "*Sekundärinsider*"), he is subject to a criminal penalty of up to one year's imprisonment. If the financial advantage achieved exceeds EUR 50,000, the penalty is up to three years' imprisonment.

Pursuant to the Stock Exchange Act, every issuer is obliged to inform its employees and other persons providing services to the issuer about the prohibition on the abuse of insider information; to issue internal directives for the communication of information within the company; and to monitor compliance. Furthermore, issuers are obliged to take organizational measures to prevent the abuse of insider information or its disclosure to third parties. The Issuers' Compliance Regulation (*Emittenten-Compliance-Verordnung*) regulates the measures to be taken by issuers in further detail (e.g., blocking periods). In addition, it requires each issuer whose securities are admitted to listing on the Official Market or the Semi-Official Market to issue a compliance directive (*Compliance-Richtlinie*). These compliance directives must be submitted to the FMA.

Issuers are required to establish a register of those persons working for them who have access to insider information, whether on a regular or occasional basis. Issuers are also required to regularly update this register and transmit it to the FMA whenever requested.

Furthermore, the Stock Exchange Act requires companies admitted to the Official or Semi-Official Market of the Vienna Stock Exchange to disclose to the public without delay any insider information that directly concerns them (so-called ad hoc information). Material changes to published insider information have to be published and identified as such.

Market Manipulation

Market manipulation refers to transactions or trade orders which give, or are likely to give, false or misleading signals as to the supply of, demand for, or price of, financial instruments, or which secure, by a person, or persons acting in collaboration, the price of one or several financial instruments at an abnormal or artificial level, unless the person who entered into the transactions or issued the trade orders has legitimate reasons for doing so and these transactions or trade orders conform to accepted market practices on the regulated market concerned. Market manipulation also means transactions or trade orders which employ fictitious devices or any other form of deception or contrivance. Finally, market manipulation includes dissemination of information through the media, including the internet, or by any other means, which gives, or is likely to give, false or misleading signals as to financial instruments, including the dissemination of rumors and false or misleading news, where the person who made the dissemination knew, or ought to have known, that the information was false or misleading. Market manipulation is subject to an administrative fine of up to EUR 50,000, which may be imposed by the FMA. Additionally, any pecuniary advantage attained by such transaction or trade order is to be declared forfeit by the FMA.

Takeover Act

The Austrian Takeover Act (*Übernahmegesetz*) (the ''Takeover Act'') applies to public offers for the acquisition of shares of stock corporations registered in Austria, which shares are admitted to the Official or Semi-Official market of the Vienna Stock Exchange. The primary purpose of the Takeover Act is to ensure that all shareholders of a company being acquired are treated equally.

The Takeover Act provides that any public offer for the shares of an Austrian company listed on an exchange in Austria has to be submitted to the Takeover Commission (*Übernahmekommission*) prior to its publication and has to be prepared and published in accordance with the requirements of the Takeover Act. Anybody (or parties acting in concert) who acquires a controlling interest in an Austrian company listed on an exchange in Austria has to disclose that fact to the Takeover Commission without undue delay and make an offer to all other shareholders to purchase their shares in such company within 20 stock exchange trading days (''mandatory offer'').

An interest is only controlling if more than 30% of the voting stock of a company is obtained. Acquisitions of voting rights not exceeding 30% will in no case trigger a mandatory offer (''safe harbor''). In the event of a holding of between 26% and 30%, the voting rights exceeding a participation of 26% are suspended unless such suspension is explicitly lifted by the Takeover Commission. The Takeover Commission, upon application, may impose conditions on the offeror instead of the suspension of voting rights.

In the event of a ''passive'' acquisition of control, there is no requirement to launch a mandatory offer if the acquirer of a controlling interest could not reasonably expect the acquisition of control at the time of acquiring the participation. Otherwise, the same provisions as outlined above apply (e.g., suspension of voting rights).

The minimum price to be offered in a mandatory offer or a voluntary offer aimed at the acquisition of a controlling interest must be the higher of (i) the highest price paid by the offeror during the last twelve months preceding the publication of the offer, and (ii) the average share price during the six months immediately preceding the publication of the offer.

The Takeover Act requires that the offeror prepares offer documents to be examined by an independent expert, either a qualified auditor or bank, before these offer documents are filed with the Takeover Commission and the target company. The management of the target company must issue a statement on the offer which is also subject to mandatory examination by an independent expert. Any higher offers or competing offers must follow the same rules. From the time of the publication of an offeror's intention to submit a public offer, the management board and the supervisory board of the target company generally may not undertake measures to jeopardize the offer. The offeror and the parties acting in concert must refrain from selling any shares in the target company and from purchasing target shares for a higher consideration than offered in the offer. The violation of any legal provision may result in the suspension of voting rights and fines imposed by the Takeover Commission.

The Takeover Commission supervises compliance with the Takeover Act and is authorized to fine any party who violates the Takeover Act. The Takeover Commission may institute proceedings ex officio and is not subject to supervision by any other regulatory authority.

Squeeze-out of Minority Shareholders

Pursuant to the Austrian Act on the Squeeze-out of Minority Shareholders (*Gesellschafter Ausschlussgesetz*), a majority shareholder holding no less than 90% of the entire (voting and non-voting) share capital of a corporation under Austrian law may squeeze-out the remaining shareholders at an equitable price. The squeeze-out right is general and is not limited to a preceding takeover offer. The minority shareholders are not entitled to block the squeeze-out but have the right of separate judicial review of the fairness of the compensation paid for their minority stake. Where a squeeze-out follows a takeover offer, the consideration offered in the takeover bid is presumed to be fair where, through the acceptance of the offer, the offeror has acquired shares representing no less than 90% of the share capital entitled to vote of the target company.

TAXATION

Taxation in the Republic of Austria

General

The following selected aspects of taxation in Austria are of a general nature and do not purport to be an exhaustive account of the tax considerations relevant to the acquisition, ownership and disposal of the Shares. The following summary is based on the tax legislation in force in Austria at the date of this prospectus, and is subject to any changes in Austrian law and practice occurring after that date, which changes may have retroactive effect.

This summary focuses on the tax treatment of dividends, in particular on withholding tax, and capital gains which may be derived from the Shares by individuals with a domicile or their habitual abode in Austria and legal entities with their corporate seat or their place of management in Austria (''residents'') as well as by individuals who do not have a domicile nor their habitual abode in Austria and legal entities who do not have their corporate seat nor their place of management in Austria (''non-residents''). Some of the potential inheritance and gifts tax consequences of the transfer of Shares are also described.

It is not possible to describe all relevant tax considerations, particularly as tax consequences largely depend on the circumstances of the individual purchasers of shares. It is therefore strongly recommended that any potential investor consult its own tax adviser in order to determine the particular consequences of its purchase, ownership or disposal of the Shares.

Taxation of Dividends

Dividends paid by an Austrian stock corporation to its shareholders are subject to a withholding tax (*Kapitalertragsteuer—KESt*), at a rate of 25%. This tax is withheld by the company paying the dividend. The company, or the bank paying out the dividend on the company's behalf, is required to give the shareholder a certificate showing the gross dividend, the tax withheld, the date of payment and the period in respect of which the dividend is payable, and also the tax office to which the tax withheld was remitted.

For Austrian resident individuals, the dividend withholding tax fully covers all income tax on such dividend income (*Endbesteuerung*), which means that no further income tax is levied on the dividend income and the dividends do not have to be included in the shareholder's income tax return. If the shareholder's personal income tax rate is lower than the 25% withholding tax rate, the withholding tax will, upon application, be credited against the shareholder's income tax liability, and the overpayment will be refunded to the shareholder. In this case the applicable tax rate for dividend income is half the average tax rate payable on the shareholder's total income. Expenses, including interest expenses, relating to the dividends are not deductible.

For Austrian resident legal entities (*Körperschaften*), Austrian dividend income is exempt from corporate income tax, and the dividend withholding tax is credited against the corporate income tax liability of the recipient or refunded. No withholding tax has to be deducted by the distributing company where the recipient company directly holds at least 25% of the share capital of the distributing company. In general, expenses incurred in connection with the acquisition of shares are not tax deductible. An exemption applies for interest expenses.

For non-residents dividends distributed by an Austrian company are also subject to 25% withholding tax. However, double taxation treaties (''tax treaties'') may provide for a reduction of Austrian tax on dividends. Austria has entered into tax treaties with approximately 80 countries. Most of the Austrian tax treaties basically follow the OECD Model Convention and provide for a reduction of Austrian tax on dividends to 15% and for a further reduction in case of qualified participations. The tax treaty with Germany provides for a reduction of Austrian withholding tax to 15% and, in case of a direct shareholding of at least 10% by a company (other than a partnership), to 5%. The tax treaty with the United Kingdom also provides for a reduction of Austrian withholding tax to 15% and, in case of a (direct or indirect) control of at least 25% of the voting power by a company, to 5%. The tax treaty with the United States provides for a reduction of Austrian withholding tax to 15% and, in case of a direct ownership of at least 10% of the voting stock by a company (other than a partnership), to 5%.

A non-resident shareholder who is entitled to a reduced rate under an applicable tax treaty may apply for refund of the difference between the 25% withholding tax and the lower rate provided for by the tax treaty. In order to obtain such a refund, an eligible non-resident shareholder will generally have to provide a certificate of residence issued by the tax authorities of the shareholder's country of residence. Claims for refund of Austrian dividend withholding tax may be filed with the tax office of the Austrian city of Eisenstadt by using forms ZS RD 1 and ZS RD 1A (German) or ZS RE 1 and ZS RE 1A (English). The application forms may be obtained from the website operated by the Austrian Ministry of Finance (www.bmf.gv.at/service/formulare/steuern) (information on the website of the Austrian Ministry of Finance is not incorporated by reference into this prospectus). Tax treaty relief from Austrian withholding tax may also be granted by the distributing company at source provided that the requirements of the Austrian relief at source rules (*DBA-Entlastungsverordnung*) are met. However, the Company is under no obligation to grant tax treaty relief at source.

Dividends paid to a company qualifying under the EU Parent Subsidiary Directive (Council Directive (EEC) No. 435/90 of July 23, 1990 as amended) (''EU company'') are exempt from withholding tax if the EU company has held directly at least 10% of the share capital for an uninterrupted period of at least one year and meets certain additional criteria. Dividends which are attributable to an Austrian permanent establishment of an EU company are exempt from corporate income tax. The 25% withholding tax is credited against the Austrian corporate income tax liability of the EU company or refunded to it.

Taxation of Capital Gains

For Austrian resident individuals capital gains from the sale or other disposal of Shares are taxable if

- the disposal of the Shares takes place within one year of acquisition (speculative transaction);
- the transaction is not speculative, but the shareholder held at any time within five years preceding the sale directly or indirectly at least 1% of the Company's capital;
- the Company is liquidated; or
- the Shares qualify as business assets.

If the Shares are sold within one year of the acquisition the standard progressive income tax rates apply. If the Shares are sold thereafter and the respective capital gain is taxable, the applicable income tax rate amounts to half the average income tax rate payable on the shareholder's total income irrespective of whether the Shares have been held as private assets or as business assets. Capital gains from speculative transactions are not taxable if the total of such gains does not exceed EUR 440 per year.

For Austrian resident companies capital gains realized on the disposal of Shares are subject to corporate income tax at the standard rate of 25%.

If, with regard to a shareholder who had within the last five years a shareholding of at least 1% in the Company's capital, Austria loses its taxation rights to other countries (e.g., by a transfer of residence of such shareholder outside of Austria), a capital gain is recognized amounting to the difference between the acquisition cost and the fair market value of the Shares. Taxation of such capital gain shall be deferred, however, upon request, if the shareholder moves to an EU member state or to an eligible EEA member state. The deferred tax shall be levied upon actual disposal of the Shares as well as upon transfer of the shareholder's residence for tax purposes to a state other than an EU member state or an eligible EEA member state. The deferred tax can only be levied within ten years after the shareholder moved his residence outside of Austria.

For non residents, capital gains on the sale of Shares are taxable in Austria if the Shares are attributable to an Austrian permanent establishment or if the selling shareholder held at any time within five years preceding the sale directly or indirectly at least 1% of the Company's capital. However, many of Austria's tax treaties, including the tax treaty with Germany, the United Kingdom and the United States, provide, in general, for exemption of capital gains provided that the Shares are not attributable to an Austrian permanent establishment.

Inheritance and Gift Tax

Inheritance and gift tax is levied on the transfer of assets by inheritance, gifts inter vivos and special purpose donations as defined in the Austrian Inheritance and Gift Tax Act (*Erbschafts- und Schenkungssteuergesetz*). Such transfers are taxable in Austria if either the transferor or the transferee is resident in Austria. The tax rates range from 2% to 60% and depend on the value of the transferred assets as well as upon the personal relationship between the transferor and the transferee. There are certain exemptions which partly also depend on the personal relationship between the transferor and the transferee. Relief from double taxation may be available under a tax treaty covering inheritance and gift tax or, under certain conditions, by way of unilateral relief.

A transfer of Shares is exempt from inheritance tax if the person liable for inheritance tax can prove that at the time the liability arose the deceased person's shareholding was below 1% of the registered share capital of the Company. This exemption is restricted to inheritance tax and does not apply to gifts and special purpose donations.

In recent decisions the Austrian Constitutional Court (*Verfassungsgerichtshof*) has repealed the inheritance as well as the gift tax. The repeal will come into effect as of July 31, 2008 unless the Austrian legislator amends the inheritance and gift tax by that date.

United States Federal Income Tax Considerations

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER, FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING OF THE SUBSCRIPTION RIGHTS AND THE NEW SHARES; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The following summary describes certain U.S. federal income tax consequences that may be relevant with respect to the receipt, exercise and disposition of Rights pursuant to the Rights Offering and to the acquisition, ownership and disposition of New Shares. This summary addresses only U.S. federal income tax considerations of U.S. Holders (as defined below) of existing Shares that receive Rights in the Rights Offering and initial purchasers of New Shares that buy in the Offering at the Offer Price and that hold Rights and/or Offered Shares as capital assets for U.S. federal income tax purposes. It does not purport to be a comprehensive description of all the tax considerations that may be relevant to the receipt, exercise or disposition of Rights or the acquisition, ownership or disposition of New Shares by particular investors, and does not address state, local, foreign or other tax laws. In particular, this summary does not address tax considerations applicable to holders that may be subject to special tax rules including, without limitation, U.S. expatriates, banks and certain other financial institutions, insurance companies, dealers or traders in securities or currencies, tax-exempt entities, persons that will hold New Shares as part of a "hedging" or "conversion" transaction or as a position in a "straddle" or as part of a "synthetic security" or other integrated transaction for U.S. federal income tax purposes, persons that have a "functional currency" other than the U.S. dollar, persons that own (or are deemed to own) 10% or more (by voting power) of our share capital, regulated investment companies, real estate investment trusts, S corporations, and persons liable for the alternative minimum tax. Such holders may be subject to tax rules that differ significantly from those set forth below.

This summary is based on the Internal Revenue Code of 1986, as amended, final and proposed U.S. Treasury regulations and judicial and administrative interpretations thereof, and the Convention Between the Republic of Austria and the United States of America for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income, and any Protocols thereto (the "Treaty"), in each case as of the date hereof. Each of the foregoing is subject to change, which change could apply retroactively and could affect the tax consequences described below.

For purposes of this summary a "U.S. Holder" is a beneficial owner of Rights or New Shares that is, for U.S. federal income tax purposes: (x)(i) a citizen or resident of the United States; (ii) a corporation (or other entity taxable as a corporation) created or organized in or under the laws of the United States or any state thereof (including the District of Columbia); (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust if a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of the substantial decisions of such trust, or that has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person; (y) who is not also a resident of Austria for Austrian tax purposes and does not hold the Rights and/or New Shares as part of the business property of a permanent establishment located in Austria or as part of a fixed base of an individual located in Austria and used for the performance of independent personal services; and (z) who is entitled to benefits under the Treaty with respect to income and gain derived in connection with the Rights and/or New Shares. If a partnership holds Rights or New Shares, the consequences to a partner will generally depend upon the status of the partner and upon the activities of the partnership. A partner of a partnership holding Rights or New Shares should consult its own tax advisor.

Each prospective investor should consult its own tax advisor with respect to the U.S. federal, state, local, foreign and other tax consequences of the receiving, exercising and disposing of Rights and acquiring, owning and disposing of New Shares. U.S. Holders should also review the discussion under the section headed "Austrian Taxation".

The following discussion assumes that we are not, and will not become, a passive foreign investment company for U.S. federal income tax purposes.

U.S. Taxation of Rights

Receipt of Rights

The receipt of Rights pursuant to the Rights Offering should be treated as a non-taxable distribution with respect to a U.S. Holder's existing Shares held. Because the Rights merely provide a right to subscribe for New Shares at the Offer Price and are not tradable, they should have no material value. Therefore, the Rights will have a zero tax basis.

Exercise of Rights and Subscription of New Shares

A U.S. Holder will not recognize taxable income upon the receipt of New Shares pursuant to the exercise of Rights. A U.S. Holder that subscribes for New Shares by exercising Rights will have a tax basis in the New Shares so acquired equal to the U.S. dollar value of the Offer Price on the acquisition date (or, in the case of cash basis and electing accrual basis taxpayers, the settlement date). A U.S. Holder's holding period in the New Shares generally will begin on the date the Rights are exercised.

Lapse or other Disposition of Right

A U.S. Holder will recognize capital gain or loss on the sale or other disposition of the Rights in an amount equal to the U.S. dollar value of the amount realized from the sale or other disposition, if any. Any gain or loss will be long-term capital gain or loss if the holding period for the Rights is more than one year and generally will be treated as arising from U.S. sources. A U.S. Holder's holding period in the Rights will include such holder's holding period in its existing Shares held with respect to which the Rights were received.

A U.S. Holder that allows the Rights to expire without selling or exercising them will not recognize a loss upon the lapse or expiration of the Rights.

U.S. Taxation of New Shares

Distributions

The gross amount of any distribution (including any amounts withheld in respect of Austrian taxes), other than certain pro rata distributions of common shares, that is actually or constructively received by a U.S. Holder with respect to New Shares will generally be taxable as a dividend to the U.S. Holder. Dividends paid on New Shares generally will constitute income from sources outside the United States and will not be eligible for the "dividends-received" deduction.

The gross amount of any dividend paid in euros will be included in the gross income of a U.S. Holder in an amount equal to the U.S. dollar value of the euros calculated by reference to the exchange rate in effect on the date the euros are received by the U.S. Holder, regardless of whether the euros are converted into U.S. dollars. If the euros are converted into U.S. dollars on the date of receipt, a U.S. Holder generally should not be required to recognize foreign currency gain or loss in respect of the dividend. If the euros received as a dividend are not converted into U.S. dollars on the date of receipt, a U.S. Holder will have a basis in the euros equal to their U.S. dollar value on the date of receipt. Any foreign currency gain or loss on a subsequent conversion or other disposition of the euros will be treated as ordinary income or loss, and will generally be income or loss from sources within the United States for foreign tax credit limitation purposes.

Certain U.S. Holders (including individuals and some trusts and estates) are eligible for reduced rates of U.S. federal income tax at a maximum rate of 15% in respect of "qualified dividend income" received in taxable years beginning before January 1, 2011. For this purpose, qualified dividend income generally includes dividends paid by a non U.S. corporation if, among other things, the U.S. holders meet certain minimum holding periods and the non U.S. corporation satisfies certain requirements, including that either (i) the shares with respect to which the dividend has been paid are readily tradable on an established securities market in the United States, or (ii) the non U.S. corporation is eligible for the benefits of a comprehensive U.S. income tax treaty (such as the U.S. Austria Treaty) which provides for the exchange of information. We currently believe that dividends paid with respect to the New Shares should constitute qualified dividend income for U.S. federal income tax purposes; however, this is a factual matter and is therefore subject to change. Holders are urged to consult their own tax advisor regarding the availability of the reduced dividend tax rate in light of their own particular situation and regarding the computation of their foreign tax credit with respect to any qualified dividend income paid by with respect to the New Shares.

Austrian taxes withheld at a rate not exceeding the rate provided in the Treaty will be treated as a foreign tax eligible for credit against a U.S. Holder's U.S. federal income tax liability, subject to applicable restrictions and limitations that may vary depending on the U.S. Holder's circumstances. Austrian taxes withheld in excess of the rate provided in the Treaty for which a refund is available are not eligible for credit against a U.S. Holder's U.S. federal income tax liability. See "*Taxation—Taxation in the Republic of Austria—Taxation of Dividends*" for a discussion of how a U.S. Holder may obtain the Treaty rate. For foreign tax credit purposes, dividends paid on New Shares will generally constitute foreign source "passive category income", or, in the case of certain U.S. Holders, "general category income." However, for dividends paid in a taxable year of a U.S. Holder that began prior to January 1, 2007, such dividend income generally will constitute foreign source "passive income" or "financial services income." Instead of claiming a credit, a U.S. Holder who itemizes deductions may elect to deduct otherwise creditable Austrian taxes in computing the U.S. Holder's U.S. federal taxable income. A deduction does not reduce tax on a dollar-for-dollar basis like a credit, but the deduction for foreign taxes is not subject to the same limitations applicable to foreign tax credits. The rules relating to foreign tax credits and the timing thereof are complex. U.S. Holders should consult their own tax advisors regarding the availability of a foreign tax credit and the application of the foreign tax credit limitations to their particular circumstances.

U.S. Holders that are accrual basis taxpayers, and who do not otherwise elect, must translate Austrian taxes into U.S. dollars at a rate equal to the average exchange rate for the taxable year in which the taxes accrue, while all U.S. Holders must translate taxable dividend income into U.S. dollars at the spot rate on the date received. This difference in exchange rates may reduce the U.S. dollar value of the credits for Austrian taxes relative to the U.S. Holder's U.S. federal income tax liability attributable to a dividend. However, cash basis and electing accrual basis U.S. Holders may translate Austrian taxes into U.S. dollars using the spot rate in effect at the time the taxes were paid. Any such election will apply for the taxable year in which it is made and all subsequent years, unless revoked with the consent of the U.S. Internal Revenue Service ("IRS"). Accrual basis taxpayers are urged to consult their own tax advisors regarding the requirements and elections applicable in this regard.

Sale, Exchange or Other Disposition

A U.S. Holder will generally recognize gain or loss for U.S. federal income tax purposes upon the sale, exchange or other disposition of New Shares in an amount equal to the difference between the U.S. dollar value of the amount realized from such sale, exchange or other disposition and the U.S. Holder's tax basis in such New Shares, as determined in U.S. dollars. Such gain or loss will be capital gain or loss and will be long-term capital gain if the New Shares were held for more than one year. Any such gain or loss would generally be treated as from sources within the United States. The deductibility of capital losses is subject to significant limitations. If the U.S. Holder is an individual, any capital gain generally will be subject to U.S. federal income tax at preferential rates if specified minimum holding periods are met.

The amount realized on a sale or other disposition of New Shares for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or disposition. On the settlement date, the U.S. Holder will recognize U.S. source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the U.S. dollar value of the amount received based on the exchange rates in effect on the date of sale or other disposition and the settlement date. However, in the case of New Shares traded on an established securities market that are sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), the amount realized will be based on the exchange rate in effect on the settlement date for the sale, and no exchange gain or loss will be recognized at that time.

Foreign currency received on the sale or other disposition of a New Share will have a tax basis equal to its U.S. dollar value on the settlement date. Any gain or loss recognized on a sale or other disposition of foreign currency (including its use to purchase New Shares or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

Passive Foreign Investment Company Considerations

We currently believe that we will not be classified as a passive foreign investment company (a "PFIC") for our 2007 taxable year and do not expect to be a PFIC in the foreseeable future. The determination of whether a company is a PFIC is a factual determination that must be made annually at year-end and therefore is subject to change. A non-U.S. corporation generally will be classified as a PFIC for any taxable year if at least 75% of its gross income consists of passive income (such as dividends, interest, certain rents or royalties, or gains on the disposition of certain minority interests), or at least 50% of the quarterly average value of its assets consist of assets that produce, or are held for the production of, passive income. For purposes of the PFIC tests, a non-U.S. corporation that owns at least 25% by value of the stock of another corporation is treated as owning its proportionate share of the assets of the other corporation, and as receiving directly its proportionate share of the other corporation's income.

If we were characterized as a PFIC for any taxable year, holders would suffer adverse tax consequences. These consequences may include having gains realized on the disposition of New Shares treated as ordinary income rather than capital gains, and being subject to punitive interest charges on certain dividends and on the proceeds of the sale or other disposition of the New Shares. Certain elections may be available (including a mark to market election) to holders that may help mitigate the adverse consequences resulting from PFIC status. Furthermore, dividends paid by us would not be "qualified dividend income" and would be subject to the higher rates applicable to other items of ordinary income. Holders should consult their own tax advisor regarding the potential application of the PFIC to us and to their ownership of New Shares.

Backup Withholding and Information Reporting

Payments of dividends with respect to New Shares and proceeds from the sale, exchange, or other disposition of New Shares that are made within the United States or through certain U.S.-related financial intermediaries may be subject to information reporting to the IRS and possible backup withholding at a current rate of 28%. Certain exempt recipients (such as corporations) are not subject to the information reporting or backup withholding rules. Backup withholding will not apply, if a holder provides a correct taxpayer identification number or certificate of foreign status and makes any other required certification, or is otherwise exempt from backup withholding and when required demonstrates such fact. U.S. Holders required to establish their exempt status generally must provide such certification on IRS Form W-9 (Request for Taxpayer Identification Number and Certification). Non-U.S. Holders generally are not subject to U.S. information reporting and backup withholding. However, such holders may be required to provide certification of non-U.S. status (generally on IRS Form W-8BEN) in connection with payments received in the United States or through U.S.-related financial intermediaries. Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules may be credited against a holder's U.S. federal income tax liability and a holder may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for a refund with the IRS and by furnishing any required information.

Prospective U.S. Investors should consult their own tax advisers as to their qualification for exemption from backup withholding, the procedure for obtaining an exemption, or the application of any other U.S. tax reporting rules that may apply to an investment in the New Shares.

UNDERWRITING

The Company's shareholders are invited to exercise their subscription rights for the New Shares. Any New Shares that have not been subscribed for in the Rights Offering will be offered in the International Offering. The International Offering will consist of (i) a public offering to retail and institutional investors in the Republic of Austria, (ii) a private placement in the United States to qualified institutional buyers in reliance on Rule 144A and (iii) a private placement outside the Republic of Austria and the United States to selected institutional investors in reliance on Regulations S. The number of New Shares available for sale in the International Offering will be determined only after the termination of the Subscription Period in respect of the Rights Offering. The Managers reserve the right to reject any order in whole or in part.

Subject to the terms and conditions set out in the underwriting agreement dated September 21, 2007 (the "Underwriting Agreement") among the Company and the Managers, and subject to the terms of the pricing agreement to be entered into among the Company and the Managers on the date of the pricing of the Offering (the "Pricing Agreement"), the Company will agree to offer for subscription or sell (as the case may be) to the Managers, and the Managers will severally agree to procure subscribers or purchasers for, or to subscribe or purchase themselves from the Company, up to the number of New Shares set out below next to their respective names at the Offer Price.

Managers	Maximum Number of New Shares	%
Morgan Stanley Bank AG	4,889,947	50
Bank Austria Creditanstalt AG	4,889,946	50
Total	**9,779,893**	**100**

The Underwriting Agreement provides that the obligations of the Managers are subject to the fulfillment of certain conditions such as the registration of the New Shares in the companies' register and other customary conditions.

Pursuant to the Underwriting Agreement, the Company has agreed to pay the Managers an underwriting commission of 2.0% in respect of the New Shares. The Company has also agreed to reimburse certain costs incurred by the Managers in connection with the Offering.

The Underwriting Agreement provides that the Company will indemnify the Managers against certain liabilities in connection with the Offering, including liabilities under applicable securities laws. In addition, the Managers will be entitled to terminate the Underwriting Agreement in certain circumstances until the closing of the Offering. In such case the New Shares may not be delivered.

In connection with the Offering, Bank Austria Creditanstalt AG, as stabilization agent may engage in stabilization activity aimed at supporting the exchange or market price of the Shares. For details on such activities, please see "*The Offering—Stabilization*".

The Managers, severally, engage in investment, consulting and financial transactions with Wienerberger from time to time in the ordinary course of their businesses and may continue to do so in the future. All investment, consulting and financial transactions with the Managers are conducted on an arm's length basis.

Lock-up

The Company has agreed with the Managers, pursuant to the Underwriting Agreement, that for a period of six months from the Closing Date, it will not, directly or indirectly create (including through a capital increase), offer, issue, contract to offer or issue, sell, mortgage, charge or assign, contract to sell, grant any option to purchase or otherwise dispose of, or announce the proposed creation or offering of, any of its common shares (or any securities that are substantially similar to, or convertible into, or exchangeable for, its common shares, or which carry rights to subscribe or purchase its common shares) or enter into a transaction (including a derivative transaction) having the same economic effect as, or agree to, or announce, propose (including to the general meeting) or otherwise state its intention to do, any of the foregoing, whether any such transaction is to be settled by delivery of common shares or such other securities, in cash or otherwise, without the prior written consent of the Managers, except that the Company may (i) initiate a proposal for the authorization of new authorized capital of the Company and take such action as is required by law in connection with any capital increase duly proposed by its shareholders, (ii) grant options, conversion rights and common shares, pursuant to the existing management incentive program, and (iii) take any such action as is required by law in connection with any proposals, whether publicly announced or not and whether recommended by the management board (*Vorstand*) of the Company or not, by one or more parties to acquire some or all of the shares or assets of the Company.

SELLING AND TRANSFER RESTRICTIONS

European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a ''Relevant Member State''), each Manager will represent and agree that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the ''Relevant Implementation Date'') it has not made and will not make an offer of the New Shares to the public in that Relevant Member State prior to the publication of a prospectus in relation to the New Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of New Shares to the public in that Relevant Member State at any time:

- to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than EUR 43,000,000 and (iii) an annual net turn-over of more than EUR 50,000,000, as shown in its last annual or consolidated accounts; or
- in any other circumstances which do not require the publication by the issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an ''offer of New Shares to the public'' in relation to any New Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the New Shares to be offered so as to enable an investor to decide to purchase or subscribe the New Shares, as the same may be varied in that member state by any measure implementing the Prospectus Directive in that member state, and the expression ''Prospectus Directive'' means Council Directive (EC) No. 71/2003 of November 4, 2003 and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each Manager will represent, warrant and agree that (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the ''FSMA'')) received by it in connection with the issue or sale of any New Shares in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the New Shares in, from or otherwise involving the United Kingdom.

United States

The subscription rights (or exercise thereof) and the New Shares have not been and will not be registered under the Securities Act and may not be offered, exercised or sold in the United States (as defined in Regulation S under the Securities Act), except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the New Shares in the Offering are being offered and sold:

- in the United States only to qualified institutional buyers within the meaning of Rule 144A under the Securities Act (''QIBs''); and
- outside the United States in accordance with Regulation S under the Securities Act.

The subscription rights may not be exercised by or on behalf of any person in the United States, except that holders of subscription rights in the United States who are QIBs may exercise the subscription rights in accordance with the procedures and subject to the terms and conditions described herein.

Investors' Representations and Restrictions on Resale

Outside the United States

Each person exercising subscription rights in the Rights Offering and each purchaser of New Shares outside the United States will be deemed to have represented and agreed, that it has received a copy of this prospectus and that:

- the purchaser acknowledges that the subscription rights (or exercise thereof) and the New Shares have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions on exercise and transfer;
- the purchaser is, and the person, if any, for whose account or benefit the purchaser is exercising the subscription rights or acquiring the New Shares is, outside the United States at the time the exercise or buy order for the subscription rights or the New Shares is originated and continues to be located outside the United States, and the person, if any, for whose account or benefit the purchaser is exercising the subscription rights or acquiring the New Shares reasonably believes that the purchaser is outside the United States, and neither the purchaser nor any person acting on its behalf knows that the transaction has been pre-arranged with a buyer in the United States;
- the purchaser is aware of the restrictions on the offer, exercise and sale of the subscription rights and the New Shares pursuant to Regulation S described in this prospectus; and
- any offer, exercise, sale, pledge or other transfer of the subscription rights or the New Shares made other than in compliance with the above-stated restrictions shall not be recognized by the Company.

Within the United States

Each person exercising subscription rights in the Rights Offering who is located in the United States will be required to sign and deliver an investment letter substantially containing the following representation and undertakings, and each purchaser of New Shares in the Offering within the United States in reliance on Rule 144A will be deemed to have represented and agreed as follows:

1. such person is, and at the time of such exercise or purchase will be, a QIB within the meaning of Rule 144A;
2. such person understands and acknowledges that the subscription rights (or the exercise thereof) and the New Shares have not been and will not be registered under the Securities Act, and that they may not be offered, sold or exercised, directly or indirectly, in the United States, other than in accordance with paragraph 4 below;
3. such person is exercising subscription rights or purchasing New Shares, as the case may be, (i) for its own account, or (ii) for the account of one or more other QIBs for which it is acting as a duly authorized fiduciary or agent with sole investment discretion with respect to each such account and with full authority to make the acknowledgements, representations and agreements in the investment letter with respect to each such account (in which case it makes such acknowledgements, representations and agreements on behalf of such QIBs as well), in each case for investment and not with a view to any resale or distribution of any New Shares;
4. such person understands and agrees that exercises of subscription rights by persons in the United States are permitted only by QIBs in reliance on a valid exemption from the registration requirements of the Securities Act and offers and sales of the New Shares are being made in the United States only to QIBs pursuant to and in reliance on Rule 144A, and that if in the future it or any such other QIB for which it is acting, as described in paragraph 3 above, or any other fiduciary or agent representing such investor decides to offer, sell, deliver, hypothecate or otherwise transfer any New Shares, it, any such other QIB and any such other fiduciary or agent will do so only (a)(i) pursuant to an effective registration statement under the Securities Act, (ii) to a person whom the holder and any person acting on its behalf reasonably believes is a QIB purchasing for its account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (iii) outside the United States in an "offshore transaction" in accordance with Rule 903 or Rule 904 of Regulation S (and not in a pre-arranged transaction resulting in the resale of such New Shares into the United States) or (iv) pursuant to an exemption from registration under the Securities Act pursuant to Rule 144 thereunder, if available, and (b) in accordance with any applicable securities laws of any state or territory of the United States and of any other jurisdiction. Such person understands that no representation can be made as to the

availability of the exemption provided by Rule 144 under the Securities Act for the resale of the New Shares;

5. such person understands that for so long as New Shares issued upon the exercise of subscription rights are "restricted securities" within the meaning of Rule 144 under the Securities Act, no such New Shares may be deposited into any American depositary receipt facility established or maintained by a depositary bank, other than a restricted depositary receipt facility, and that such New Shares will not settle or trade trough the facilities of DTC or any other U.S. clearing system;

6. such person has received a copy of the prospectus and has had access to such financial and other information concerning Wienerberger as it has deemed necessary in connection with making its own investment decision to exercise its subscription rights or purchase the New Shares. It has made its own independent investigation and appraisal of, without limitation, the business, financial condition, prospects, creditworthiness, status and affairs of Wienerberger and the New Shares. It understands that there may be certain consequences under U.S. and other tax laws resulting from an investment in the New Shares and it has made such investigation and has consulted such tax and other advisors with respect thereto as it deemed appropriate. It acknowledges that neither the Company nor the Managers named herein nor any person representing the Company or the Managers has made any representation, express or implied, to it with respect to Wienerberger or the exercise of subscription rights or offering or sale of any New Shares other than as set forth in the investment letter or in the prospectus which has been delivered to it, and upon which it is relying solely in making its investment decision with respect to the New Shares. It has held and will hold any offering materials, including the prospectus, it receives directly or indirectly from the Company in confidence, and it understands that any such information received by it is solely for it and not to be redistributed or duplicated by it. It acknowledges that it has read and agreed to the matters stated in the section "*Selling and Transfer Restrictions*" of the prospectus;

7. such person, and each other QIB, if any, for whose account it is exercising the subscription rights or acquiring the New Shares, in the normal course of business, invest in or purchase securities similar to the New Shares, has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of exercising the subscription rights or purchasing New Shares and is aware that it must bear the economic risk of an investment in any New Share for an indefinite period of time and it is able to bear such risk for an indefinite period and is able to sustain a complete loss of investment in the New Shares;

8. such person understands that these representations, warranties undertakings and acknowledgements are required in connection with U.S. securities laws and that the Company, its affiliates and the Managers will be relying on this letter and it irrevocably authorizes the Managers on its own behalf and on behalf of each beneficial owner of the subscription rights being exercised by it or New Shares being purchased by it, to rely on these representations and to produce this letter to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein or in connection with any other requirements of law;

9. such person undertakes promptly to notify the Company and the Managers if, at any time prior to the delivery to it of any New Shares, any of the foregoing ceases to be true.

Any offer, exercise, sale, pledge or other transfer of the subscription rights or the New Shares made other than in compliance with the above-stated restrictions shall not be recognized by the Company.

Each purchaser in the United States will also be deemed to have agreed to give any subsequent purchaser of the New Shares notice of any restrictions of the transfer thereof.

Any resale or other transfer, or attempted resale or other transfer, made other than in compliance with the above-stated restrictions shall not be recognized by the Company.

Holders of American Depositary Receipts ("ADRs") under the Company's American Depositary Receipts program will not be permitted to effect subscription for New Shares in respect of the common shares that are represented by such ADRs.

Australia

This prospectus is not a prospectus that has been lodged or is required to be lodged with the Australian Securities and Investments Commission. Offers of New Shares will only be made to persons to whom excluded offers or excluded invitations may be made in accordance with the Corporations Act.

Canada

The New Shares have not been and will not be qualified by prospectus for sale to the public in Canada under applicable Canadian securities laws and, accordingly, any offer or sale of the New Shares in Canada will be made pursuant to an exemption from the applicable prospectus filing requirements, and otherwise in compliance with applicable Canadian laws. This document is not, and under no circumstances is to be construed as, a prospectus, an advertisement or a public offering of the securities described herein in Canada. No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the securities described herein, and any representation to the contrary is an offense.

Japan

The New Shares have not been and will not be registered under the Securities and Exchange law of Japan (Law No. 25 of 1948, as amended). The New Shares are not being offered and sold and may not be offered or sold, directly or indirectly, in Japan or to or for the account of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for offering or sale, directly or indirectly, in Japan or to, or for the account of, any resident of Japan, except (i) pursuant to an exemption from the registration requirements of the Securities and Exchange law of Japan and (ii) in compliance with any other applicable requirements of Japanese law.

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STATEMENT PURSUANT TO COMMISSION REGULATION (EC) NO 809/2004 OF 29 APRIL 2004 AND PURSUANT TO SECTION 8 PARA 1 CAPITAL MARKETS ACT

Wienerberger AG, with its corporate seat in Vienna, Austria, is responsible for this prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this prospectus is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

Wienerberger AG

as issuer (*als Emittent*)

Vienna, September 21, 2007

Dr. Wolfgang Reithofer Dr. Heimo Scheuch

Willy Van Riet Dr. Johann Windisch

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INDEX TO FINANCIAL STATEMENTS

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Unaudited Condensed Consolidated Interim IFRS Financial Statements for the Six Months Ended June 30, 2007

Income Statement

in TEUR	4-6/2007	4-6/2006	1-6/2007	1-6/2006
Revenues	719,993	627,953	1,227,320	1,011,899
Cost of goods sold	-432,498	-384,527	-760,128	-642,553
Gross profit	**287,495**	**243,426**	**467,192**	**369,346**
Selling expenses	-120,409	-110,857	-223,256	-197,770
Administrative expenses	-37,406	-34,474	-70,972	-64,178
Other operating expenses	-9,326	-8,017	-19,547	-13,002
Other operating income	7,079	10,698	13,133	22,440
Amortization of goodwill	0	0	0	0
Operating profit before non-recurring items	**127,433**	**100,776**	**166,550**	**116,836**
Non-recurring write-offs and provisions related to restructuring	0	0	0	0
Non-recurring income	0	0	0	0
Operating profit after non-recurring items	**127,433**	**100,776**	**166,550**	**116,836**
Income from investments in associates	10,514	7,447	13,996	9,392
Interest result	-11,081	-10,693	-22,339	-22,539
Other financial results	2,618	-146	13,439	234
Financial results	**2,051**	**-3,392**	**5,096**	**-12,913**
Profit before tax	**129,484**	**97,384**	**171,646**	**103,923**
Income taxes	-22,680	-21,183	-31,534	-22,795
Profit after tax	**106,804**	**76,201**	**140,112**	**81,128**
Thereof attributable to minority interest	2,228	1,711	2,594	987
Thereof share planned for hybrid capital holders	8,125	0	12,729	0
Thereof attributable to equity holders	**96,451**	**74,490**	**124,789**	**80,141**
Adjusted earnings per share before non-recurring items (in EUR)	**1.32**	**1.01**	**1.57**	**1.09**
Earnings per share (in EUR)	**1.31**	**1.01**	**1.70**	**1.09**
Diluted earnings per share (in EUR)	**1.32**	**1.01**	**1.70**	**1.09**

Segment Reporting

1-6/2007 *in TEUR*	Central-East Europe [1]	Central-West Europe	North-West Europe	USA	Investments and Other [1]	Group Eliminations	Wienerberger Group
Revenues	427,577	221,310	440,773	165,921	5,939	-34,200	**1,227,320**
EBITDA	126,770	36,513	89,479	18,837	-14,962		**256,637**
EBIT	96,234	16,788	60,899	11,072	-18,443		**166,550**
Total investments	45,579	14,475	48,139	39,971	2,360		**150,524**
Capital employed	661,911	492,462	1,099,097	470,453	11,915		**2,735,838**
Employees	5,302	2,422	3,972	2,430	170		**14,296**
1-6/2006							
Revenues	270,453	193,782	391,177	171,552	9,745	-24,810	**1,011,899**
EBITDA	55,148	37,076	81,551	31,814	-8,641		**196,948**
EBIT	28,684	20,411	54,120	24,183	-10,562		**116,836**
Total investments	69,499	29,914	85,710	116,098	1,176	-295	**302,102**
Capital employed	632,302	428,519	1,023,601	434,343	21,919		**2,540,684**
Employees	4,835	1,968	3,907	2,224	173		**13,107**

1) Finland and the Baltic States were transferred to the Central-East Europe segment as of January 1, 2007 (formerly: North-West Europe) for organizational reasons; the comparable figures from prior reporting periods were adjusted accordingly
2) The Investments and Other segment includes holding company costs

Balance Sheet

in TEUR	30.6.2007	31.12.2006
ASSETS		
Intangible assets	648,155	637,346
Property, plant and equipment	1,756,151	1,712,395
Investment property	27,120	28,773
Investments in associates	136,056	129,389
Other financial assets	157,503	23,652
Deferred tax assets	64,955	61,442
Non-current assets	**2,789,940**	**2,592,997**
Inventories	550,934	509,843
Trade receivables	340,349	222,325
Other current receivables	81,784	91,678
Securities	64,307	63,958
Cash and cash at bank	227,231	193,531
Current assets	**1,264,605**	**1,081,335**
Total Assets	**4,054,545**	**3,674,332**
EQUITY AND LIABILITIES		
Issued capital	74,168	74,168
Share premium	415,052	415,052
Hybrid capital	500,000	0
Retained earnings	1,220,811	1,174,075
Treasury stock	-34,365	-30,269
Translation reserve	-76,042	-69,019
Minority interest	29,599	27,436
Equity	**2,129,223**	**1,591,443**
Employee-related provisions	72,427	73,024
Provisions for deferred taxes	122,692	110,569
Other non-current provisions	60,553	58,090
Long-term financial liabilities	911,821	798,128
Other non-current liabilities	48,442	48,278
Non-current provisions and liabilities	**1,215,935**	**1,088,089**
Other current provisions	48,763	46,425
Short-term financial liabilities	279,891	606,613
Trade payables	196,976	200,328
Other current liabilities	183,757	141,434
Current provisions and liabilities	**709,387**	**994,800**
Total Equity and Liabilities	**4,054,545**	**3,674,332**

Changes in Equity Statement

in TEUR	Group	Minority interest	Total
Balance on 1.1.2007	**1,564,007**	**27,436**	**1,591,443**
Net profit/minority interest	137,518	2,594	140,112
Dividend payments	-94,923	-788	-95,711
Foreign exchange adjustment	-6,730	336	-6,394
Foreign exchange adjustment to investments in associates	-293	0	-293
Hedging reserves	12,924	21	12,945
Capital increase/decrease	492,911	0	492,911
Increase/decrease in minority interest	0	0	0
Increase/decrease in treasury stock	-4,096	0	-4,096
Expenses from stock option plans	1,359	0	1,359
Other changes	-3,053	0	-3,053
Balance on 30.6.2007	**2,099,624**	**29,599**	**2,129,223**

Cash Flow Statement

in TEUR	1-6/2007	1-6/2006
Profit before tax	171,646	103,923
Depreciation and amortization	90,087	80,112
Non-recurring write-offs related to restructuring	0	0
Write-ups of fixed and financial assets	-83	-1,800
Increase/decrease in long-term provisions	13,897	3,834
Income from associates	-13,996	-9,369
Income/loss from the disposal of fixed and financial assets	-539	-2,940
Interest result	22,339	22,539
Interest paid	-46,909	-44,926
Interest received	17,480	14,240
Income taxes paid	-20,422	-18,804
Gross cash flow	**233,500**	**146,809**
Increase/decrease in inventories	-36,934	-1,643
Increase/decrease in trade receivables	-109,192	-114,666
Increase/decrease in trade payables	-6,384	10,493
Increase/decrease in other net current assets	36,823	19,522
Changes in non-cash items resulting from foreign exchange translation	-102	-7,185
Cash flow from operating activities	**117,711**	**53,330**
Proceeds from the sale of assets	3,230	10,616
Purchase of property, plant and equipment and intangible assets	-128,643	-148,983
Payments made for investments in financial assets	-136,882	-2,838
Increase/decrease in securities	13,126	219
Net payments made for the acquisition of companies	-21,881	-153,119
Net proceeds from the sale of companies	0	0
Cash flow from investing activities	**-271,050**	**-294,105**
Increase/decrease in long-term financial liabilities	113,693	-123,818
Increase/decrease in short-term financial liabilities	-319,632	472,248
Dividends paid by Wienerberger AG	-94,923	-86,415
Dividends paid to minority shareholders and other changes in minority interest	-788	-522
Dividend payments from associates	3,087	0
Capital increase Wienerberger AG	492,911	0
Cash inflows from exercise of stock options	6,243	4,561
Purchase of treasury stock	-13,392	0
Cash flow from financing activities	**187,199**	**266,054**
Change in cash and cash at bank	**33,860**	**25,279**
Effects of exchange rate fluctuations on cash held	-160	1,072
Cash and cash at bank at the beginning of the period	193,531	219,876
Cash and cash at bank at the end of the period	**227,231**	**246,227**

Notes to the Interim Financial Statements

Basis of Preparation

The interim report as of June 30, 2007 was prepared in accordance with the principles set forth in International Financial Reporting Standards, Guidelines for Interim Reporting (IAS 34). The accounting and valuation methods in effect on December 31, 2006 remain unchanged. For additional information on the accounting and valuation principles, see the financial statements as of December 31, 2006, which form the basis for these interim financial statements.

Wienerberger manages its business on a regional basis, which gives local operating management responsibility for all products within a country. Segment reporting reflects the regional focus of the Wienerberger Group. In contrast to the prior year, the subsidiaries in Finland and Estonia are now included under the Central-East Europe segment instead of the North-West Europe segment for organizational reasons. The comparable figures from prior reporting periods were adjusted accordingly.

Consolidation Range

The consolidated financial statements include all major Austrian and foreign companies in which Wienerberger AG has management control or directly or indirectly owns the majority of shares. Joint venture companies of the Schlagmann and Bramac Groups are consolidated on a proportional basis at 50%. As of January 1, 2007 Wienerberger acquired the remaining 65% stake in Modern Concrete, a brick merchant in the USA, as well as 100% of the shares in a building materials retailer in the Netherlands, and subsequently included these two companies through full consolidation. Another Dutch building materials retailer was acquired and fully consolidated as of April 1, 2007. Briqueterie Bar Frères, a facing brick plant in France, was also included in the consolidation as of April 1, 2007. Wienerberger Ofenkachel GmbH & Co KG (stove tiles), which was sold as of December 31, 2006, is no longer included in the consolidation.

As of June 30, 2007 Wienerberger had acquired 67.4% of the shares in Baggeridge Brick at a price of up to 247 pence per share through its public offer. Baggeridge operates five plants and is the fourth largest producer of bricks in Great Britain. These quarterly financial statements show the purchase price for Baggeridge under other financial assets (TEUR 97,867). In the coming financial reports Baggeridge will be fully consolidated as of July 1, 2007 (transfer of control). Korevaar, which was acquired as of June 30, 2007, is also included under other financial assets and will be fully consolidated as of July 1, 2007. The financial statements for the first six months from January 1, 2006 to June 30, 2006 included the Biegonice Group with two plants in Poland (consolidation as of February 1, 2006), Bogen with one clay roof tile plant in Germany (consolidation as of May 1, 2006) and a hollow brick plant near Ghent, Belgium (consolidation as of May 1, 2006) as well as the Robinson Group with one facing brick plant, three concrete block plants and several sales outlets in the west of the USA (date of acquisition: June 13, 2006) for only part of the reporting period. One clay roof tile plant (Jungmeier) in Germany, one brick plant in Austria and the Czech Colorbeton a.s. (pavers) with three production facilities were not included in the comparable prior year period. Changes in the consolidation range increased revenues by TEUR 48,657 and EBITDA by TEUR 1,781 for the period from January 1, 2007 to June 30, 2007.

On May 27, 2007 Wienerberger signed an agreement with Arriscraft International Income Fund, the leading producer of manufactured stone in Canada, for the purchase of the operating companies owned by this fund through its US subsidiary General Shale. The purchase price equaled CAD 107 million (EUR 71 million). This transaction was approved by a majority of votes at an extraordinary unitholders' meeting on July 17. Arriscraft operates two manufactured stone plants and one limestone quarry in Canada as well as a manufactured stone plant in the USA. The transaction was concluded on July 20, 2007 and therefore has no effect on these financial statements.

Seasonality

The sales volumes recorded by Wienerberger during the first and last months are lower than at mid-year due to the negative impact of the weather on construction activity. These seasonal fluctuations are demonstrated by data from the first or fourth quarters of the year, which generally lie below results for the second and third quarters.

Wienerberger Hybrid Capital

On February 9, 2007 Wienerberger AG issued a perpetual bond with a volume of TEUR 500,000, which is subordinated to all other creditors and carries a coupon of 6.50%. The payment of the hybrid coupon can be suspended by the company, but any suspended coupons must be paid within 12 months after the next dividend distribution. After ten years, Wienerberger AG, but not the creditors, may call the bond or extend the term at a higher variable interest rate. Since this instrument meets the IFRS criteria for classification as equity, the hybrid bond is shown as a component of equity. As a consequence of this treatment, the coupons payable are not shown under financial results on the income statement but as part of the use of earnings on the changes in equity statement. The issue costs and discount totaled TEUR 7,089 and were deducted from retained earnings. The proportional share of accrued coupon interest from the date of issue to the balance sheet date on June 30, 2007 equaled TEUR 12,729; this amount was reflected in the calculation of earnings per share, and led to a reduction of EUR 0.17 in earnings per share.

Notes to the Income Statement

Group revenues rose by 21% over the first six months of 2006 to TEUR 1,227,320. Operating profit before depreciation and amortization (EBITDA) totaled TEUR 256,637, which represents an increase of 30% over the comparable prior year value of TEUR 196,948. The number of shares outstanding equaled 74,167,796 as of June 30, 2007. Treasury stock totaled 894,603 as of the balance sheet date, and was deducted in the calculation of earnings per share. The weighted number of shares outstanding from January 1, 2007 to June 30, 2007 was 73,196,628.

Notes to the Cash Flow Statement

Gross cash flow of TEUR 233,500 for the first six months of 2007 exceeded the prior year figure by 59%. Cash outflows of TEUR 150,524 for investments and acquisitions include TEUR 55,246 of maintenance, replacement and rationalization investments (maintenance capex) and TEUR 95,278 of acquisitions and the construction or expansion of plants (growth investments). The purchase prices for the stakes in Baggeridge and Korevaar were reported as payments made for investments in financial assets. In the coming financial statements, the purchase price for the investment as well as the acquired liabilities will be included under net payments made for the acquisition of companies. In contrast to other investments in financial assets, these stakes are not included in the calculation of free cash flow.

Notes to the Balance Sheet

Maintenance capex and growth investments for the first six months of 2007 increased fixed and financial assets by TEUR 143,524. The increase in net debt as a result of investments and the seasonal rise in receivables and inventories, the dividend payment and the purchase of treasury stock was more than offset by the issue of the hybrid bond, which was recorded as equity, and led to a reduction of TEUR 259,576 in net debt. Negative, non-recognized foreign exchange adjustments of TEUR 6,687 for the first six months of 2007 were generated above all in the USA and Czech Republic. During the period from March 12, 2007 to March 21, 2007 Wienerberger repurchased 300,000 shares of its stock for TEUR 13,392 to service the stock option plan. This reduction in equity is contrasted with an increase of TEUR 12,945 in the hedging reserve as well as cash inflows of TEUR 6,243 from the exercise of stock options by eligible managers and cash inflows of TEUR 492,911 from the issue of the hybrid bond. Profit after tax increased equity by TEUR 140,112. In contrast to the previous year, financial receivables from subsidiaries and receivables arising from loans are included under securities. The comparable prior year figures were adjusted accordingly.

Statement by the Managing Board

The Managing Board of Wienerberger AG hereby declares to the best of its knowledge and belief that these unaudited interim financial statements for the first six months of 2007 provide a true and fair view of the asset, financial and earnings position of the group in agreement with International Financial Reporting Standards (IFRSs), as adopted by the EU.

The Managing Board of Wienerberger AG
Vienna, August 21, 2007

W. Reithofer H. Scheuch W. Van Riet J. Windisch

**Audited IFRS Consolidated Financial Statements
for Financial Year Ended December 31, 2006**

Income Statement

Notes		2006 in TEUR	2005 in TEUR
(7)	Revenues	2,225,040	1,954,571
(8, 9, 13)	Cost of goods sold	-1,403,704	-1,210,986
	Gross profit	821,336	743,585
(8, 9, 13)	Selling expenses	-409,921	-369,778
(8, 9, 13)	Administrative expenses	-129,290	-109,524
(11)	Other operating expenses	-33,285	-25,554
(12)	Other operating income	54,271	31,556
(8)	Amortization of goodwill	-3,534	0
	Operating profit before non-recurring items	299,577	270,285
(14)	Non-recurring write-offs and provisions related to restructuring	-7,141	-11,365
(14)	Non-recurring income	5,056	10,637
	Operating profit after non-recurring items	297,492	269,557
	Income from investments in associates	26,154	29,513
(15)	Interest result	-48,167	-43,426
(16)	Other financial results	1,860	-4,377
	Financial results	-20,153	-18,290
	Profit before tax	277,339	251,267
(17)	Income taxes	-58,998	-54,834
	Profit after tax	218,341	196,433
	Thereof attributable to minority interest	2,395	2,080
	Thereof attributable to equity holders	215,946	194,353
(18)	Adjusted earnings per share before non-recurring items (in EUR)	3.02	2.67
(18)	Earnings per share (in EUR)	2.95	2.66
(18)	Diluted earnings per share (in EUR)	2.94	2.64
(18)	Recommended or paid dividend per share (in EUR)	1.30	1.18

The following notes to the financial statements form an integral part of this income statement.

Balance Sheet

Notes		31.12.2006 *in TEUR*	31.12.2005 *in TEUR*
	Assets		
(20)	Intangible assets	637,346	563,906
(20)	Property, plant and equipment	1,712,395	1,507,125
(20)	Investment property	28,773	32,984
(2, 20)	Investments in associates	129,389	106,503
(20)	Other financial assets	23,652	21,566
(26)	Deferred tax assets	61,442	61,355
	Non-current assets	2,592,997	2,293,439
(21)	Inventories	509,843	445,879
(22)	Trade receivables	222,325	184,407
(22)	Other current receivables	115,632	103,567
(29, 30)	Securities	40,004	22,402
	Cash and cash at bank	193,531	219,876
	Current assets	1,081,335	976,131
	Total Assets	3,674,332	3,269,570
	Equity and Liabilities		
	Issued capital	74,168	74,168
	Share premium	415,052	415,052
	Retained earnings	1,174,075	1,031,209
	Treasury stock	-30,269	-28,133
	Translation reserve	-69,019	-38,909
	Minority interest	27,436	29,717
(23)	Equity	1,591,443	1,483,104
(24, 25)	Employee-related provisions	73,024	75,671
(24, 26)	Provisions for deferred taxes	110,569	105,318
(24)	Other non-current provisions	58,090	53,463
(27, 29)	Long-term financial liabilities	798,128	1,091,366
(27)	Other non-current liabilities	48,278	51,102
	Non-current provisions and liabilities	1,088,089	1,376,920
(24)	Other current provisions	46,425	39,234
(27, 29)	Short-term financial liabilities	606,613	97,873
(27)	Trade payables	200,328	150,712
(27)	Other current liabilities	141,434	121,727
	Current provisions and liabilities	994,800	409,546
	Total Equity and Liabilities	3,674,332	3,269,570

The following notes to the financial statements form an integral part of this balance sheet.

Cash Flow Statement

Notes		2006 in TEUR	2005 in TEUR
	Profit before tax	277,339	251,267
	Depreciation and amortization	172,323	158,124
	Non-recurring write-offs related to restructuring	6,741	1,591
	Write-ups of fixed and financial assets	-1,541	-598
	Increase/decrease in long-term provisions	2,929	12,994
	Income from associates	-26,154	-29,513
	Income/loss from the disposal of fixed and financial assets	-13,183	-17,691
	Interest result	48,167	43,426
	Interest paid	-80,273	-55,878
	Interest received	30,305	23,751
	Income taxes paid	-45,873	-44,352
	Gross cash flow	370,780	343,121
	Increase/decrease in inventories	-34,836	-45,672
	Increase/decrease in trade receivables	-20,592	-9,580
	Increase/decrease in trade payables	40,342	2,643
	Increase/decrease in other net current assets	-3,769	-40,474
	Changes in non-cash items resulting from foreign exchange translation	-326	206
	Cash flow from operating activities	351,599	250,244
	Proceeds from the sale of assets	29,206	61,398
	Purchase of property, plant and equipment and intangible assets	-360,659	-278,628
	Payments made for investments in financial assets	-3,946	-233
	Increase/decrease in securities	-5,118	438
	Net payments made for the acquisition of companies	-169,743	-60,035
	Net proceeds from the sale of companies	574	157
(19)	Cash flow from investing activities	-509,686	-276,903
	Increase/decrease in long-term financial liabilities	-293,242	437,047
	Increase/decrease in short-term financial liabilities	510,536	-190,195
	Dividends paid by Wienerberger AG	-86,415	-78,040
	Dividends paid to minority shareholders and other changes in minority capital	840	2,464
	Dividend payments from associates	3,676	2,004
	Capital increase Wienerberger AG	0	0
	Cash inflows from exercise of stock options	5,268	5,364
	Purchase of treasury stock	-8,892	-21,326
	Cash flow from financing activities	131,771	157,318
	Change in cash and cash at bank	-26,316	130,659
	Effects of exchange rate fluctuations on cash held	-29	2,725
	Cash and cash at bank at the beginning of the year	219,876	86,492
	Cash and cash at bank at the end of the year	193,531	219,876

The following notes to the financial statements form an integral part of this cash flow statement.

Changes in Equity Statement

in TEUR	Issued capital	Share premium	Retained earnings	Treasury stock	Foreign exchange	Minority interest	Total
Balance on 31.12.2004	74,168	415,052	962,644	-13,327	-105,502	34,178	1,367,214
Net profit/minority interest			194,353			2,080	196,433
Dividend payments			-78,040			-2,467	-80,507
Foreign exchange adjustment					63,790	1,147	64,937
Foreign exchange adjustment to investments in associates					2,803		2,803
Hedging reserves			-47,635			15	-47,620
Capital increase/decrease						2,356	2,356
Increase/decrease in minority interest						-7,562	-7,562
Increase/decrease in treasury stock			-1,156	-14,806			-15,962
Expenses from stock option plans			1,250				1,250
Other changes			-208			-30	-238
Balance on 31.12.2005	74,168	415,052	1,031,209	-28,133	-38,909	29,717	1,483,104
Net profit/minority interest			215,946			2,395	218,341
Dividend payments			-86,415			-910	-87,325
Foreign exchange adjustment					-29,816	322	-29,494
Foreign exchange adjustment to investments in associates					-294		-294
Hedging reserves			12,520			44	12,564
Capital increase/decrease						1,750	1,750
Increase/decrease in minority interest						-5,840	-5,840
Increase/decrease in treasury stock			-1,488	-2,136			-3,624
Expenses from stock option plans			2,181				2,181
Other changes			122			-42	80
Balance on 31.12.2006	74,168	415,052	1,174,075	-30,269	-69,019	27,436	1,591,443

The following notes to the financial statements form an integral part of this changes in equity statement.

Table of Fixed and Financial Assets

in TEUR	Acquisition or Production Costs Balance on 1.1.2006	Change in consoli-dation range	Foreign exchange incr./decr.	Additions	Disposals	Transfers	Balance on 31.12.2006
Goodwill	532,040	84,632	-16,437	7,598	0	0	607,833
Other intangible assets	50,552	598	100	5,962	841	-291	56,080
Intangible assets	582,592	85,230	-16,337	13,560	841	-291	663,913
Land and buildings	861,609	27,488	-93	55,381	20,907	29,942	953,420
Machinery and equipment	1,647,641	15,671	-11,116	145,930	21,692	64,260	1,840,694
Fixtures, fittings, tools and equipment	91,044	1,009	-349	10,723	3,481	-4,960	93,986
Prepayments and assets under construction	96,607	1,908	-2,452	134,263	231	-96,010	134,085
Property, plant and equipment	2,696,901	46,076	-14,010	346,297	46,311	-6,768	3,022,185
Investment property	55,709	0	-416	802	20,983	7,059	42,171
Investments in associates	65,631	688	-204	0	0	0	66,115
Investments in subsidiaries	5,557	-607	-2	3,756	4,281	0	4,423
Other investments	20,050	-12	-14	190	123	0	20,091
Other financial assets	25,607	-619	-16	3,946	4,404	0	24,514
	3,426,440	131,375	-30,983	364,605	72,539	0	3,818,898

in TEUR	Acquisition or Production Costs Balance on 1.1.2005	Change in consoli-dation range	Foreign exchange incr./decr.	Additions	Disposals	Transfers	Balance on 31.12.2005
Goodwill	490,568	9,726	23,334	8,428	16	0	532,040
Other intangible assets	43,980	-375	226	2,578	998	5,141	50,552
Intangible assets	534,548	9,351	23,560	11,006	1,014	5,141	582,592
Land and buildings	783,907	13,767	15,759	24,109	13,975	38,042	861,609
Machinery and equipment	1,455,455	25,341	43,280	54,669	48,511	117,407	1,647,641
Fixtures, fittings, tools and equipment	87,480	317	1,605	8,286	8,680	2,036	91,044
Prepayments and assets under construction	82,797	808	3,370	180,558	320	-170,606	96,607
Property, plant and equipment	2,409,639	40,233	64,014	267,622	71,486	-13,121	2,696,901
Investment property	79,637	0	259	0	32,167	7,980	55,709
Investments in associates	62,938	-77	2,745	25	0	0	65,631
Investments in subsidiaries	6,195	-610	0	201	229	0	5,557
Other investments	19,561	817	261	7	596	0	20,050
Other financial assets	25,756	207	261	208	825	0	25,607
	3,112,517	49,714	90,839	278,861	105,492	0	3,426,440

Note: Rounding differences may arise from the automatic processing of data. The following notes to the financial statements form an integral part of this table of fixed and financial assets.

Depreciation

Balance on 1.1.2006	Change in consoli-dation range	Foreign exchange incr./decr.	Current year	Write-up	Disposals	Transfers	Balance on 31.12.2006	Carrying amount 31.12.2006	Carrying amount 31.12.2005
0	0	-34	3,534	0	0	0	3,500	604,333	532,040
18,686	-176	113	5,234	230	579	19	23,067	33,013	31,866
18,686	-176	79	8,768	230	579	19	26,567	637,346	563,906
257,066	-810	197	36,041	1	14,210	-1,771	276,512	676,908	604,543
873,413	-464	-3,804	124,349	1,309	20,359	2,491	974,317	866,377	774,228
59,092	-277	-146	9,812	1	3,444	-6,075	58,961	35,025	31,952
205	0	0	0	0	205	0	0	134,085	96,402
1,189,776	-1,551	-3,753	170,202	1,311	38,218	-5,355	1,309,790	1,712,395	1,507,125
22,725	0	-213	94	0	14,544	5,336	13,398	28,773	32,984
-40,872	-14	90	21	26,175	-3,676	0	-63,274	129,389	106,503
3,188	0	1	0	0	3,175	0	14	4,409	2,369
853	0	-2	0	3	0	0	848	19,243	19,197
4,041	0	-1	0	3	3,175	0	862	23,652	21,566
1,194,356	-1,741	-3,798	179,085	27,719	52,840	0	1,287,343	2,531,555	2,232,084

Depreciation

Balance on 1.1.2005	Change in consoli-dation range	Foreign exchange incr./decr.	Current year	Write-up	Disposals	Transfers	Balance on 31.12.2005	Carrying amount 31.12.2005	Carrying amount 31.12.2004
0	0	0	0	0	0	0	0	532,040	490,568
12,484	-218	122	3,571	1	244	2,972	18,686	31,866	31,496
12,484	-218	122	3,571	1	244	2,972	18,686	563,906	522,064
225,825	9	3,854	32,450	598	10,575	6,101	257,066	604,543	558,082
791,383	-205	20,246	113,293	0	41,165	-10,139	873,413	774,228	664,072
54,658	-210	834	10,113	0	7,372	1,069	59,092	31,952	32,822
205	0	0	5	0	2	-3	205	96,402	82,592
1,072,071	-406	24,934	155,861	598	59,114	-2,972	1,189,776	1,507,125	1,337,568
24,766	0	18	272	0	2,331	0	22,725	32,984	54,872
-13,390	85	-58	0	29,513	-2,004	0	-40,872	106,503	76,329
3,921	-744	-1	12	0	0	0	3,188	2,369	2,274
0	853	0	0	0	0	0	853	19,197	19,561
3,921	109	-1	12	0	0	0	4,041	21,566	21,835
1,099,851	-430	25,015	159,716	30,112	59,685	0	1,194,356	2,232,084	2,012,668

Segment Reporting

Segments	Central-East Europe		Central-West Europe		North-West Europe	
in TEUR	**2006**	**2005**	**2006**	**2005**	**2006**	**2005**
Third party revenues	606,726	502,958	453,716	378,211	805,867	727,555
Inter-company revenues	9,281	4,320	15,496	7,198	21,680	20,377
Total revenues	616,007	507,278	469,212	385,409	827,547	747,932
Operating EBITDA	158,094	136,666	96,088	78,033	177,739	165,345
Depreciation and amortization	54,760	49,632	36,997	34,778	61,676	56,114
Operating EBIT	103,333	87,033	59,091	43,255	116,063	109,231
Income from investments in associates	3,498	5,028	0	364	-21	0
Investments in associates	23,507	20,077	1,823	1,823	69	90
Liabilities	549,281	525,967	365,586	327,378	1,071,777	1,021,731
Capital employed	624,259	569,505	453,823	396,293	1,058,900	952,855
Assets	1,052,288	872,918	650,291	552,466	1,620,210	1,517,959
Maintenance capex	28,028	22,799	18,991	15,047	34,230	36,161
Growth investments	105,627	99,570	81,998	46,883	117,492	77,392
Employees	4,612	4,767	2,151	2,002	4,213	4,203

Products	Revenues		Operating EBITDA		Assets	
in TEUR	2006	2005	2006	2005	2006	2005
Hollow bricks	819,277	692,440	225,203	199,882	1,153,789	1,011,079
Facing bricks	810,743	778,636	135,769	138,407	1,194,563	992,005
Roofing systems	461,880	371,207	113,589	89,791	753,888	714,964
Pavers	124,789	104,913	20,714	18,387	170,175	136,301
Other	8,351	7,375	-23,374	-18,070	401,917	415,221
Wienerberger Group	2,225,040	1,954,571	471,901	428,397	3,674,332	3,269,570

Revenues	Central-East Europe		Central-West Europe		North-West Europe	
in TEUR	2006	2005	2006	2005	2006	2005
Austria	80,694	80,458				
Czech Republic	114,406	103,109				
Hungary	102,106	91,587				
Poland	151,700	109,688				
Other Eastern Europe	157,833	118,133			15,840	9,082
Germany			311,450	234,963		
Switzerland			72,141	70,878		
Italy			70,523	72,827		
Belgium					230,741	198,819
Netherlands					207,410	202,615
France					161,809	148,204
Great Britain					127,243	114,571
Scandinavia and Finland					63,258	55,083
USA						
Wienerberger Group	606,739	502,975	454,114	378,668	806,301	728,374

USA		Investments and Other		Group Eliminations		Wienerberger Group	
2006	2005	2006	2005	2006	2005	2006	2005
349,535	337,179	8,280	7,306	0	0	2,224,124	1,953,209
0	0	13,385	12,909	-58,926	-43,442	916	1,362
349,535	337,179	21,665	20,215	-58,926	-43,442	2,225,040	1,954,571
63,354	66,423	-23,374	-18,070	0	0	471,901	428,397
15,188	14,591	3,702	2,997	0	0	172,323	158,112
48,166	51,833	-27,076	-21,067	0	0	299,577	270,285
704	715	21,973	23,406	0	0	26,154	29,513
4,348	4,112	99,642	80,401	0	0	129,389	106,503
388,786	307,201	1,515,748	1,457,693	-1,808,289	-1,853,504	2,082,889	1,786,466
437,586	345,006	23,584	25,782	0	0	2,598,152	2,289,441
517,054	436,419	3,138,091	3,010,223	-3,303,602	-3,120,415	3,674,332	3,269,570
16,994	12,872	1,999	1,333	0	0	100,242	88,212
125,043	26,606	0	0	0	0	430,160	250,451
2,483	2,194	180	161	0	0	13,639	13,327

Capital Employed		Total Investments	
2006	2005	2006	2005
832,140	778,060	170,986	132,965
990,411	841,865	222,941	99,153
602,080	538,539	93,670	88,182
149,937	105,195	40,806	17,030
23,584	25,782	1,999	1,333
2,598,152	2,289,441	530,402	338,663

USA		Investments and Other		Wienerberger Group	
2006	2005	2006	2005	2006	2005
		8,351	7,375	89,045	87,833
				114,406	103,109
				102,106	91,587
				151,700	109,688
				173,673	127,215
				311,450	234,963
				72,141	70,878
				70,523	72,827
				230,741	198,819
				207,410	202,615
				161,809	148,204
				127,243	114,571
				63,258	55,083
349,535	337,179			349,535	337,179
349,535	337,179	8,351	7,375	2,225,040	1,954,571

Notes to the Financial Statements

Reporting in accordance with International Financial Reporting Standards (IFRS)

These financial statements were prepared in keeping with § 245a of the Austrian Corporate Code and in accordance with the guidelines set forth in International Financial Reporting Standards (IFRS) and the Interpretations of the International Financial Reporting Interpretations Committee (IFRIC), which were in effect as of the balance sheet date and were adopted by the European Union (EU).

General Information

1. Basis of Preparation

Wienerberger is an international building materials group; the headquarters of the parent company are located in Vienna, Austria. The business activities of the Group can be classified in five segments: Central-East Europe, Central-West Europe, North-West Europe and the USA as well as Investments and Other. The consolidated financial statements of Wienerberger AG and its subsidiaries reflect International Financial Reporting Standards (IFRS) valid for the 2006 business year. The new IFRS 7 Financial Instruments: Disclosures (valid as of 2007) and IFRS 8 Operating Segments (valid as of 2009) were not applied in advance.

Independent auditors have examined the annual financial statements of all national and international companies which require a statutory audit or have submitted to a voluntary audit in accordance with IFRS. The financial statements of all consolidated companies are based on historical acquisition and production costs, and were prepared as of the balance sheet date. To simplify presentation, certain items on the balance sheet and income statement were grouped together. The notes provide detailed information on all such items in accordance with IFRS.

2. Consolidation Range

An overview of fully or proportionally consolidated companies and companies valued at equity is provided in the List of Companies at the end of the notes.

In addition to Wienerberger AG, the 2006 financial statements include 13 (2005: 14) Austrian and 108 (2005: 105) foreign subsidiaries in which Wienerberger AG has management control or directly or indirectly owns the majority of shares. Twenty-four (2005: 33) affiliates, whose influence on the asset, financial and earnings position of the Group is immaterial, were not included in the consolidation. The combined revenues, income, liabilities and assets of these unconsolidated companies equal less than 2% of the relevant figures for the Group.

Twelve (2005: 12) joint venture companies in the Schlagmann and Bramac Groups, which are under common management, were consolidated using the proportional method.

The equity method is used for consolidation in cases where the Wienerberger Group holds between 20 and 50% of the shares (associates), if these entities are considered significant for the preparation of a true and fair view of the Group's assets, financial and earnings position. The carrying value of the seven companies consolidated at equity totals TEUR 129,389, and TEUR 96,993 of this amount is attributable to the Pipelife Group.

The consolidation range developed as follows during the 2006 reporting year:

Consolidation Range	**Fully consolidated**	**Proportionally consolidated**	**Equity accounting**
Balance on 31.12.2005	**119**	**12**	**7**
Change in consolidation method	1	0	0
Included during reporting year for first time	14	0	1
Merged/liquidated during reporting year	-12	0	-1
Divested during reporting year	-1	0	0
Balance on 31.12.2006	**121**	**12**	**7**
Thereof foreign companies	108	10	5

The following table shows the pro rata values for joint ventures included in the financial statements at their proportional share:

in TEUR	**2006**	**2005**
Revenues	104,904	89,144
EBITDA	24,768	20,826
EBIT	19,426	15,817

Assets *in TEUR*	**31.12.2006**	**31.12.2005**	**Equity and Liabilities** *in TEUR*	**31.12.2006**	**31.12.2005**
Non-current assets	59,574	61,813	Equity	43,834	47,582
Current assets	28,637	28,707	Non-current provisions and liabilities	16,600	16,041
			Current provisions and liabilities	27,777	26,897
	88,211	**90,520**		**88,211**	**90,520**

Following are the proportional values for companies valued at equity (Pipelife Group and Tondach Gleinstätten Group):

in TEUR	**2006**	**2005**
Revenues	440,487	404,457
EBITDA	51,130	49,548
EBIT	33,460	31,374

Assets *in TEUR*	**31.12.2006**	**31.12.2005**	**Equity and Liabilities** *in TEUR*	**31.12.2006**	**31.12.2005**
Non-current assets	131,594	130,863	Equity	121,737	102,306
Current assets	180,045	162,527	Non-current provisions and liabilities	62,770	67,148
			Current provisions and liabilities	127,132	123,936
	311,639	**293,390**		**311,639**	**293,390**

3. Acquisitions and Disposals

The following acquisitions made during 2006 are included in the consolidation for the first time:

Name of Company	Share in %	Name of Company	Share in %
Wienerberger Cermegad Sp. z. o.o.	100.00	Wienerberger Zeslawice Sp. z o.o.	59.34
Wienerberger Cegielnie Kraków S.A.	100.00	Uspeh AD	97.59
Bayrische Dachziegelwerke Bogen GmbH	100.00	Ampe Steenbakkerijen NV	100.00
Robinson Brick Company	100.00	Robinson Brick Company-Billings LLC	100.00
Robinson Brick Company-Block LLC	100.00	Robinson Brick Company-Aucutt's LLC	100.00
Robinson Brick Company-Northern LLC	100.00	Colorbeton a.s.	75.00
Curley Building Material, Inc.	100.00		

The changes in the consolidation range since December 31, 2005 involved the following initial consolidations and deconsolidations:

Wienerberger acquired the Polish Biegonice Group with two hollow brick plants in Southern Poland in early February. As of May 1, 2006 the Group acquired 100% of the shares in Bayrische Dachziegelwerke Bogen GmbH with one clay roof tile plant in Germany and 100% of Ampe Steenbakkerijen NV with one hollow brick plant in Belgium. On June 13, 2006 the control of the Robinson Group, which is headquartered in Denver, Colorado, was transferred to the Wienerberger Group. The purchase price for this company (debt-free) was TEUR 95,547. Robinson operates one facing brick plant, three concrete block factories and a number of retail centers in the western region of the USA. As of October 1, 2006 the Semmelrock Group, a member company of the Wienerberger Group, acquired 100% of the Czech Colorbeton a.s., which operates three production facilities in the Czech Republic.

During the reporting year the Wienerberger Group not only completed acquisitions (share deals), but also purchased the following brick plants (asset deals): on May 1, 2006 a hollow brick plant in Blindenmarkt, Austria, on August 1, 2006 two clay roof tile plants from Jungmeier in Straubing, Germany, and on December 1, 2006 a clay paver plant from Penter Klinker Klostermeyer KG in Bramsche, Germany. These asset deals are shown as additions to assets and not reported as changes in the consolidation range.

The brick activities of Wienerberger in Ukraine, which were not consolidated in previous years, were included in the consolidation for the first time in 2006.

On August 17, 2006 Wienerberger announced a cash purchase offer for the shares of Baggeridge Brick PLC, a company traded on the London Stock Exchange. This offer will only take effect after the transaction has been approved by the UK Competition Commission. Baggeridge is number four on the British market with five facing brick plants and 575 employees, and recorded revenues of TGBP 54,954 and EBITDA of TGBP 7,663 for the past business year (balance sheet date 30.06.2006). This offer has no effect on the annual financial statements of the Wienerberger Group for 2006.

Companies included in the consolidation for the first time generated TEUR 75,907 of revenues and TEUR 9,465 of EBITDA for the period from January 1, 2006 to December 31, 2006.

Changes to the consolidation range in 2006 also include the effect on revenues and earnings of the first full-year consolidation of von Müller Dachprodukte GmbH & Co. KG (initial consolidation as of April 1, 2005) and the acquisition of 100% of the shares in Petersminde Denmark (initial consolidation during the third quarter of 2005).

The shares in Wienerberger Ofenkachel GmbH & Co KG were sold and the investment was deconsolidated as of December 31, 2006. In these financial statements the company is included in the income statement for the full year, but not in the balance sheet as of December 31, 2006.

All changes in the consolidation range had a net impact of TEUR 78,521 on revenues and TEUR 8,639 on EBITDA.

Companies included for the first time were consolidated at the point of acquisition or at the next balance sheet date, unless this led to a material impact compared to inclusion at the point of acquisition.

The effect of changes in the consolidation range on the income statement and balance sheet is as follows for 2006 (from/as of the date of initial consolidation or deconsolidation):

in TEUR	**2006**
Revenues	78,521
EBITDA	8,639
EBIT	4,521

Assets *in TEUR*	**31.12.2006**	**Equity and Liabilities** *in TEUR*	**31.12.2006**
Non-current assets	137,620	Non-current provisions and liabilities	4,737
Current assets	-113,774	Current provisions and liabilities	19,109
	23,846		**23,846**

4. Basis of Consolidation

For included subsidiaries and proportionally consolidated joint ventures, the book value method is used to eliminate the investment and equity. Under this method, the acquisition value of the investment is compared with the revalued shareholders' equity on the date of initial consolidation (purchase accounting). Any identifiable difference between the acquisition cost and revalued equity is added to fixed assets; any remaining goodwill, which represents compensation to the seller for market and development opportunities that are not specifically identified, is recognized as an asset in local currency under the relevant segment (TEUR 84,632 for the reporting year). In accordance with IFRS 3 Business Combinations, goodwill from acquisitions is no longer amortized on a regular basis but subject to an annual impairment test and only written down if the asset has been impaired. Impairment charges of TEUR 3,534 were recognized for the segment North-West Europe in 2006.

Changes in the consolidation range in 2006 resulted in negative differences of TEUR 1,853, which were recognized to the income statement.

For associates consolidated at equity, the same basic methodology applied to subsidiaries and joint ventures is used to consolidate shareholders' equity. For companies consolidated using equity accounting, local valuation methods are maintained if the relevant amounts are immaterial.

All receivables and liabilities, revenues, and other income and expenses arising between companies consolidated at 100% or their proportional share are eliminated. Discounts and other unilaterial transactions affecting profit and loss are eliminated and charged to the income statement. Deferred taxes are recorded to reflect the income tax effects of consolidation entries charged to the income statement.

Inter-company gains and losses, which arise from the sale of goods or services between Group companies and which affect fixed or current assets, are eliminated unless they are immaterial.

5. Foreign Exchange Translation

The accounts of foreign companies are translated into the euro based on the functional currency method. The relevant local currency is the functional currency in all cases since these companies operate independently from a financial, economic, and organizational standpoint. With the exception of the component parts of shareholders' equity, all balance sheet items are translated using the closing rate on December 31, 2006. Goodwill is recorded as an asset in local currency and also translated at the closing rate on the balance sheet date for the financial statements. Expense and revenue items are translated at the average exchange rate for the year.

Unrealized foreign exchange translation differences arising from non-current Group loans are offset against the translation reserve with no impact on the income statement.

Translation risk arising from the Group's brick activities in the USA, Great Britain and Eastern Europe is limited by foreign currency swaps. These transactions involve the conclusion of a foreign currency-euro swap equal to the value of the assets held in the foreign currency. The translation risk associated with brick activities in Poland and Great Britain is covered to 56% and 85%, respectively, by foreign currency swaps and foreign currency futures. The translation risk arising from the US dollar based assets is covered to more than 100%.

During the reporting year, translation losses of TEUR 30,110 (2005: TEUR -66,593) were charged to equity with no effect on the income statement. The recording of foreign currency transactions (hedging transactions) that were not recognized to the income statement led to an increase of TEUR 12,520 in retained earnings. Translation gains and losses arising from the use of different exchange rates for the balance sheet (exchange rate on the balance sheet date) and income statement (average exchange rate for the year) are charged or credited to equity.

The major exchange rates used for foreign exchange translation showed the following development during the reporting year:

in EUR	Closing rate on 31.12.2006	Closing rate on 31.12.2005	Average rate for the year 2006	Average rate for the year 2005
100 British Pound	148.36795	145.92149	146.66586	146.22527
100 Danish Krone	13.41031	13.40393	13.40642	13.41948
100 Croatian Kuna	13.60267	13.56677	13.65309	13.51375
100 Norwegian Kroner	12.14772	12.52348	12.42563	12.48323
100 Polish Zloty	26.09263	25.90674	25.67042	24.85658
100 Romanian Lei	29.57705	27.17244	28.38295	27.61400
100 Swedish Krona	11.06219	10.65133	10.81146	10.77407
100 Swiss Franc	62.16586	64.30455	63.56688	64.58462
100 Slovakian Koruna	2.90318	2.63992	2.68810	2.59075
100 Slovenian Tolar	0.41729	0.41753	0.41737	0.41742
100 Czech Koruna	3.63769	3.44828	3.52978	3.35783
100 Hungarian Forint	0.39777	0.39546	0.37855	0.40313
100 US Dollar	75.76906	84.76731	79.30057	80.36759

6. Significant Accounting Policies

The accounting and valuation methods used by the Group remain unchanged from December 31, 2005.

Wienerberger continues to follow the method used in the previous year and records free CO_2 emission rights granted under EU Emissions Trading Directive 2003/87/EC at a purchase price of zero based on IAS 20 and IAS 38. Under this method, the income statement only includes expenses for the purchase of additional certificates or income from the sale of unused certificates.

The Cash Flow Statement was expanded to better meet the requirements of IAS 7, and profit before tax now forms the starting point. Interest and tax payments are shown separately as components of gross cash flow. The necessary adjustments are included under cash flow from operating activities and cash flow from financing activities. Prior year data was adjusted accordingly in the relevant positions.

The consolidated financial statements were prepared in accordance with the following principles:

Realization of revenue and expenses: Revenue arising from the provision of goods or services is realized when all major risks and opportunities arising from the delivered object have been transferred to the buyer. Operating expenses are recognized when a service is rendered or a delivery is received, or at the point such liability is incurred.

Order backlog: Information on the order backlog is irrelevant for an analysis of the business activities of Wienerberger AG. Therefore, this information is not provided.

Tangible and intangible assets: Fixed assets and purchased intangible assets are recorded at production or acquisition cost, less straight-line depreciation or usage-based depletion (clay pits). Production costs include direct expenses plus allocated material and production overhead. General selling and administrative expenses are not capitalized. The cost of debt incurred during the construction period of major new plants is capitalized. Depreciation is based on the useful economic lives of the various assets (component approach).

For the majority of assets, ordinary straight-line depreciation is calculated as follows:

Production plants (incl. warehouses)	25 years	Kilns and dryers (facing bricks)	10 – 20 years
Administrative buildings	40 – 50 years	Other machinery	5 – 15 years
Residential buildings	40 – 50 years	Fittings, furniture and office equipment	3 – 10 years
Kilns and dryers (roof tiles and hollow bricks)	8 – 15 years	Other intangible assets	3 – 10 years

An impairment loss is recognized where necessary to reflect any significant and lasting decrease in value above and beyond ordinary depreciation. Repairs that do not increase the presumed useful life of assets are charged to current expenses. In accordance with IFRS 5, scheduled depreciation is discontinued when assets are classified as held for sale.

When plant or equipment is shutdown, sold or retired, the gain or loss arising from the difference between the proceeds on sale and remaining book value is recorded under other operating income or loss if the amount of the transactions reflects similar annually recurring events.

In accordance with IAS 17 Leases, leased fixed assets, which economically represent purchases financed with long-term funds (finance leases), are recorded at that price that would have been paid if the asset had been purchased. Amortization is calculated over the lesser of the useful life of the asset or the term of the lease. Obligations arising from future lease payments are recorded as liabilities.

Subsidies and investment grants (in particular, German investment subsidies) are recorded as liabilities and released in keeping with the useful life of the relevant asset.

In accordance with IAS 36 Impairment of Assets, assets are written down to the value in use or a possible sale price or liquidation value if there is evidence of impairment and the present value (discounted at a WACC rate of 7.5%) of future payment surpluses is less than book value. In the Wienerberger Group, cash-generating units generally represent groupings of plants. Future payment surpluses are based on internal forecasts, which are prepared in detail for 2007 and with minor simplifications for the following three years (2008, 2009 and 2010). The quality of these forecasts is evaluated on a regular basis through a variance analysis that compares this data with actual figures. The results of this analysis are reflected in the forecast for the following year. Future payment surpluses for the years 2011 to 2021 are based on the estimated payment surplus for 2010. Therefore, the calculation of the present value of payment surpluses is based on 15 reporting years.

The major factor for determining the value in use is formed by assumptions for the future development of the local market and sales volumes. The value in use is therefore determined on the basis of assumptions that are checked with economic researchers in the various regional markets, estimates published by Euroconstruct and values from past experience. Market growth rates may vary from –5 to +5% in a single year during the short-term planning period of four years; after this time, average market growth is generally assumed to range from 0 to +2%. Cost structure forecasts generally use past experience in the Wienerberger Group as a base for extrapolation.

The carrying value of a fixed asset that was previously written down is increased to the recoverable amount if the reasons for impairment cease to exist or if a possible use is found for the item. In accordance with IFRS 3, goodwill that was subject to an impairment write-down in the past is not written up again.

Investment property is carried at depreciated cost.

Financial investments: Investments in associates are generally stated at equity, unless these investments are immaterial. Investments in other companies are valued at acquisition cost. A write-down is made if there are signs of lasting impairment. Write-downs and write-ups are shown under financial results.

Inventories: Inventories are stated at the lower of cost or net realizable value, whereby valuation is based on the moving average method. Cost includes direct expenses, allocated overhead, and depreciation based on normal capacity usage (between 85 and 100% of capacity). Interest charges as well as selling and administrative expenses are not included in the production cost of current assets. Risks resulting from length of storage or other impairments in value are reflected in appropriate write-downs.

Receivables: Receivables and other current assets are stated at nominal value. Individually identifiable risks are reflected in specific provisions. Non-interest bearing receivables with a remaining term in excess of one year are recorded at discounted present value. Foreign exchange receivables in individual company accounts are translated at the exchange rate on the balance sheet date.

Securities are recorded at purchase price as of the date of acquisition, and stated at fair value in subsequent periods, based on stock exchange quotations as of the balance sheet date. Fluctuations in fair value are recognized to the income statement and included under financial results. Financial assets are recorded as of the trade date, which is the date the company becomes a party to the buy or sell contract.

Provisions: Provisions for severance payments - primarily for employees of the Austrian companies - are calculated according to financial principles based on a retirement age of 65 (men) and 60 (women), using a discount rate of 4%. The Austrian method "Teilwertverfahren" is used.

The Wienerberger Group has both defined contribution and defined benefit pension plans. Defined contribution plans carry no further obligation after the payment of premiums. Under defined benefit plans, the employee is promised a certain retirement benefit. The risk related to the actual retirement benefit is carried by the company up to the point of payment. The provisions for defined benefit pension plans are calculated according to the projected unit credit method. The valuation of pension commitments includes future wage/salary increases as well as increases in defined benefit commitments. In general these calculations are based on a discount rate that lies between 4.5% (Europe) and 5.75%, an expected increase of 2.5 – 5.0% in income, expected growth of 1.0 – 5.75% in pensions, average employee turnover of 2.0 – 5.0% and an expected return of 4.55 – 7.8% on plan assets. The provisions for pensions are calculated by actuaries.

Commitments by US companies to cover medical costs for retired employees are recorded under provisions for pensions because of their pension-like character.

The provisions for pensions were netted out with pension plan assets that are held to cover commitments. The market values of plan assets that exceed pension obligations are shown under other current receivables.

Significant actuarial gains and losses are not recognized to income in the year they arise, but are amortized over the remaining service time of active employees (corridor rule).

In agreement with IAS 12 (revised) the provision for deferred taxes includes all temporary valuation and accounting differences arising between financial statements prepared for tax purposes and IFRS financial statements. The provision for deferred taxes is calculated at the tax rate expected when these differences reverse in the future, based on the local tax rate of the relevant Group company. Future changes in tax rates are included if the relevant legal amendment has been passed as of the balance sheet date.

In accordance with IAS 16 (applicable as of January 1, 2005), provisions for site restoration are created when a clay pit is purchased. The underlying assumptions for site restoration provisions are primarily based on local conditions. The provisions for site restoration on clay pits purchased before 2005 are based on depletion, in accordance with the transition rule to IAS 16. Other liabilities whose due dates or amounts are uncertain are recorded as liabilities in accordance with IAS 37.

Liabilities: Liabilities are stated at the actual amount received, less transaction costs. Any premium, discount or other difference between the amount received and repayment amount is distributed over the term of the liability according to the effective interest rate method and recorded under financial results. Foreign currency liabilities are translated at the exchange rate on the balance sheet date.

Derivative financial instruments: Interest rate and foreign exchange swaps as well as foreign exchange contracts are recorded at purchase price as of the trade date, and shown at fair value in subsequent periods. The fair value of securities traded on a stock exchange is based on the actual market price. The fair value of interest rate swaps that are not traded on a stock exchange is based on the discounted value of future payments, which is calculated using a current market interest rate. The fair value of derivative instruments, which must be classified as hedging instruments under IAS 39 (above all, foreign currency swaps), are recorded with no impact to the income statement. The ineffectiveness on cash flow hedges is immaterial. For fair value hedges (above all, interest rate swaps) the value of the underlying transaction is adjusted by the fair value of the hedged risk, and this amount is recognized to the income statement.

Earnings per share: The calculation of earnings per share is based on Group profit after tax less minority interest, divided by the weighted number of shares outstanding (less treasury stock). As part of the stock option plan, Wienerberger managers were granted option rights.

Estimates: In preparing the Group financial statements, it is necessary to estimate certain figures and make assumptions that influence the recording of assets and liabilities, the declaration of other obligations as of the balance sheet date, and the recording of revenues and expenses during the reporting period. The actual figures, which become known at a later date, may differ from these estimates.

Segment reporting: In accordance with the "management approach", the definition of business units for primary segment reporting must reflect the internal reporting structure. Therefore, Wienerberger structures its segments of business according to regions. EBITDA, EBIT, assets and capital employed as well as total investments are classified according to company headquarters. The secondary segment reporting provides information on the following product groups: hollow bricks, facing bricks, roofing systems, pavers and other.

Transfer prices: The regional exchange of goods and services between the individual strategic segments is immaterial. Prices for the sale of goods between Group companies are established at arm's length based on the resale price method. Prices for the provision of services between Group companies are established at arm's length based on the cost-plus method.

Notes to the Income Statement

7. Revenues

Consolidated revenues rose by 14% to TEUR 2,225,040. After an adjustment for changes in the consolidation range and excluding currency translation effects, organic growth totalled 10% (2005: 4%). In the Central-East Europe segment, all countries reported a significant improvement in revenues. The increase in revenues in Germany was supported by organic growth as well as the acquisition of several brick and clay roof tile plants. Revenues in Switzerland exceeded the 2005 level by a slight amount, but revenues in Italy fell slightly below the comparable prior year figure. The North-West Europe segment recorded a substantial increase in revenues, which was driven by organic growth as well as the purchase of the Ampe hollow brick plant in Belgium. Revenue growth in the USA resulted entirely from acquisitions; the market slump led to an organic decline. Foreign exchange rates had a positive impact of TEUR 1,772 on Group revenues, whereby positive effects from East European currencies were partly offset by a weaker US dollar. Detailed information on revenues by segment and region is provided under segment reporting on pages 92 and 93.

8. Material Expense and Depreciation

The cost of goods sold, selling and administrative expenses include expenses for materials, maintenance, merchandise and energy totaling:

in TEUR	**2006**	**2005**
Cost of materials	310,691	267,199
Maintenance expenses	136,524	120,653
Cost of merchandise	127,107	105,650
Cost of energy	315,987	250,364
Total	**890,309**	**743,866**

The reported expenses are reduced by income of TEUR 5,171 (2005: TEUR 8,301) from an increase in work in progress and finished goods inventories as well as the capitalization of costs related to the construction of qualified fixed assets.

In order to provide detailed data for analysis, maintenance expenses are shown separately. The prior year figure of TEUR 83,591, which was included under the cost of materials, was adjusted accordingly. In addition, the cost of services was split up into the following component items: maintenance of TEUR 37,062, environmental protection expenses of TEUR 8,096, services of TEUR 16,174, internal transportation of TEUR 9,516 and miscellaneous expenses of TEUR 2,932.

The cost of materials includes expenses for clay, sand, sawdust and other additives, pallets and packaging materials. Maintenance expenses involve the use of low-value spare parts as well as third party services. The cost of goods sold, selling expenses, administrative expenses, and other operating expenses include the following depreciation and amortization:

in TEUR	2006	2005
Ordinary depreciation	166,009	154,082
Extraordinary depreciation	2,780	4,030
	168,789	**158,112**
Amortization of goodwill	3,534	0
Depreciation of plant, property and equipment and amortization of intangible assets	**172,323**	**158,112**

In accordance with IFRS 3 Business Combinations, goodwill is not amortized on a regular basis but subject to an annual impairment test (see 6. Significant Accounting Policies). The impairment charges recognized to goodwill during the reporting year represent valuation adjustments to the goodwill arising from the acquisition of the Optiroc Group in the North-West Europe segment. These adjustments involve the facing brick business in Denmark and Norway, where an impairment test revealed a need for a write-down because the recoverable amount of these activities was less than their carrying values. The impairment resulted from lower margin expectations over the long-term, which were related above all to an increase in production costs.

9. Personnel Expenses

The cost of goods sold, selling and general administrative expenses include the following personnel expenses:

in TEUR	2006	2005
Wages	213,850	201,051
Salaries	179,315	166,315
Expenses for stock option plans	2,181	1,250
Expenses for severance payments	6,735	5,415
Expenses for pensions	10,850	11,584
Expenses for mandatory social security and payroll-related taxes and contributions	95,408	82,323
Other employee benefits	11,517	18,545
Personnel expenses	**519,856**	**486,483**

The remuneration for the members of the Managing Board totaled TEUR 3,854 in 2006 (2005: TEUR 3,618). Of this amount, TEUR 2,186 represents a variable component and TEUR 1,668 a fixed component. For active members of the Managing Board, pension expenses in the form of contributions to pension funds (defined contribution plans) and the service costs for defined benefit plans totaled TEUR 1,212 (2005: TEUR 1,075). Payments of TEUR 595 (TEUR 589) were made to former members of the Managing Board or their surviving dependents.

The members of the Supervisory Board received remuneration of TEUR 295 for their activities during the reporting year (2005: TEUR 273). Compensation paid to the Supervisory Board for the 2005 Business Year (payment in 2006) was calculated as a percentage of profit after tax before minority interests. These funds are distributed among the members of the Supervisory Board (shareholder representatives) in accordance with the scope of their duties. For detailed information, see the remuneration report on page 32.

The company has not provided any guarantees for credits, and no companies in the Wienerberger Group have granted credits to the members of the Managing Board or Supervisory Board.

The members of the Managing Board and Supervisory Board are listed on pages 20 and 26. The number of shares owned by the members of the Managing Board and Supervisory Board is listed on page 32. Detailed information on compensation paid to the members of the Managing Board and Supervisory Board is provided in the remuneration report on pages 30 to 32. Expenses arising from the stock option plans are shown on page 125.

10. Employees

The average number of employees was as follows:

	2006		2005	
	Total	Thereof joint ventures	Total	Thereof joint ventures
Production	9,526	456	10,051	440
Administration	1,151	76	1,111	73
Sales	2,962	177	2,165	166
Total	**13,639**	**709**	**13,327**	**679**
Thereof apprentices	63	2	39	3

Changes in the consolidation range led to an increase of 722 in the number of employees. Employees of companies included at their proportional share are reflected in this calculation in proportion to the holdings in these companies.

11. Other Operating Expenses

The cost of goods sold, administrative and selling expenses include the following other operating expenses:

in TEUR	2006	2005
Non-income based taxes	23,680	21,419
Loss on the disposal of fixed assets, excluding financial assets	4,949	3,102
Transportation costs for customer deliveries	110,490	109,794
Internal transport	79,583	55,350
Environmental protection measures	8,900	8,096
Uncollectible receivables	1,175	942
Services	117,001	105,961
Miscellaneous	71,702	57,531
Other operating expenses	**417,480**	**362,195**

In comparison to the prior year, other operating expenses are classified according to the type of expense. The prior year figures, which were classified according to the cost of sales method, were adjusted accordingly. A transition of expenses under the total cost method to expenses under the cost of sales method is provided on page 106.

The cost of services is comprised primarily of expenses for temporary personnel, business trips and travel, legal advising and consulting, advertising and telecommunications. Miscellaneous other expenses consist mainly of rents, commissions, patent and trademark rights, business entertainment as well as research and development. Research and development expenses at Wienerberger are limited to the cost of product development, process technology, the improvement of environmental standards and laboratory activities. The development costs for successful research programs are generally capitalized under the related asset. In 2006 research activities totaled TEUR 5,231 (2005: TEUR 3,595).

12. Other Operating Income

In comparison to the prior year, other operating income is classified according to the type of income. The prior year figures, which were classified according to the cost of sales method, were adjusted accordingly. A transition of income and expenses under the total cost method to income and expenses under the cost of sales method is provided further below on this page (see 13.).

in TEUR	2006	2005
Income from the disposal and write-up of tangible assets, excluding financial assets	14,617	12,261
Income from rental and leasing contracts	3,984	3,104
Subsidies	4,009	3,272
Insurance compensation	1,623	3,906
Miscellaneous	45,101	35,522
Other operating income	**69,334**	**58,065**

Miscellaneous other operating income represents sales-like revenues that are not part of the direct business activities of the Wienerberger Group.

13. Transition of Results according to Cost of Sales and Total Cost Method

In an income statement prepared according to the cost of sales method, expenses are classified by functional area. Under the total cost method, the amounts for each individual category of expenses are shown and then adjusted to reflect the increase or decrease in finished and semi-finished goods in order to present the expenses related to the actual volume of goods sold. The relationship of these two methods is explained below, whereby the change in inventories and capitalization of construction costs for qualified assets are included under the cost of materials.

in TEUR	Cost of freight	Cost of materials	Cost of merchandise	Depreciation	Cost of energy	Personnel expenses	Other income	Other expenses	Total
Cost of goods sold	0	422,683	127,107	145,167	309,173	303,360	-8,079	104,293	**1,403,704**
Selling expenses	122,451	19,361	0	7,063	5,003	133,601	-3,007	125,449	**409,921**
Administrative expenses	0	0	0	9,276	760	82,622	-3,977	40,609	**129,290**
Other operating expenses	0	0	0	7,283	1,051	273	0	24,678	**33,285**
Other operating income	0	0	0	0	0	0	-54,271	0	**-54,271**
Amortization of goodwill	0	0	0	3,534	0	0	0	0	**3,534**
	122,451	**442,044**	**127,107**	**172,323**	**315,987**	**519,856**	**-69,334**	**295,029**	**1,925,463**

14. Non-recurring Income and Expenses

As a reaction to changed market conditions, the Wienerberger Group incurred TEUR 7,141 of restructuring expenses (thereof TEUR 6,741 in extraordinary write-offs) for the shutdown of two plants in the USA and one in Czech Republic during 2006. In order to improve comparability, these non-recurring expenses are shown separately under non-recurring write-offs and provisions for restructuring, and are therefore not included under ordinary operating expenses.

During the fourth quarter of 2006 a property in the south of Vienna area was sold at a book gain of TEUR 5,056 (proceeds on sale: TEUR 5,851). In the comparable prior year period, a book gain of TEUR 10,637 was recorded on sale proceeds of TEUR 15.670. The amount of this book gain and size of the property are not representative of the book gains generated by ordinary business activities. Therefore, the gain is shown separately under non-recurring income to improve comparability.

15. Interest Result

Interest result is comprised of the following:

in TEUR	2006	2005
Interest and similar income	34,661	25,435
Interest and similar expenses	-82,828	-68,861
Interest result	**-48,167**	**-43,426**

16. Other Financial Results

Other financial results include the following items:

in TEUR	2006	2005
Income from subsidiaries	-1,271	-633
Income from other companies	540	534
Total income from investments	**-731**	**-99**
Market valuation of securities	-703	2,713
Foreign exchange gains/losses	6,978	378
Bank charges and commitment charges	-3,684	-7,369
Securities and other	**2,591**	**-4,278**
Other financial results	**1,860**	**-4,377**

The position bank charges and commitment fees include current expenses as well as the allocation of transaction costs that are related to the conclusion of credits or issue of bonds (above all, bank fees) over the term of the financing. The reversal of discounts and premiums is included under interest result.

17. Income Taxes

This item includes income taxes paid and owed by Group companies as well as provisions for deferred taxes.

in TEUR	2006	2005
Current tax expense	44,706	35,572
Deferred tax expense	14,292	19,262
Income taxes	**58,998**	**54,834**

The effective tax rate for the reporting year was 21.3% (2005: 21.8%). This rate is a weighted average of the effective local income tax rates of all companies included in the consolidation.

The difference between the current Austrian corporate tax rate of 25% (2005: 25%) and the Group tax rate shown in these statements is due to the following factors:

in TEUR	2006	2005
Profit before tax	**277,339**	**251,267**
Tax expense at tax rate 25%	**-69,335**	**-62,817**
Other foreign tax rates	-8,391	-9,398
Non-temporary differences as well as tax income and expense from prior periods	14,999	17,320
Change in valuation allowances for deferred tax assets and tax-loss carry-forwards	1,550	-807
Changes in tax rates	2,179	868
Effective tax expense	**-58,998**	**-54,834**
Effective tax rate in %	21.3	21.8

18. Earnings per Share, Recommendation for the Distribution of Profits

The current number of shares outstanding is 74,167,796. Wienerberger carried out a share buyback program from July 10 to July 21, 2006, primarily to service the stock option plans. This program resulted in the purchase of 250,000 shares. During the reporting year Wienerberger management exercised 305,000 options for Wienerberger shares from the 2003 stock option plan at a price of EUR 15.50 per share and 30,000 options from the 2002 plan at a price of EUR 18.00. These shares were drawn from treasury stock. As of December 31, 2006, 850,005 shares were held as treasury stock (2005: 935,005) and were deducted prior to the calculation of earnings per share. The resulting weighted average number of shares for the calculation of earnings per share in 2006 equaled 73,308,816.

Number of shares	2006	2005
Outstanding	74,167,796	74,167,796
Treasury stock	850,005	935,005
Weighted average	73,308,816	73,195,978

Based on consolidated net profit of TEUR 215,946 (2005: TEUR 194,353), earnings per share equal EUR 2.95 (2005: EUR 2.66). After an adjustment for non-recurring income and expenses of TEUR -2,085 (2005: TEUR -728) and impairment charges of TEUR 3,534 (2005: TEUR 0) to goodwill, earnings per share total EUR 3.02 (2005: EUR 2.67). Options from 2003, 2004, 2005 and 2006 lead to a dilution of earnings per share as defined in IAS 33 because the option price was lower than the market price on the balance sheet date. The dilution totaled 234,172 shares and led to a minimal reduction in earnings per share to EUR 2.94 (2005: EUR 2.64).

In accordance with the provisions of the Austrian Stock Corporation Act, the financial statements of Wienerberger AG as of December 31, 2006 form the basis for the dividend payment. These financial statements show a net profit of EUR 95,808,576.01. The Managing Board recommends the Annual General Meeting approve a dividend of EUR 1.30 per share, for a total payment of EUR 96,418,134.80 on issued capital of EUR 74,167,796, less a proportional share of EUR 1,105,006.50 for treasury stock, resulting in an amount of EUR 95,313,128.30. The Managing Board also recommends that the Annual General Meeting approve the carry forward of the remaining EUR 495,447.71.

Notes to the Cash Flow Statement

The Cash Flow Statement for the Wienerberger Group shows the changes in cash and cash equivalents resulting from the inflow and outflow of funds during the reporting year. Cash and cash equivalents (liquid funds) include cash on hand and deposits with banks. Securities and current liabilities owed to financial institutions are not part of cash and cash equivalents. The effects of company acquisitions and disposals are eliminated and shown separately under net payments made for the acquisition of companies. Data from foreign Group companies are generally translated at the average exchange rate for the year. In contrast to this practice, cash and cash equivalents are valued at the exchange rate in effect on the balance sheet date.

The Cash Flow Statement was expanded to better meet the requirements of IAS 7, and profit before tax now forms the starting point. Interest and tax payments are shown separately as components of gross cash flow. The necessary adjustments are included under cash flow from operating activities and cash flow from financing activities. Prior year data was adjusted accordingly in the relevant positions.

19. Cash Flow from Investing Activities

The acquisition of plant, property and equipment and intangible assets resulted in an outflow of funds totaling TEUR 360,659 (2005: TEUR 278,628). This amount includes TEUR 100,242 for maintenance, replacement rationalization and environmental protection investments (maintenance capex) as well as TEUR 260,417 for the construction or expansion of new plants and acquisitions (growth investments). Investments of TEUR 3,946 (2005: TEUR 233) were made in financial assets.

Cash inflows from the disposal of fixed and financial assets totaled TEUR 29,206 (2005: TEUR 61,398). These disposals generated gains of TEUR 13,183 (2005: TEUR 17,691).

Net payments made for the acquisition of companies totaled:

in TEUR	**2006**	**2005**
Payments made for companies acquired	161,388	44,652
Cash from companies consolidated for the first time	742	-496
Acquisition of minority stakes	7,613	15,879
Cash outflows from deconsolidated companies	0	0
Net payments made for the acquisition of companies	**169,743**	**60,035**

Net payments of TEUR 169,743 (2005: TEUR 60,035) made for companies acquired include the purchase price for the proportional share of equity as well as any debt assumed in connection with the transaction (debt-free company).

The transition from total investments to maintenance capex and growth investments made by the Wienerberger Group is as follows:

in TEUR	2006	2005
Payments made for investments in tangible and intangible assets	360,659	278,628
Net payments made for the acquisition of companies	169,743	60,035
Total investments	**530,402**	**338,663**
Maintenance, replacement, rationalization and environmental investments	100,242	88,212
Maintenance capex	**100,242**	**88,212**
Payments made for new plant construction and renovation	260,417	190,416
Net payments made for the acquisition of companies	169,743	60,035
Growth investments	**430,160**	**250,451**

Notes to the Balance Sheet

20. Fixed and Financial Assets

The development of fixed and financial assets is shown on pages 90 and 91. The effect of changes in the consolidation range is shown in a separate column. The figures shown for foreign exchange rate increases and decreases represent amounts arising from the use of different exchange rates to translate the assets of foreign companies at the beginning of the year and year-end.

Goodwill is distributed among the individual segments of business as follows:

in TEUR	2006	2005
Central-East Europe	44,740	30,792
Central-West Europe	65,629	59,434
North-West Europe	298,198	289,252
USA	195,625	152,421
Investments and Other	141	141
Goodwill	**604,333**	**532,040**

Goodwill in the North-West Europe segment resulted primarily from the acquisition of business activities in Great Britain (TEUR 73,182) as well the roof tile business in Belgium, the Netherlands and France (total: TEUR 187,776). In the USA goodwill arose from the purchase of General Shale (TEUR 138,157) and the Robinson Group (TEUR 57,468). Non-current assets include land with a value of TEUR 296,103 (2005: TEUR 267,751). Capitalized interest expense and foreign currency differences on new plant construction totaled TEUR 3,040 in 2006 (2005: TEUR 1,005). Of total non-current assets, TEUR 1,021 (mainly land) meet the criteria defined in IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, whereby the sale of these assets within one year is highly probable.

In addition to operating leases, the Wienerberger Group also uses ***finance leases*** to a limited extent. Fixed assets include the following plant and equipment from finance leases:

in TEUR	**2006**	**2005**
Acquisition costs	32,514	29,350
Depreciation (accumulated)	9,466	10,715
Book value	23,048	18,635

Obligations arising from operating leases, license agreements and rental contracts for the use of fixed assets not shown on the balance sheet represent liabilities of:

in TEUR	**2006**	**2005**
For the following year	18,249	14,550
For the next two to five years	66,251	46,660
Over five years	19,618	19,399

Payments arising from operating leases, license and rental agreements totaled TEUR 34,120 (2005: TEUR 29,089).

The balance sheet item investment property includes real estate and buildings with a book value of TEUR 28,773 (2005: TEUR 32,984),which are not used in current business operations. These assets are scheduled for sale over the middle to long-term, and are therefore classified as investment property. Based on comparable transactions, the present value of these assets is estimated at TEUR 39,917 (2005: TEUR 43,456). This property generated rental and other income of TEUR 12 in 2006 (2005: TEUR 261). During the 2006 business year, real estate classified as investment property with a book value of TEUR 6,439 was sold.

21. Inventories

in TEUR	**2006**	**2005**
Raw materials and consumables	77,677	65,214
Semi-finished goods	84,259	66,435
Finished goods and merchandise	346,337	313,068
Prepayments	1,570	1,162
Inventories	**509,843**	**445,879**

In contrast to the prior year, palettes are no longer classified as finished goods and merchandise but are recorded under raw materials and consumables. The prior year figures were adjusted by TEUR 15,791. Beginning in 2006 purchased clay is no longer recorded under raw materials and consumables but reported together with clay mined by the group under semi-finished goods. The prior year figures were adjusted by TEUR 19,584. Valuation adjustments totaling TEUR 6,796 (2005: TEUR 5,252) were recorded to products where the net realizable value (selling price less selling and administrative expenses) was less than the acquisition or production cost.

22. Receivables and Other Assets

All necessary individual valuation adjustments were made to receivables and other assets. In 2006 valuation adjustments totaled TEUR 1,175 (2005: TEUR 942). Individual valuation adjustments made to receivables during the reporting year represent less than 1% of total receivables and are therefore not shown separately.

Receivables	2006			2005		
in TEUR	Total	Remaining term <1 year	Remaining term >1 year	Total	Remaining term <1 year	Remaining term >1 year
Trade receivables from third parties	221,710	221,110	600	183,179	183,007	172
Trade receivables from subsidiaries	615	615	0	1,228	1,228	0
Trade receivables	**222,325**	**221,725**	**600**	**184,407**	**184,235**	**172**
Financial receivables from subsidiaries	11,456	11,456	0	12,556	8,042	4,514
Receivables arising from loans	12,408	2,663	9,745	12,469	3,044	9,425
Fair value of pension plan assets in excess of pension obligations	9,461	9,461	0	9,054	9,054	0
Other prepaid expenses	7,338	7,338	0	6,286	6,286	0
Miscellaneous	74,969	58,803	16,166	63,202	47,280	15,922
Other current receivables	**115,632**	**89,721**	**25,911**	**103,567**	**73,706**	**29,861**
Receivables	**337,957**	**311,446**	**26,511**	**287,974**	**257,941**	**30,033**

Receivables due from subsidiaries and affiliates are related primarily to loans. Trade receivables totaling TEUR 12,737 (2005: TEUR 9,936) are secured by notes receivable.

23. Capital and Reserves

The development of capital and reserves during 2006 and 2005 is shown on page 89.

Efficient capital structure management is a key goal of Wienerberger, whereby the composition of the capital structure is closely linked with the capital-intensive nature of the brick and roof tile business. Activities in this financial area are designed to guarantee a sufficient equity base to safeguard the continued existence of the Company, to finance expansion and permit the payment of dividends, while maintaining the current Standard & Poor's BBB and Moody's Baa2 ratings. In this respect, the key indicators for Wienerberger are net debt / EBITDA and EBITDA / net interest (interest cover). The goal of Wienerberger is to hold the net debt / EBITDA ratio below 3.25 years: on December 31, 2006 this value equalled 2.5 (2005: 2.2). Interest cover was 9.8 at year-end 2006 (2005: 9.9) and significantly exceeded our target of 5.8, which represents the minimum value according to our financial guidelines.

Equity totalled TEUR 1,591,443 as of December 31, 2006, compared to TEUR 1,483,104 in the prior year. This growth was supported above all by an increase in retained earnings, which resulted from net profit recorded for the year. Retained earnings of TEUR 1,174,075 (2005: TEUR 1,031,209) include the retained earnings of Wienerberger AG plus the retained earnings of subsidiaries not eliminated during the capital consolidation. Group profit for 2006, excluding the share of profit due to minority interest, is shown under retained earnings.

The issued capital of Wienerberger AG equals EUR 74,167,796 and is divided into 74,167,796 shares with zero par value. The Annual General Meeting on April 27, 2006 empowered the Managing Board to repurchase up to 10% of authorized share capital within a period of 18 months. Furthermore, the Annual General Meeting on May 11, 2004 passed a resolution that gives the Managing Board of Wienerberger AG the option to carry out a capital increase through the issue of up to 31,639,486 new shares. Any capital increase carried out within the framework of this authorization, which is valid for five years, must be approved by the Supervisory Board. In 2004 a total of 8,888,823 new shares were issued to finance the acquisition of Koramic Roofing and other growth projects. The Annual General Meeting on May 11, 2004 also authorized the Managing Board to issue up to 1,000,000 shares to serve the stock option plans over the next five years. This authorization has not been used to date.

Wienerberger will also continue its previous dividend policy in 2006 and plans to distribute approximately 44% (2005: 44%) of net profit for the reporting year. The Austrian Stock Corporation Act and the Articles of Association of Wienerberger AG contain provisions that – if approved by a qualified majority of shareholders at the Annual General Meeting – would permit a change in this dividend policy, the execution of capital increases or capital decreases, the start of share buyback programs, the modification of the investment program and/or the sale of assets in order to maintain an efficient capital structure.

Free float is distributed among Austrian and international investors (also see page 35), whereby three international funds each hold more than 5% of issued capital. Capital Research and Management, which is headquartered in Los Angeles, and the English Lansdowne Partners Limited in London, announced during August and September 2006 that they each hold more than 5% of Wienerberger shares. AIM Trimark Investments, a subsidiary of the Canadian investment company AMVESCAP PLC, has held more than 5% of the share capital of Wienerberger AG since November 2005. The Wienerberger share is traded in the Prime Market Segment of the Vienna Stock Exchange. In the USA, the share is traded in a Level 1 ADR Program of the Bank of New York on the OTC market.

24. Provisions

in TEUR	1.1.2006	Foreign exchange incr./decr.	Chg. in consolida-tion range	Reversal	Use	Addition	31.12.2006
Provisions for severance payments	13,442	8	-255	323	1,327	1,676	13,221
Provisions for pensions	57,836	-1,220	1,021	636	7,814	5,824	55,011
Provisions for service anniversary bonuses	4,393	15	299	410	375	870	4,792
Employee-related provisions	**75,671**	**-1,197**	**1,065**	**1,369**	**9,516**	**8,370**	**73,024**
Provisions for deferred taxes	**105,318**	**-4,177**	**0**	**1,995**	**1,343**	**12,766**	**110,569**
Provision for warranties	22,347	96	906	1,010	4,219	7,453	25,573
Provision for site restoration	28,460	-83	751	1,142	2,220	3,192	28,958
Provision for environmental measures	2,656	2	653	130	839	1,217	3,559
Other non-current provisions	**53,463**	**15**	**2,310**	**2,282**	**7,278**	**11,862**	**58,090**
Non-current provisions	**234,452**	**-5,359**	**3,375**	**5,646**	**18,137**	**32,998**	**241,683**
Provisions for current taxes	703	0	0	0	52	4,788	5,439
Other current provisions	38,531	97	3,138	6,585	30,155	35,960	40,986
Current provisions	**39,234**	**97**	**3,138**	**6,585**	**30,207**	**40,748**	**46,425**
Provisions	**273,686**	**-5,262**	**6,513**	**12,231**	**48,344**	**73,746**	**288,108**

25. Provisions for Pensions

Wienerberger has made pension commitments to selected managers as well as all employees in the Netherlands, Great Britain, the USA and Switzerland. Defined contribution plans represent the goal for future pension agreements. In 2004 a number of ***defined benefit*** pension agreements with active managers were converted to ***defined contribution*** pension models through the transfer of previously earned claims to a pension fund. Wienerberger has also made a number of defined pension commitments mainly to former managers, which are not tied to plan assets. The length of service forms the basis for retirement benefits. General Shale (USA) employees have a funded defined benefit pension plan as well as non-funded health insurance. The amount by which the fair value of pension plan assets exceeds pension obligations is shown under other receivables. ZZ Wancor (Switzerland) has a defined contribution pension plan through an external pension fund. Claims earned by Dutch employees are satisfied primarily through contributions to an industry-wide pension fund in the Netherlands. In Great Britain there is a defined contribution pension plan covering all employees. The member companies of thebrickbusiness, which was acquired during 2004, had a defined benefit model up to the end of 2003; a provision was created to reflect these obligations. In 2006 the provision for pensions was reduced by an extraordinary release of TEUR 3,080 to the income statement to reflect the discontinuation of part of the old defined benefit pension plans.

The most important actuarial parameters and relevant accounting principles are described on pages 101 and 102.

Total pension expenses for 2006 cover both defined contribution and defined benefit pension plans, and include the following components:

in TEUR	2006	2005
Defined contribution plans		
Expenses for defined contribution pension plans	**7,324**	**6,048**
Defined benefit plans		
Service costs for defined benefit pension plans	6,024	3,962
Interest costs	9,308	9,787
Expected income from plan assets	-8,087	-7,830
Actuarial gain/loss	-3,674	1,410
Past service cost	-45	46
Effect of plan curtailments and settlements	0	-1,839
Expenses for defined benefit plans	**3,526**	**5,536**
Total expenses for pensions	**10,850**	**11,584**

Gross pension obligations represent the present value of pension commitments as calculated by actuaries. Total pension obligations of TEUR 191,396 (2005: TEUR 196,765) include TEUR 174,402 (2005: TEUR 175,861) that are covered in part or in full by investments in funds (plan assets). The transition from gross pension obligations to net obligations as shown on the balance sheet is made by deducting non-recorded past service cost and actuarial gains and losses as well as the fair value of pension plan assets. Of the total net obligations, TEUR 12,947 are related to the US (retirement) health insurance program. The component parts of pension obligations and their coverage through plan assets are shown on the following page:

in TEUR	Defined benefit obligation 2006	Defined benefit obligation 2005	Fair value of plan assets 2006	Fair value of plan assets 2005
Value as of 1.1.	**196,765**	**182,240**	**134,906**	**112,769**
Changes in consolidation range	923	1,710	0	0
Foreign exchange increase/decrease	-3,039	11,787	-4,991	7,428
Service costs for defined benefit plans	6,024	3,962	0	0
Interest costs	9,308	9,787	0	0
Expected income from plan assets	0	0	8,087	7,830
Effects of plan curtailments and settlements	3	-2,682	3	-188
Actuarial gain/loss	-11,938	-3,708	1,143	6,760
Past service cost	137	95	0	0
Payments to retirees	-7,980	-7,411	-7,980	-7,411
Payments received from employees	1,193	985	1,193	985
Payments received from employers	0	0	8,017	6,733
Value as of 31.12.	**191,396**	**196,765**	**140,378**	**134,906**
Fair value of plan assets (funded)	-140,378	-134,906		
Present value of unfunded obligation as of 31.12.	**51,018**	**61,859**		
Non-recorded past service cost	0	0		
Non-recorded actuarial gains/losses (off-balance sheet risk)	-5,468	-13,077		
Net pension obligations recorded as of 31.12	**45,550**	**48,782**		
Thereof provision for pensions (p. 113)	55,011	57,836		
Thereof fair value of plan assets in excess of pension obligations (p. 112)	9,461	9,054		

Pension plan assets are comprised of assets from the defined benefit pension plans in the USA and the Netherlands as well as from the former defined benefit pension plan in Great Britain. The expected return on plan assets in 2006 was TEUR 8,087 and the actual return was TEUR 9,230. The plan assets are invested in stocks (78%), bonds (14%) and other assets (8%).

Legal regulations grant Austrian employees the right to a lump-sum payment at retirement or termination by the employer, depending on the length of service. These future obligations are reflected in provisions for severance payments. There are similar obligations in France and Italy.

26. Provisions for Deferred Taxes

Deferred tax assets and provisions for deferred taxes as of December 31, 2006 and December 31, 2005 are the result of the following temporary valuation and accounting differences between book values in the IFRS financial statements and the relevant tax bases:

	2006		2005	
in TEUR	**Assets**	**Equity and liabilities**	**Assets**	**Equity and liabilities**
Intangible assets	887	-19,906	547	-16,211
Property, plant and equipment	20,586	-103,100	7,379	-104,522
Financial assets	0	-236	0	-412
Inventories	2,554	-7,940	2,518	-7,990
Receivables	3,307	-2,059	6,300	-4,430
Securities	109	-365	150	-206
Cash and cash at bank	0	-2	1	0
Prepaid expenses	1,394	-3,571	1,643	-4,321
	28,837	**-137,179**	**18,538**	**-138,093**
Untaxed reserves	0	-11,342	0	-10,165
Provisions	22,019	-2,298	26,900	-873
Liabilities	7,851	-3,304	5,536	-3,613
Deferred income	25,968	-2,040	26,894	-2,092
	55,838	**-18,984**	**59,329**	**-16,744**
Tax loss carry-forwards	80,895		83,643	
Deferred tax assets/provisions	**165,570**	**-156,163**	**161,510**	**-154,836**
Valuation allowance for deferred tax assets	-58,534		-50,637	
Offset within legal tax units and jurisdictions	-45,594	45,594	-49,518	49,518
Net deferred tax assets and provisions	**61,442**	**-110,569**	**61,355**	**-105,318**

In the Group financial statements, temporary differences and tax loss carry-forwards totaling TEUR 58,534 (2005: TEUR 50,637) are not reflected in deferred tax assets because their use as tax relief is not yet sufficiently certain.

In accordance with IAS 12.39, provisions for deferred taxes were not recorded on temporary differences related to shares owned in subsidiaries. The cumulative value of shares in subsidiaries is TEUR 104,813 less than the pro rata share of equity owned in subsidiaries (2005: TEUR 33,225).

27. Liabilities

The remaining terms of the various categories of liabilities are shown in the following table:

2006 *in TEUR*	**Total**	**Remaining term <1 year**	**Remaining term 1-5 years**	**Remaining term >5 years**	**Thereof secured by collateral**
Interest-bearing loans	1,386,576	595,857	341,225	449,494	18,470
Finance leases	16,175	8,766	5,575	1,834	0
Financial liabilities owed to subsidiaries	1,990	1,990	0	0	0
Financial liabilities	**1,404,741**	**606,613**	**346,800**	**451,328**	**18,470**
Trade payables owed to third parties	200,152	200,058	94	0	0
Trade payables owed to subsidiaries	176	176	0	0	0
Trade payables	**200,328**	**200,234**	**94**	**0**	**0**
Prepayments received on orders	1,102	1,102	0	0	0
Amounts owed to tax authorities and social security carriers	45,232	44,983	42	207	0
Deferred income	35,298	12,000	12,474	10,824	0
Miscellaneous liabilities	108,080	83,349	12,700	12,031	0
Other liabilities	**189,712**	**141,434**	**25,216**	**23,062**	**0**
Liabilities as per balance sheet	**1,794,781**	**948,281**	**372,110**	**474,390**	**18,470**

2005 *in TEUR*	**Total**	**Remaining term <1 year**	**Remaining term 1-5 years**	**Remaining term >5 years**	**Thereof secured by collateral**
Interest-bearing loans	1,163,439	88,963	617,010	457,466	5,102
Finance leases	23,181	6,291	16,334	556	0
Financial liabilities owed to subsidiaries	2,619	2,619	0	0	0
Financial liabilities	**1,189,239**	**97,873**	**633,344**	**458,022**	**5,102**
Trade payables owed to third parties	149,506	149,476	30	0	0
Trade payables owed to subsidiaries	1,206	1,206	0	0	0
Trade payables	**150,712**	**150,682**	**30**	**0**	**0**
Prepayments received on orders	1,330	1,330	0	0	10
Amounts owed to tax authorities and social security carriers	36,825	36,624	8	193	9
Deferred income	37,896	11,653	12,879	13,364	7
Miscellaneous liabilities	96,778	72,120	10,664	13,994	1
Other liabilities	**172,829**	**121,727**	**23,551**	**27,551**	**27**
Liabilities as per balance sheet	**1,512,780**	**370,282**	**656,925**	**485,573**	**5,129**

Collateral primarily represents mortgages on land and guarantee agreements.

Other liabilities include TEUR 47,309 (2005: TEUR 39,634) due to employees and TEUR 27,833 (2005: TEUR 19,051) of accruals for bonuses and other sales deductions due to customers. Deferred income includes TEUR 31,694 (2005: TEUR 34,308) of subsidies and investment allowances granted by third parties, which are released to the income statement over the useful life of the related assets.

28. Contigent Liabilities and Guarantees

Contingent liabilities result from obligations to third parties, and are comprised of:

in TEUR	31.12.2006	31.12.2005
Sureties	186	16
Guarantees	1,472	2,025
Obligations from bills of exchange	0	10
Other contractual obligations	48	410
Contingent liabilities	**1,706**	**2,461**

All contingent liabilities reflect possible future obligations whose existence can only be confirmed by the occurrence of a future event that is completely uncertain as of the balance sheet date. In some cases the minority shareholders of group companies hold put options, which allow them to sell their holdings to Wienerberger within a specified period of time at a predefined price. These put options are not recorded as financial instruments because there is no market value and another reliable estimate is not possible. The only financial obligations above and beyond these contingent liabilities and guarantees ***(off balance sheet risks)*** are the non-recorded actuarial losses arising from pension obligations (see page 115).

Financial Instruments

29. Financial Instruments

Securities	2006			2005		
	Book value *in TEUR*	**Market value** *in TEUR*	**Ø Effective interest rate** *in %*	**Book value** *in TEUR*	**Market value** *in TEUR*	**Ø Effective interest rate** *in %*
Shares in funds	5,168	5,168	1.44	15,942	15,942	4.21
Corporate bonds	10,542	10,542	5.49	30	30	
Stock	7,576	7,576		13	13	
Derivatives	16,524	16,524		4,390	4,390	
Other	194	194		2,027	2,027	
	40,004	**40,004**		**22,402**	**22,402**	

The nominal value of corporate bonds amounts to TEUR 10,406.

Financial liabilities are comprised of the following items:

	Currency	Nominal value *in 1,000 local currency*	Market value *in TEUR*	Book value *in TEUR*	Effective interest rate *in %*
Loans	*EUR*	378,741	347,848	361,953	3.04
	USD	9,508	7,204	7,204	6.23
			355,052	**369,157**	
Roll-over	*USD*	8,400	6,365	6,365	8.25
			6,365	**6,365**	
Current loans	*EUR*	413,885	413,576	413,456	3.81
	CZK	45,000	82	82	7.10
	SKK	95,000	346	346	5.00
	USD	2,500	2,018	2,018	5.35
			416,022	**415,902**	
Fixed interest loans due to financial institutions			**777,439**	**791,423**	

	Currency	Nominal value *in 1,000 local currency*	Market value *in TEUR*	Book value *in TEUR*	Effective interest rate *in %*
Loans	*EUR*	45,918	32,579	32,517	4.23
	SIT	1,626,240	4,550	4,550	4.59
			37,129	**37,067**	
Roll-over	*EUR*	2,463	2,463	2,463	3.95
	DKK	0	238	238	1.25
	HUF	165,079	656	656	7.83
			3,357	**3,357**	
Current loans	*EUR*	160,544	149,389	148,876	4.72
	CZK	28,030	428	428	3.78
	Other		110	110	
			149,927	**149,414**	
Variable interest loans due to financial institutions			**190,413**	**189,838**	

	Currency	Nominal value *in 1,000 local currency*	Market value *in TEUR*	Book value *in TEUR*	Effective interest rate *in %*
Bonds - fixed interest	*EUR*	400,000	403,622	402,625	4.05
Roll-over - fixed interest	*EUR*	3,045	2,463	2,463	5.00
Current loans - fixed interest	*EUR*	223	227	227	3.20
Loans due to non-banks			**406,312**	**405,315**	

In April 2005 Wienerberger issued a seven-year, fixed-interest, bullet repayment bond with a volume of TEUR 400,000, which is recorded under long-term borrowings. The related expenses of TEUR 10,139 (bank charges and interest rate hedges) were recorded together with the bond and not recognized to the income statement. The difference will be recognized as interest expense or bank charges over the term of the bond in accordance with the effective interest rate method. The book value of the bord contains crude interest of TEUR 10,535.

Interest rates (variable, fixed) can be exchanged through the conclusion of interest rate swaps. The structure of financial liabilities (variable and fixed interest rates), including the effects of interest rate swaps, is shown on page 66.

30. Derivative Financial Instruments

The fair value of forward exchange contracts is based on the market price as of the balance sheet date. The prices for comparable transactions are used to value certain OTC contracts. The fair value for interest rate swaps represents the value that the company would receive or be required to pay on termination as of the balance sheet date. Current market conditions, above all current interest rates and the credit standing of the swap partner are taken into account in the determination of value.

The interpretation of market information necessary for the estimation of fair values also requires a certain degree of subjective judgment. This can result in a difference between the figures shown here and values subsequently realized on the marketplace.

	2006			2005		
	Currency	**Nominal value** *31.12.2006 in 1,000 local currency*	**Market value** *31.12.2006 in TEUR*	**Currency**	**Nominal value** *31.12.2005 in 1,000 local currency*	**Market value** *31.12.2005 in TEUR*
Forward exchange contracts	*EUR*	86,103	-570	*EUR*	12,961	87
	CZK	155,000	-5	*DKK*	54,300	8
	DKK	65,800	3	*GBP*	24,961	152
	GBP	16,492	-370	*NOK*	5,662	1
	HUF	850,000	-43	*SEK*	5,300	-3
	USD	118,809	-288			
Interest rate swaps	*EUR*	328,390	-8,652	*EUR*	383,805	-2,542
Cross currency swaps	*USD/EUR*	530,870	48,398	*USD/EUR*	380,870	20,863
	GBP/EUR	85,000	-2,030	*GBP/EUR*	85,000	493
	PLN/EUR	417,270	-14,130	*PLN/EUR*	417,270	-13,612
	CZK/EUR	800,000	-2,949	*CZK/EUR*	800,000	-907
	CHF/EUR	25,000	43	*CHF/EUR*	25,000	-150
	HUF/EUR	15,000,000	-2,883			
			16,524			**4,390**

Risk Report

The conduct of global operations exposes the business segments of the Wienerberger Group to a variety of risks that are inseparable from entrepreneurial activities. These risks and their potential impact on the Group are identified and analyzed by Wienerberger risk management, and suitable actions are taken based on the Group's defined risk policy. From the current standpoint, there are no risks that could endanger the continued existence of the Group.

Market Risks

Risks arise from developments in the major economies in which Wienerberger operates across Europe and the USA. The most important market segments for the Wienerberger Group are construction, in general, and new housing starts and renovation, in particular. A key parameter for the development of residential construction is the level of mortgage interest rates. In addition to this dependency on construction activity, bricks are subject to continuous competition from other wall and roofing materials.

This competition on the building materials market requires specialized research and development of our primary products, bricks and clay roof tiles. In addition, the building materials industry is subject to seasonal fluctuations. As is the case with the entire building materials industry, the earnings of the Wienerberger Group are in part dependent on the weather. In order to avoid earnings fluctuations wherever possible, Wienerberger pursues a strategy of geographical diversification with parallel concentration on the core business. The Group's activities are subject to the usual risks inherent in local markets, where positions must be continually protected against competitors and substitute products. Wienerberger's most important customer group is the building materials trade sector, and further market adjustments in this branch are expected to increase pressure on prices in the future. Specific market situations can also have a negative impact on price levels, and Wienerberger therefore monitors its price strategy on a continuous basis.

Procurement, Production, Investment and Acquisition Risks

The majority of the Wienerberger plants were constructed or modernized in recent years, and the risk of operating breakdowns or longer loss of production is therefore low. Supplies of clay raw materials for the production of bricks and clay roof tiles are guaranteed on a lasting basis by sufficient deposits and long-term supply contracts.

Energy prices are dependent on international and local market developments. In 2006 energy costs for the Wienerberger Group totaled TEUR 315,987 (2005: TEUR 250,364), or 14.2% (2005: 12.8%) of revenues. These expenses are divided into 66% for natural gas, 22% for electricity, 7% for oil and 5% for coal and other materials. A sharp increase in the price of natural gas during the reporting year triggered an above-average rise in energy costs in relation to revenues. Wienerberger works to minimize the risk connected with rising energy prices on liberalized markets in Great Britain and the USA (in total, 16% of energy costs) by concluding futures contracts. In numerous East European countries (in total, 20% of energy costs), the prices for natural gas are regulated by the federal government and contracts with local suppliers are negotiated each year. In most of the EU countries (in total, 64% of energy costs) Wienerberger concludes agreements with national and international suppliers, in which prices are determined using formulas that are tied to substitute products (such as light heating oil and diesel oil). These prices are in part established for longer periods of time. Therefore, futures can be concluded as a hedge against risk using a link to these substitute products.

Excess capacity in specific markets can lead to increased pressure on prices which, in turn, can result in selling prices that fail to cover production and capital costs. Wienerberger therefore monitors production capacity on a continual basis, and adjusts this capacity by closing plants on a temporary or permanent basis or shifting production to more efficient facilities. Continuous optimization and both internal and external growth projects are required to increase the value of Wienerberger. The future profitability of these projects is dependent to a large degree on the investment volume and/or acquisition price. For this reason, all growth projects must meet the defined return on investment criteria for our bolt-on and external projects (also see the chapter Strategy and Business Model on page 37).

Financial Risks

Operating activities expose Wienerberger to interest rate and exchange rate risks. Derivative financing instruments, in particular forward exchange contracts and interest swaps, are used to limit and control this risk. No derivative contracts are concluded for trading or speculative purposes.

The exposure of the Wienerberger Group to exchange rate risk is limited because of the local nature of the building materials business, which rarely involves exports or imports. Therefore, cash flows into or out of the euro region are almost entirely related to Group dividends or loans. The foreign exchange risk on these inter-Group cash flows is managed by the holding company. Risks may also arise from the translation of foreign company financial statements into the euro, which is the Group currency. Revenues, earnings, and balance sheet items of companies not headquartered in the euro region are therefore dependent on the relevant euro exchange rate. Credit financing for the purchase of current assets is concluded in the local currency of the individual companies because of the decentralized structure of the Wienerberger Group. Foreign exchange risk is therefore reduced to a minimum, since the Group companies generally issue their invoices in local currency.

The following table shows Group revenues and capital employed by currency. The calculation of capital employed includes the effects of forward exchange contracts and foreign currency swaps:

	2006		2005	
Revenues	*in € mill.*	*Share in %*	*in € mill.*	*Share in %*
Euro	1,085.2	49	958.8	49
East European currencies	541.9	24	431.6	22
US dollar	349.5	16	337.2	17
Other	248.4	11	227.0	12
Revenues	**2,225.0**	**100**	**1,954.6**	**100**

	2006		2005	
Capital Employed	*in € mill.*	*Share in %*	*in € mill.*	*Share in %*
Euro	2,138.4	82	1,762.0	77
East European currencies	407.4	16	409.7	18
US dollar	-54.5	-2	22.2	1
Other	106.9	4	95.5	4
Capital employed after hedging effect	**2,598.2**	**100**	**2,289.4**	**100**

Interest rate risk is comprised of two components: the optimal average term of all financing and the separation into fixed and variable interest rates. The risk associated with fixed interest rates lies in a possible decline in interest rate levels, while the risk associated with variable interest rates arises from the possibility of an increase in interest rates. In order to analyze interest rate risks (fixed and variable interest rates), financial liabilities (page 119) must be adjusted for the effects of derivative instruments (hedging) and short-term fixed-interest financial liabilities must be treated as variable-interest items.

	2006		2005	
in TEUR	Fixed interest rate	Variable interest rate	Fixed interest rate	Variable interest rate
Interest-bearing loans	1,196,738	189,838	953,009	210,430
Reclassification of short-term loans with fixed interest rate	-415,902	415,902	-29,254	29,254
Effect from derivative instruments (hedging)	-271,739	271,739	-68,800	68,800
Interest-bearing loans after hedging effect	**509,097**	**877,479**	**854,955**	**308,484**

The credit risk associated with financing activities is immaterial because of the strict requirements of Wienerberger's internal financial and treasury guidelines. The credit risk connected with the investment of liquid funds and securities is limited by the fact that virtually all securities held by the Group were issued by Austrian corporations and Wienerberger works only with financing partners who can demonstrate an excellent credit rating.

The assets held by defined benefit pension plans (TEUR 140,378) are invested in stocks (78%), bonds (14%) and other assets (8%) and are subject to normal market risk.

The credit risk on trade receivables can be classified as low because the credit standing of new and existing customers is monitored on a continual basis. No trade receivables due from individual customers comprise more than 5% of total Group receivables. The liquidity of the operating companies is managed by Group Treasury.

Liquidity risk is relatively low because the brick and roofing systems businesses generate high cash flows. Gearing and the equity base form a limit for the possible expansive growth of the Wienerberger Group.

Legal Risks

Depending on the market position in individual countries and the size of planned acquisitions, transactions may be dependent on the approval of cartel authorities. These procedures could lead to delays or, in individual cases, the prohibition of specific mergers or acquisitions. Wienerberger evaluates the cartel risk associated with an acquisition together with national and international legal and business experts during the early stages of work on a project in order to minimize this risk. No acquisitions planned by the Group have ever been prohibited by cartel authorities.

Due to the position of Wienerberger on individual regional markets, the pricing policy of Group subsidiaries is actively monitored by competition authorities. Price-fixing agreements are not part of Wienerberger business policies, and internal guidelines expressly prohibit such activities and call for sanctions in the event of violations.

Other Risks

Wienerberger plants exceed current legal requirements for the prevention of environmental damage, but the intensification of environmental standards presents our engineering department with a continuous range of new challenges. The landfill business was transferred to a foundation in 2001, which considerably reduced the risk for Wienerberger AG from these activities. Legal commitments are identified and met through knowledge of the current legal and contractual situation as well as cooperation with experts and external consultants.

The risks associated with a breakdown of our centralized Group data processing system as the result of natural disasters have been minimized through the parallel installation of systems at facilities in different locations. In recent years, a number of building materials companies with operations in the USA became the subject of class action suits from patients with asbestos-related diseases. After an examination of our US activities, we have classified this risk as minimal because none of our American subsidiaries has ever produced or sold asbestos products.

Other Information

31. Significant Events occurring after the Balance Sheet Date (Supplementary Report)

On February 9, 2007 Wienerberger AG issued a perpetual bond with a volume of TEUR 500,000, which is subordinated to all other creditors. The instrument carries a coupon of 6.50%, which can also be suspended if the dividend is not paid. After ten years Wienerberger AG, but not the creditors, may call the bond or extend the term at a higher variable interest rate. In accordance with IFRS, this hybrid bond is recorded under equity and coupons payable are not shown under financial results on the income statement, but as part of the use of earnings on the changes in equity statement.

On March 1, 2007 the Managing Board of Wienerberger AG decided to make use of the authorization granted by the 137th Annual General Meeting on April 27, 2006 and repurchase up to 300,000 of the Company's shares during the period from March 7, 2007 to June 6, 2007. This share buyback will be carried out over the Vienna Stock Exchange at the current price of the stock, but up to a maximum price of EUR 88.70. Shares repurchased through this transaction will be used to service the stock option plan for management.

32. Related Party Transactions

Transactions with companies in which members of the Supervisory Board of Wienerberger AG are active reflect third-party conditions and are immaterial in scope.

33. Stock Option Plan

On May 8, 2002 the Annual General Meeting of Wienerberger AG authorized the use of Wienerberger AG treasury stock for a stock option plan. Based on this authorization, an option program was implemented for key managers who have a direct influence on the development of the company. After 2002, 2003, 2004 and 2005, options were granted for the fifth time during the 2006 business year. The number of options granted is dependent on the fulfillment of annual performance goals, with budgeted net income for the Group again forming the target for 2006. In order for the 2006 options to become valid, Group net profit must equal at least 95% of budget. If results fall between 95 and 100%, the options will be allocated on a proportional basis.

With the exception of the members of the Managing Board (see individual list), 13 key managers were each granted 5,000 options and 55 key managers were each granted 3,000 options in 2006. In comparison to the previous year, the conditions for the options were modified slightly, above all with respect to the exercise and retention periods. The options have a five-year time to maturity and can be exercised two years after they are granted (three years according to stock option plan 2006). After expiration of this two-year period, the options may be exercised within certain windows four weeks after the announcement of quarterly results. If the employee resigns during this two-year period, the options expire. The exercise price equals the average of all daily closing prices over a period of four weeks beginning with the announcement of preliminary results for the past reporting year, and totals EUR 38.50 for 2006. One-third of the shares that are purchased through the exercise of these options are subject to a 24-month retention period beginning on the date of exercise; the remaining shares are not subject to a retention period. The options are non-negotiable and non-marketable, and each option represents the right to purchase one share.

In order to serve the options granted in 2004, 2005 and 2006 as well as any options granted in subsequent years, the Annual General Meeting on May 12, 2005 approved the issue of authorized conditional capital as well as the purchase of treasury stock. Wienerberger carried out a share buyback program from July 10 to July 21, 2006, which resulted in the purchase of 250,000 shares. During the reporting year 30,000 options for Wienerberger shares from the 2002 stock option plan were exercised at a price of EUR 18.00 each and 305,000 options from the 2003 stock option plan were exercised at a price of EUR 15.50 each. These shares were drawn from treasury stock.

The development of issued stock options is as follows:

Development of options	2006 Number of options	2006 Average exercise price per option	2005 Number of options	2005 Average exercise price per option
Total at the beginning of the year	**898,373**	**23.85**	**934,000**	**19.49**
Options granted	293,000	38.50	187,373	37.50
Options exercised	-335,000	15.72	-298,000	18.00
Options forfeited	0	0	0	0
Options subsequently accepted by employees	10,000	15.50	75,000	20.77
Total at the end of the year	**866,373**	**31.85**	**898,373**	**23.85**
Eligible for exercise at year-end	38,000	15.50	30,000	18.00

Number of options granted	From 2006	From 2005	From 2004	From 2003	From 2002
Members of the Managing Board					
Wolfgang Reithofer	18,000	12,354	18,000	18,000	18,000
Heimo Scheuch	15,000	10,295	15,000	15,000	15,000
Hans Tschuden	15,000	10,295	15,000	15,000	15,000
Johann Windisch	15,000	10,295	15,000	15,000	15,000
Total for the Managing Board	**63,000**	**43,239**	**63,000**	**63,000**	**63,000**
Other key employees	230,000	144,134	300,000	335,000	335,000
Total number of options granted	**293,000**	**187,373**	**363,000**	**398,000**	**398,000**
Forfeited due to the end of employment	0	0	-15,000	-55,000	-70,000
Exercised options	0	0	0	-305,000	-328,000
Existing options	**293,000**	**187,373**	**348,000**	**38,000**	**0**
Eligible for exercise at year-end	0	0	0	38,000	0

Valuation of options		From 2006	From 2005	From 2004	From 2003	From 2002
Major parameters for options granted						
Market price at granting	*in EUR*	42.20	33.86	27.53	17.32	18.97
Exercise price	*in EUR*	38.50	37.50	25.00	15.50	18.00
Term of options	*in years*	5	5	5	5	5
Risk-free interest rate	*in %*	3.32	3.15	3.90	3.17	3.74
Expected volatility	*in %*	28	28	30	17	15
Present value of options	*in EUR*	10.77	5.91	7.44	2.23	2.65
Fair value of stock options at grant date	*in TEUR*	**2,965**	**962**	**2,029**	**710**	**802**
Included in personnel expenses for 2006	*in TEUR*	988	341	773	79	0

The options were valued based on the Black-Scholes option-pricing model. The interpretation of market information necessary for the estimation of market values also requires a certain degree of subjective judgment. The expected volatility was extrapolated based on the historical development of the price of the Wienerberger share. Therefore, the figures shown here may differ from the values subsequently realized on the marketplace.

Three members of the Managing Board exercised the options granted in 2003 during the reporting year. The resulting number of shares owned by these persons is presented in the remuneration report on page 32.

The Managing Board of Wienerberger AG released the consolidated financial statements on March 2, 2007 for distribution to the Supervisory Board. The Supervisory Board has the responsibility to examine the consolidated financial statements, and decide whether it will approve these consolidated financial statements.

Vienna, March 2, 2007

The Managing Board of the Wienerberger AG

Wolfgang Reithofer, CEO

Heimo Scheuch

Hans Tschuden

Johann Windisch

Group Companies

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
Wienerberger International NV	**Zaltbommel**	**50,000**	**EUR**	**100.00%**	**VK**	
Wienerberger Ziegelindustrie GmbH	Hennersdorf	300,000,000	ATS	100.00%	VK	
Wienerberger Teglaipari Rt.	Budapest	2,140,000,000	HUF	100.00%	VK	
Wienerberger Management Service Szolgáltató és Tanácsadó Kft.	Budapest	3,000,000	HUF	100.00%	OK	1)
Wienerberger cihlarsky prumysl, a.s.	Ceske Budejovice	961,543,960	CZK	100.00%	VK	
Cihelna Kinsky, spol. s r.o.	Kostelec nad Orlici	2,000,000	CZK	73.20%	VK	
Wienerberger cihelna Jezernice, spol. s r.o.	Ceske Budejovice	200,000	CZK	100.00%	VK	
Wienerberger cihelna Brozany, spol. s r.o.	Ceske Budejovice	75,000,000	CZK	100.00%	VKE	
Wienerberger eurostroj, spol. s r.o.	Ceske Budejovice	100,000	CZK	100.00%	VK	
Wienerberger euroform, spol. s r.o.	Ceske Budejovice	44,550,000	CZK	100.00%	VK	
Wienerberger service, spol. s r.o.	Ceske Budejovice	200,000	CZK	100.00%	OK	1)
SILIKE s.r.o.	Ceske Budejovice	100,000	CZK	50.00%	EQE	
Wienerberger Slovenske tehelne spol. s r.o.	Zlate Moravce	100,000,000	SKK	100.00%	VK	
Wienerberger Cegielnie Lebork Sp. z o.o.	Warszawa	116,334,660	PLN	100.00%	VK	
Handel Ceramika Budowlana Sp. z o.o.	Warszawa	50,000	PLN	40.00%	OK	1)
Zeklad Ceramiki Budowlanej Stanislawów SP. z o.o	Czestochowa	50,000	PLN	100.00%	OKE	1)
Wienerberger Honoratka Ceramika Budowlana S.A.	Konin	20,187,000	PLN	77.79%	VK	
Wienerberger Karbud S.A.	Warszawa	17,081,200	PLN	100.00%	VK	
Wienerberger Ceramika Budowlana Sp. z o.o.	Warszawa	1,000,000	PLN	93.22%	VK	
Wienerberger Osiek Sp. z o.o.	Warszawa	10,008,000	PLN	100.00%	VK	
Wienerberger Cermegad Sp. z. o.o.	Warszawa	5,011,000	PLN	100.00%	VKE	
Wienerberger Zeslawice Sp. z o.o.	Warszawa	29,490,000	PLN	59.34%	VKE	
Wienerberger Cegielnie Kraków S.A.	Warszawa	7,637,686	PLN	100.00%	VKE	
Glina Sp. z o.o.	Warszawa	50,000	PLN	100.00%	VK	
Glina Nowa Sp. z o.o.	Warszawa	50,000	PLN	100.00%	VK	
Koramic Pokrycia Dachowe Sp. z o.o.	Warszawa	233,458,290	PLN	100.00%	VK	
Wienerberger Ilovac d.d.	Karlovac	8,988,040	HRK	99.92%	VK	
Wienerberger Cetera IGM d.d.	Karlovac	359,240	HRK	99.70%	VK	
Wienerberger Industrija opeke d.j.l.	Sarajevo	2,000	KM	100.00%	VK	
Wienerberger Opekarna Ormoz d.d.	Ormoz	228,130,000	SIT	87.27%	VK	
Opekarna Pragersko d.d.	Pragersko	245,262,000	SIT	83.71%	VK	
Wienerberger EOOD	Sofia	4,000,000	BGL	100.00%	VK	
Uspeh AD	Lukovit	300,000	BGL	97.59%	VKE	
Agro Property Bulgaria EOOD	Sofia	5,000	BGL	100.00%	OK	1)
Wienerberger d.o.o.	Beograd	500	EUR	100.00%	OKE	1)
Wienerberger Sisteme de Caramizi S.R.L.	Bucuresti	39,147,100	RON	100.00%	VK	
OOO "Wienerberger Kirpitsch"	Kirschatsch	469,423,261	RUR	100.00%	VK	
Wienerberger Finanz-S.A.	Luxembourg	12,208,670	USD	100.00%	VK	
Wienerberger TOV	Kyiv	162,484	EUR	100.00%	VKE	

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
Semmelrock International GmbH	**Klagenfurt**	**3,000,000**	**EUR**	**75.00%**	**VK**	
Semmelrock Baustoffindustrie GmbH	Klagenfurt	1,000,000	EUR	75.00%	VK	
Semmelrock Industriebeteiligungsverwaltung GmbH	Wien	35,000	EUR	75.00%	VK	
Semmelrock Stein & Design Kft.	Ocsa	983,000,000	HUF	75.00%	VK	
Semmelrock Stein + Design Dlazby s.r.o.	Sered	91,200,000	SKK	75.00%	VK	
Semmelrock Stein & Design d.o.o.	Ogulin	15,520,000	HRK	75.00%	VK	
Semmelrock Stein & Design Sp. z o.o.	Gliwice	11,800,000	PLN	75.00%	VK	
Semmelrock Stein + Design S.R.L.	Gura Ocnitei	9,423,320	RON	75.00%	VK	
Semmelrock Tlakovci d.o.o.	Ormoz	2,100,000	SIT	75.00%	OK	1)
Semmelrock Colorbeton a.s.	Praha	2,000,000	CZK	75.00%	VKE	
Semmelrock Stein + Design EOOD	Sofia	5,000	BGL	75.00%	OKE	1)
Bramac Dachsysteme International GmbH	**Pöchlarn**	**40,000,000**	**ATS**	**50.00%**	**QU**	
Bramac stresni systemy spol. s r. o.	Praha	160,000,000	CZK	50.00%	QU	
Bramac Dachsteinproduktion und Baustoffindustrie Kft.	Veszprem	1,831,880,000	HUF	50.00%	QU	
Bramac stresni sistemi d.o.o.	Skocjan	910,000,000	SIT	50.00%	QU	
Bramac Krovni Sistemi d.o.o.	Beograd	750,000	EUR	50.00%	QU	
Bramac Stresne Systemy spol. s r.o.	Ivanka pri Nitre	173,835,000	SKK	50.00%	QU	
Bramac Pokrovni Sistemi d.o.o.	Novi Zagreb	7,778,000	HRK	50.00%	QU	
Bramac Sisteme de Invelitori S.R.L.	Sibiu	8,658,000	RON	50.00%	QU	
Bramac pokrivni sistemi EOOD	Silistra	846,200	BGL	50.00%	QU	
Bramac Krovni Sistemi d.o.o.	Sarajevo	2,000	DEM	50.00%	QU	
Wienerberger Ziegelindustrie GmbH	**Hannover**	**9,500,000**	**EUR**	**100.00%**	**VK**	
Argeton GmbH	Bogen	1,600,000	EUR	100.00%	VKE	
Schlagmann Beteiligungs GmbH	Zeilarn	26,000	EUR	50.00%	OK	1)
Schlagmann Baustoffwerke GmbH & Co KG	Zeilarn	10,300,000	EUR	50.00%	QU	
Pro Massivhaus Service und Training GmbH	Lanhofen	25,000	EUR	50.00%	OK	1)
Wienerberger Vermögensgesellschaft mbH	Hannover	25,000	EUR	100.00%	VK	
Wienerberger Systemschornstein GmbH & Co. KG	Hannover	130,000	DEM	100.00%	OK	1)
Krauss Kaminwerke Verwaltungs-GmbH	Hannover	26,000	EUR	100.00%	OK	1)
Ziegelwerk B GmbH	Hannover	26,000	EUR	100.00%	OK	1)
Tongruben Verwaltungs GmbH	Hannover	26,000	EUR	100.00%	OK	1)
TZ Tonabbau + Ziegelproduktion GmbH	Hannover	26,000	EUR	94.23%	VK	
von Müller Dachprodukte Verwaltungs-GmbH	Hannover	25,000	EUR	100.00%	OK	1)
von Müller Dachprodukte GmbH & Co. KG	Hannover	2,000,000	EUR	100.00%	VK	
F.v. Müller Dachziegelwerke Görlitz GmbH	Görlitz	500,000	DEM	100.00%	OK	1)
Megalith Bohemia s r. o.	Slany, okr. Kladno	2,000,000	CZK	100.00%	OK	1)
Koramic Verwaltungs-GmbH	Hannover	26,000	EUR	100.00%	OK	1)
Koramic Dachprodukte GmbH & Co. KG	Hannover	5,000,000	EUR	100.00%	VK	
ZZ Wancor	**Regensdorf**	**1,000,000**	**CHF**	**100.00%**	**VK**	
ZZW Swissbrick AG	Regensdorf	200,000	CHF	100.00%	VK	
Wienerberger Brunori SRL	**Bubano**	**4,056,000**	**EUR**	**100.00%**	**VK**	
Alaudae SRL	Bubano	51,130	EUR	100.00%	VK	
Wienerberger Tacconi SRL	Roma	1,187,952	EUR	59.99%	VK	
Fornaci Giuliane S.p.A.	Cormons	1,900,000	EUR	30.00%	EQ	

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
Wienerberger NV	**Kortrijk**	**102,736,187**	**EUR**	**100.00%**	**VK**	
Ampe Steenbakkerijen NV	Pittem-Egem	2,500,000	EUR	100.00%	VKE	
Syndikaat Machiensteen II NV	Rumst	1,484,400	EUR	100.00%	VK	
Terca Zonnebeke NV	Zonnebeke	8,040,500	EUR	100.00%	VK	
Terca Quirijnen NV	Malle West	4,624,000	EUR	100.00%	VK	
Deva-Kort NV	Kortemark	247,894	EUR	100.00%	VK	
Steenfabrieken Desimpel NV	Kortrijk	12,102,410	EUR	100.00%	VK	
Briqueterie de Peruwelz NV	Kortemark	22,483,943	EUR	100.00%	VK	
Desimpel Kortemark Industries NV	Kortemark	350,000	EUR	100.00%	VK	
Wienerberger Coordination Center NV	Kortrijk	75,831,000	EUR	100.00%	VK	
Wienerberger B.V.	**Zaltbommel**	**25,457,070**	**EUR**	**100.00%**	**VK**	
Van Hesteren & Janssens B.V.	Zaltbommel	363,024	EUR	100.00%	VK	
Desimpel AK1 B.V.	Amsterdam	70,000	EUR	100.00%	VK	
BrickTrading Holland B.V.	Zaltbommel	18,000	EUR	100.00%	VK	
German Brick Trading B.V.	Wijchen	249,700	EUR	100.00%	VK	
Steenhandel Oost Nederland B.V.	Rijssen	3,630	EUR	100.00%	VK	
Aberson Bouwmaterialen B.V.	Zwolle	59,899	EUR	100.00%	VK	
Koramic Dachziegel Handels GmbH	Brüggen-Niederrhein	25,565	EUR	100.00%	EQ	
Steencentrale Neerbosch B.V.	Wijchen	45,400	EUR	100.00%	VK	
Leeuwis B.V.	Wijchen	91,210	EUR	100.00%	VK	
Handelsmaatschappij Rellingen B.V.	Wijchen	136,134	EUR	100.00%	VK	
Steinzentrale Nord GmbH	Rellingen	52,500	EUR	100.00%	VK	
Desimpel Klinker (Deutschland) GmbH	Emmerich	25,000	EUR	100.00%	VK	
Desimpel Klinker (Deutschland) GmbH & Co. KG	Emmerich	50,000	EUR	100.00%	VK	
Galileo Brick Limited	**Cheadle**	**2,000,000**	**GBP**	**100.00%**	**VK**	
Wienerberger (UK) Limited	Manchester	780,646	GBP	100.00%	VK	
The Brick and Stone Company Limited	Cheadle	5,000	GBP	100.00%	VK	
Terca Reclaimed Buildings Materials Limited	Cheadle	15,000	GBP	100.00%	VK	
Wienerberger Limited	Cheadle	1	GBP	100.00%	VK	
Galileo Block Limited	Cheadle	104,002	GBP	100.00%	VK	
Galileo Block 2 Limited	Cheadle	2	GBP	100.00%	VK	
Chelwood Group Unlimited	Cheadle	5,975,506	GBP	100.00%	VK	
The Brick Business Limited	Cheadle	900,002	GBP	100.00%	VK	
The Ockley Brick Company Limited	Cheadle	700	GBP	100.00%	VK	
Chelwood Brick Limited	Cheadle	890,850	GBP	100.00%	VK	
Ambion Brick Company Limited	Cheadle	6,698,797	GBP	100.00%	VK	
Ockley Building Products Limited	Cheadle	500,000	GBP	100.00%	VK	
Irlam Brick Limited	Cheadle	15,100	GBP	100.00%	VK	
Galileo Trustee Limited	Cheadle	1	GBP	100.00%	VK	
DMWSL 320 Limited	Cheadle	1	GBP	100.00%	VK	
Wienerberger Brick Industry Private Limited	Bangalore	100,000	INR	99.99%	OKE	1)

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
Wienerberger Participations SAS	**Achenheim**	**36,000,000**	**EUR**	**100.00%**	**VK**	
Wienerberger SAS	Achenheim	30,000,000	EUR	100.00%	VK	
Pacema SAS	Achenheim	3,800,000	EUR	100.00%	VK	
Société du Terril d'Hulluch (STF) SNC	Lens	300,000	EUR	50.00%	OK	1)
Desimpel Briques SAS	Cauchy à la Tour	3,821,410	EUR	100.00%	VK	
Koramic Tuiles SAS	Recologne	10,000,000	EUR	100.00%	VK	
Briqueterie et Carrieres Bar SA	Flines Les Raches	513,000	EUR	52.10%	OKE	1)
Wienerberger A/S	**Brøndy**	**107,954,000**	**DKK**	**100.00%**	**VK**	
Petersminde Teglvaerk A/S	Stenstrup	1,700,000	DKK	100.00%	VK	
Wienerberger AS	Lunde i Telemark	43,546,575	NOK	100.00%	VK	
Wienerberger AB	Bjärred	17,550,000	SEK	100.00%	VK	
Wienerberger OY AB	Helsinki	1,000,000	EUR	100.00%	VK	
Wienerberger AS	Aseri	24,074,000	EEK	100.00%	VK	
Terca OÜ	Aseri Ida-Virumaa	40,000	EEK	100.00%	OKE	1)
General Shale Brick, Inc.	**Johnson City**	**1,000**	**USD**	**100.00%**	**VK**	
General Shale Finance S.à.r.l.	Luxembourg	12,500	EUR	100.00%	OKE	1)
General Shale Building Materials, Inc.	Johnson City	1,000	USD	100.00%	VK	
Robinson Brick Company	Denver	118,509,708	USD	100.00%	VKE	
Robinson Brick Company-Billings LLC	Denver	0	USD	100.00%	VKE	
Robinson Brick Company-Block LLC	Denver	0	USD	100.00%	VKE	
Robinson Brick Company-Aucutt's LLC	Denver	0	USD	100.00%	VKE	
Robinson Brick Company-Northern LLC	Denver	0	USD	100.00%	VKE	
Modern Concrete, LLC	Louisville	1,000	USD	35.00%	EQ	
Curley Building Material, Inc.	Carmel	10,000	USD	100.00%	VKE	
Pipelife International GmbH	**Wr. Neudorf**	**29,000,000**	**EUR**	**50.00%**	**EQ**	**2)**
Wienerberger Dach Beteiligungs GmbH	**Wien**	**500,000**	**ATS**	**100.00%**	**VK**	
WIBRA Tondachziegel Beteiligungs-GmbH	Wien	500,000	ATS	50.00%	QU	
Tondach Gleinstätten AG	Gleinstätten	500,000	EUR	25.00%	EQ	3)
Wienerberger Beteiligungs GmbH	**Wien**	**1,000,000**	**ATS**	**100.00%**	**VK**	
Wienerberger Anteilsverwaltung GmbH	Wien	35,000	EUR	100.00%	VK	
Wienerberger Industriebeteiligungsverwaltung GmbH	Wien	35,000	EUR	100.00%	VK	
Wienerberger Finance Service B.V.	Zaltbommel	18,000	EUR	100.00%	VK	
Wienerberger Finanz Service GmbH	Wien	25,435,492	EUR	100.00%	VK	
Wienerberger France Holding GmbH	Wien	35,000	EUR	100.00%	VK	
Wienerberger ZZ Holding GmbH	Wien	35,000	EUR	100.00%	VK	
VVT Vermögensverwaltung GmbH	Wien	36,000	EUR	100.00%	VK	
WK Services NV	Kortrijk	32,226,158	EUR	100.00%	VK	
Keramo Wienerberger Steinzeugwerk Zwickau GmbH	Zwickau	4,000,000	DEM	100.00%	EQ	
Wienerberger Beteiligungs GmbH	Hannover	26,000	EUR	100.00%	OK	1)

VK ...... Full consolidation
VKE .... First time full consolidation
QU ..... Proportional consolidation
QUE ... First time proportional consolidation

EQ ..... Equity accounting
EQE ... First time equity accounting
OK .... No consolidation
OKE .. No consolidation (first time)

1) Immaterial
2) Holding company of Pipelife Group
3) Holding company of Gleinstätten Group

Unqualified Opinion

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Wienerberger AG, Vienna, for the financial year from 1 January to 31 December 2006. These consolidated financial statements comprise the balance sheet as at 31 December 2006, and the income statement, statement of changes in equity and cash flow statement for the year ended 31 December 2006, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and in accordance with International Standards on Auditing, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. Based on the results of our audit in our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the group as of 31 December 2006, and of its financial performance and its cash flows for the financial year from 1 January to 31 December 2006 in accordance with International Financial Reporting Standards as adopted by the EU.

Report on Other Legal and Regulatory Requirements

Laws and regulations applicable in Austria require us to perform audit procedures whether the consolidated management report is consistent with the consolidated financial statements and whether the other disclosures made in the consolidated management report do not give rise to misconception of the position of the group.

In our opinion, the consolidated management report for the group is consistent with the consolidated financial statements.

Vienna, March 7, 2007

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Rainer Hassler
Austrian Certified Public Accountant

Martin Wagner
Austrian Certified Public Accountant

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Audited IFRS Consolidated Financial Statements for Financial Year Ended December 31, 2005

Income Statement

Notes		2005 *in TEUR*	2004 *in TEUR*
(7)	Revenues	1,954,571	1,758,846
(8, 9, 13)	Cost of goods sold	-1,210,986	-1,074,544
	Gross profit	**743,585**	**684,302**
(8, 9, 13)	Selling expenses	-369,778	-312,779
(8, 9, 13)	Administrative expenses	-109,524	-108,406
(11)	Other operating expenses	-25,554	-48,457
(12)	Other operating income	31,556	42,790
(8)	Amortization of goodwill	0	0
	Operating profit before non-recurring items	**270,285**	**257,450**
(14)	Non-recurring write-offs and provisions related to restructuring	-11,365	0
(14)	Non-recurring income	10,637	0
	Operating profit after non-recurring items	**269,557**	**257,450**
	Income from investments in associates	29,513	8,586
(15)	Other financial results	-47,803	-34,667
	Financial results	**-18,290**	**-26,080**
	Profit before tax	**251,267**	**231,370**
(16)	Income taxes	-54,834	-49,538
	Profit after tax	**196,433**	**181,832**
	Thereof attributable to minority interest	2,080	4,729
	Thereof attributable to equity holders	**194,353**	**177,104**
(17)	**Adjusted earnings per share before non-recurring items (in EUR)**	**2.67**	**2.54**
(17)	**Earnings per share (in EUR)**	**2.66**	**2.54**
(17)	**Diluted earnings per share (in EUR)**	**2.64**	**2.53**
(17)	**Recommended or paid dividend per share (in EUR)**	**1.18**	**1.07**

The following notes to the financial statements form an integral part of this income statement.

Balance Sheet

Notes		31.12.2005 *in TEUR*	31.12.2004 *in TEUR*
	Assets		
(20)	Intangible assets	563,906	522,064
(20)	Property, plant and equipment	1,507,125	1,337,568
(20)	Investment property	32,984	54,872
(2, 20)	Investments in associates	106,503	76,329
(20)	Other financial assets	21,566	21,835
(26)	Deferred tax assets	61,355	42,737
	Non-current assets	**2,293,439**	**2,055,404**
(21)	Inventories	445,879	391,435
(22)	Trade receivables	184,407	172,753
(22)	Other current receivables	103,567	89,301
(29, 30)	Securities	22,402	70,517
	Cash and cash at bank	219,876	86,492
	Current assets	**976,131**	**810,497**
	Total Assets	**3,269,570**	**2,865,901**
	Equity and Liabilities		
	Issued capital	74,168	74,168
	Share premium	415,052	415,052
	Retained earnings	1,031,209	962,644
	Treasury stock	-28,133	-13,327
	Translation reserve	-38,909	-105,502
	Minority interest	29,717	34,178
(23)	**Equity**	**1,483,104**	**1,367,214**
(24, 25)	Employee-related provisions	75,671	70,810
(24, 26)	Provisions for deferred taxes	105,318	92,130
(24)	Other non-current provisions	53,463	51,050
(27, 29)	Long-term financial liabilities	1,091,366	654,711
(27)	Other non-current liabilities	51,102	25,028
	Non-current provisions and liabilities	**1,376,920**	**893,729**
(24)	Other current provisions	39,234	56,994
(27, 29)	Short-term financial liabilities	97,873	278,171
(27)	Trade payables	150,712	145,349
(27)	Other current liabilities	121,727	124,444
	Current provisions and liabilities	**409,546**	**604,958**
	Total Equity and Liabilities	**3,269,570**	**2,865,901**

The following notes to the financial statements form an integral part of this balance sheet.

Cash Flow Statement

Notes		2005 in TEUR	2004 in TEUR
	Profit after tax	196,433	181,832
	Depreciation and amortization	158,124	148,739
	Non-recurring write-off related to restructuring	1,591	0
	Write-up of fixed and financial assets	-598	0
	Increase/decrease in long-term provisions	12,994	-10,415
	Income from associates	-29,513	-8,586
	Income/loss from the disposal of fixed and financial assets	-17,691	-14,542
	Gross cash flow	**321,340**	**297,028**
	Increase/decrease in inventories	-45,672	-37,005
	Increase/decrease in trade receivables	-9,580	-14,944
	Increase/decrease in trade payables	2,643	36,103
	Increase/decrease in other net current assets	-29,992	30,787
	Changes in non-cash items resulting from foreign exchange translation	206	-1,362
(18)	**Cash flow from operating activities**	**238,945**	**310,607**
	Proceeds from the sale of assets	61,398	74,349
	Purchase of property, plant and equipment and intangible assets	-278,628	-238,034
	Payments made for investments in financial assets	-233	-921
	Increase/decrease in marketable securities	438	7,123
	Net payments made for the acquisition of companies	-60,035	-394,584
	Net proceeds from the sale of companies	157	0
(19)	**Cash flow from investing activities**	**-276,903**	**-552,067**
	Increase/decrease in long-term borrowings	437,047	-12,692
	Increase/decrease in short-term borrowings	-178,896	40,763
	Dividends paid by Wienerberger AG	-78,040	-49,777
	Dividends paid to minority shareholders and other changes in minority capital	2,464	-2,690
	Dividend payments from associates	2,004	1,975
	Capital increase Wienerberger AG	0	221,782
	Cash inflows from exercise of stock options	5,364	0
	Purchase of treasury stock	-21,326	0
	Cash flow from financing activities	**168,617**	**199,361**
	Change in cash and cash at bank	**130,659**	**-42,099**
	Effect of exchange rate fluctuations on cash held	2,725	1,887
	Cash and cash at bank at the beginning of the year	86,492	126,704
	Cash and cash at bank at the end of the year	**219,876**	**86,492**
	Thereof cash	219,876	86,492

The following notes to the financial statements form an integral part of this cash flow statement.

Changes in Equity Statement

in TEUR	Issued capital	Share premium	Retained earnings	Treasury stock	Translation reserve	Minority interest	Total
Balance on 31.12.2003	**65,279**	**192,831**	**820,103**	**-13,327**	**-108,206**	**23,753**	**980,433**
Net profit/minority interest			177,104			4,729	181,832
Dividend payments			-49,777			-1,682	-51,459
Currency translation adjustment					2,760	1,785	4,545
Currency translation adjustment to investments in associates					-55		-55
Hedging reserves			25,750			-92	25,658
Capital increase/decrease	8,888	222,221	-9,327			366	222,148
Increase/decrease in minority interest						3,286	3,286
Increase/decrease in treasury stock							0
Expenses from stock option plans			688				688
Other changes			-1,897			2,034	137
Balance on 31.12.2004	**74,168**	**415,052**	**962,644**	**-13,327**	**-105,502**	**34,178**	**1,367,214**
Net profit/minority interest			194,353			2,080	196,433
Dividend payments			-78,040			-2,467	-80,507
Currency translation adjustment					63,790	1,147	64,937
Currency translation adjustment to investments in associates					2,803		2,803
Hedging reserves			-47,635			15	-47,620
Capital increase/decrease						2,356	2,356
Increase/decrease in minority interest						-7,562	-7,562
Increase/decrease in treasury stock			-1,156	-14,806			-15,962
Expenses from stock option plans			1,250				1,250
Other changes			-208			-30	-238
Balance on 31.12.2005	**74,168**	**415,052**	**1,031,209**	**-28,133**	**-38,909**	**29,717**	**1,483,104**

The following notes to the financial statements form an integral part of this changes in equity statement.

Table of Fixed and Financial Assets

in TEUR	Acquisition or Production Costs Balance on 1.1.2005	Change in consoli-dation range	Foreign exchange incr./decr.	Additions	Disposals	Transfers	Balance on 31.12.2005
Goodwill	**490,568**	9,726	23,334	8,428	16	0	**532,040**
Other intangible assets	**43,980**	-375	226	2,578	998	5,141	**50,552**
Intangible assets	**534,548**	9,351	23,560	11,006	1,014	5,141	**582,592**
Land and buildings	**783,907**	13,767	15,759	24,109	13,975	38,042	**861,609**
Machinery and equipment	**1,455,455**	25,341	43,280	54,669	48,511	117,407	**1,647,641**
Fixtures, fittings, tools and equipment	**87,480**	317	1,605	8,286	8,680	2,036	**91,044**
Prepayments and assets under construction	**82,797**	808	3,370	180,558	320	-170,606	**96,607**
Property, plant and equipment	**2,409,639**	40,233	64,014	267,622	71,486	-13,121	**2,696,901**
Investment property	**79,637**	0	259	0	32,167	7,980	**55,709**
Investments in associates	**62,938**	-77	2,745	25	0	0	**65,631**
Investments in subsidiaries	**6,195**	-610	0	201	229	0	**5,557**
Other investments	**19,561**	817	261	7	596	0	**20,050**
Other financial assets	**25,756**	207	261	208	825	0	**25,607**
	3,112,517	**49,714**	**90,839**	**278,861**	**105,492**	**0**	**3,426,440**

in TEUR	Acquisition or Production Costs Balance on 1.1.2004	Change in consoli-dation range	Foreign exchange incr./decr.	Additions	Disposals	Transfers	Balance on 31.12.2004
Goodwill	**307,176**	187,817	-12,538	5,984	21	2,150	**490,568**
Other intangible assets	**42,936**	828	1,845	7,986	4,262	-5,353	**43,980**
Intangible assets	**350,112**	188,645	-10,693	13,970	4,283	-3,203	**534,548**
Land and buildings	**651,995**	72,675	8,225	35,965	5,180	20,227	**783,907**
Machinery and equipment	**1,264,541**	141,902	11,957	56,469	88,837	69,423	**1,455,455**
Fixtures, fittings, tools and equipment	**75,751**	5,089	-464	12,384	11,644	6,364	**87,480**
Prepayments and assets under construction	**45,209**	7,178	1,311	119,211	824	-89,288	**82,797**
Property, plant and equipment	**2,037,496**	226,844	21,029	224,029	106,485	6,726	**2,409,639**
Investment property	**100,335**	400	348	35	23,370	1,889	**79,637**
Investments in associates	**78,230**	-1,779	-27	18	8,056	-5,448	**62,938**
Investments in subsidiaries	**12,125**	-6,799	3	903	37	0	**6,195**
Other investments	**39,720**	150	120	0	20,429	0	**19,561**
Other financial assets	**51,845**	-6,649	123	903	20,466	0	**25,756**
	2,618,018	**407,461**	**10,780**	**238,955**	**162,660**	**-36**	**3,112,517**

Note: Rounding differences may arise from the automatic processing of data.
The following notes to the financial statements form an integral part of this table of fixed and financial assets.

Depreciation

Balance on 1.1.2005	Change in consoli-dation range	Foreign exchange incr./decr.	Current year	Write-up	Disposals	Transfers	Balance on 31.12.2005	Carrying amount 31.12.2005	Carrying amount 31.12.2004
0	0	0	0	0	0	0	**0**	**532,040**	**490,568**
12,484	-218	122	3,571	1	244	2,972	**18,686**	**31,866**	**31,496**
12,484	-218	122	3,571	1	244	2,972	**18,686**	**563,906**	**522,064**
225,825	9	3,854	32,450	598	10,575	6,101	**257,066**	**604,543**	**558,082**
791,383	-205	20,246	113,293	0	41,165	-10,139	**873,413**	**774,228**	**664,072**
54,658	-210	834	10,113	0	7,372	1,069	**59,092**	**31,952**	**32,822**
205	0	0	5	0	2	-3	**205**	**96,402**	**82,592**
1,072,071	-406	24,934	155,861	598	59,114	-2,972	**1,189,776**	**1,507,125**	**1,337,568**
24,766	0	18	272	0	2,331	0	**22,725**	**32,984**	**54,872**
-13,390	85	-58	0	29,513	-2,004	0	**-40,872**	**106,503**	**76,329**
3,921	-744	-1	12	0	0	0	**3,188**	**2,369**	**2,274**
0	853	0	0	0	0	0	**853**	**19,197**	**19,561**
3,921	109	-1	12	0	0	0	**4,041**	**21,566**	**21,835**
1,099,851	**-430**	**25,015**	**159,716**	**30,112**	**59,685**	**0**	**1,194,356**	**2,232,084**	**2,012,668**

Depreciation

Balance on 1.1.2004	Change in consoli-dation range	Foreign exchange incr./decr.	Current year	Write-up	Disposals	Transfers	Balance on 31.12.2004	Carrying amount 31.12.2004	Carrying amount 31.12.2003
0	0	0	0	0	0	0	**0**	**490,568**	**307,176**
16,207	96	311	3,558	0	3,427	-4,261	**12,484**	**31,496**	**26,729**
16,207	96	311	3,558	0	3,427	-4,261	**12,484**	**522,064**	**333,905**
196,753	2,433	1,143	27,217	0	4,484	2,763	**225,825**	**558,082**	**455,242**
741,236	11,640	3,744	106,087	0	71,854	530	**791,383**	**664,072**	**523,305**
52,360	1,098	526	10,573	0	10,878	979	**54,658**	**32,822**	**23,391**
179	34	0	3	0	0	-11	**205**	**82,592**	**45,030**
990,528	15,205	5,413	143,880	0	87,216	4,261	**1,072,071**	**1,337,568**	**1,046,967**
34,361	0	236	557	0	10,388	0	**24,766**	**54,872**	**65,974**
-4,923	-27	28	0	8,586	-154	-36	**-13,390**	**76,329**	**83,152**
3,177	0	0	744	0	0	0	**3,921**	**2,274**	**8,948**
0	0	0	0	0	0	0	**0**	**19,561**	**39,720**
3,177	0	0	744	0	0	0	**3,921**	**21,835**	**48,668**
1,039,350	**15,274**	**5,988**	**148,739**	**8,586**	**100,877**	**-36**	**1,099,851**	**2,012,666**	**1,578,666**

Segment Reporting

Segments	Central-East Europe		Central-West Europe		North-West Europe	
in TEUR	2005	2004	2005	2004	2005	2004
Third party revenues	502,958	487,979	378,211	364,916	727,555	614,465
Inter-company revenues	4,320	1,752	7,198	8,249	20,377	18,816
Total revenues	507,278	489,731	385,409	373,165	747,932	633,281
Operating EBITDA	136,666	142,231	78,033	87,163	165,345	134,473
Depreciation and amortization	49,632	40,642	34,778	35,772	56,114	51,237
Operating EBIT	87,033	101,589	43,255	51,391	109,231	83,236
Income from investments in associates	5,028	2,404	364	0	0	0
Investments in associates	20,077	16,893	1,823	1,459	90	90
Liabilities	525,967	630,266	327,378	269,252	1,021,731	697,769
Capital Employed	569,505	468,075	396,293	359,078	952,855	885,379
Assets	872,918	1,025,855	552,466	498,780	1,517,959	1,164,907
Maintenance capex	22,799	24,240	15,047	13,310	36,161	37,309
Growth investments	99,570	105,625	46,883	43,081	77,392	362,487
Employees	4,767	4,558	2,002	1,768	4,203	3,539

Products	Revenues		Operating EBITDA		Assets	
in TEUR	2005	2004	2005	2004	2005	2004
Hollow bricks	630,719	647,498	181,616	195,052	930,319	911,225
Facing bricks	807,519	711,574	154,082	131,997	1,072,765	931,867
Roofing systems	407,224	314,598	94,043	84,285	714,964	670,752
Pavers	101,734	78,747	16,726	11,596	136,301	115,104
Other	7,375	6,429	-18,070	-17,484	415,221	236,953
Wienerberger Group	**1,954,571**	**1,758,846**	**428,397**	**405,445**	**3,269,570**	**2,865,901**

Revenues	Central-East Europe		Central-West Europe		North-West Europe	
in TEUR	2005	2004	2005	2004	2005	2004
Austria	80,458	84,793				
Czech Republic	103,109	100,771				
Hungary	91,587	106,043				
Poland	109,688	101,876				
Other Eastern Europe	118,133	94,555			9,082	7,015
Germany			234,963	233,816		
Switzerland			70,878	65,928		
Italy			72,827	65,437		
Belgium					198,819	182,056
Holland					202,615	196,143
France					148,204	132,737
Great Britain					114,571	59,075
Scandinavia and Finland					55,083	37,630
USA						
Wienerberger Group	**502,975**	**488,038**	**378,668**	**365,181**	**728,374**	**614,656**

USA		Investments and Other		Group Eliminations		Wienerberger Group	
2005	2004	2005	2004	2005	2004	2005	2004
337,179	284,425	7,306	6,429	0	0	**1,953,209**	**1,758,214**
0	0	12,909	9,830	-43,442	-38,015	**1,362**	**632**
337,179	284,425	20,215	16,259	-43,442	-38,015	**1,954,571**	**1,758,846**
66,423	59,072	-18,070	-17,494	0	0	**428,397**	**405,445**
14,591	17,106	2,997	3,238	0	0	**158,112**	**147,995**
51,833	41,966	-21,067	-20,732	0	0	**270,285**	**257,450**
715	454	23,406	5,729	0	0	**29,513**	**8,586**
4,112	3,490	80,401	54,396	0	0	**106,503**	**76,329**
307,201	269,365	1,457,693	814,023	-1,853,504	-1,181,988	**1,786,466**	**1,498,688**
345,006	277,253	25,782	41,711	0	0	**2,289,441**	**2,031,495**
436,419	359,032	3,010,223	2,250,649	-3,120,415	-2,433,322	**3,269,570**	**2,865,901**
12,872	12,832	1,333	2,724	0	0	**88,212**	**90,415**
26,606	30,984	0	0	0	0	**250,451**	**542,177**
2,194	2,117	161	172	0	0	**13,327**	**12,154**

Capital Employed		Total Investments	
2005	2004	2005	2004
717,746	658,187	125,841	108,105
902,179	715,543	106,276	252,119
538,539	535,314	88,182	253,947
105,195	80,741	17,030	15,696
25,782	41,710	1,333	2,725
2,289,441	**2,031,495**	**338,663**	**632,592**

USA		Investments and Other		Wienerberger Group	
2005	2004	2005	2004	2005	2004
		7,375	6,546	**87,833**	**91,339**
				103,109	**100,771**
				91,587	**106,043**
				109,688	**101,876**
				127,215	**101,570**
				234,963	**233,816**
				70,878	**65,928**
				72,827	**65,437**
				198,819	**182,056**
				202,615	**196,143**
				148,204	**132,737**
				114,571	**59,075**
				55,083	**37,630**
337,179	284,425			**337,179**	**284,425**
337,179	**284,425**	**7,375**	**6,546**	**1,954,571**	**1,758,846**

Notes to the Financial Statements

Reporting in accordance with International Financial Reporting Standards (IFRS)

These financial statements were prepared in keeping with § 245a of the Austrian Commercial Code and in accordance with the guidelines as of the balance sheet date set forth in International Financial Reporting Standards (IFRS) and the Interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the European Union (EU).

General Information

1. Basis of Preparation

Wienerberger is an international building materials group; the headquarters of the parent company are located in Vienna, Austria. The business activities of the Group can be classified in five segments: Central-East Europe, Central-West Europe, North-West Europe and the USA as well as Investments and Other. The consolidated financial statements of Wienerberger AG and its subsidiaries reflect International Financial Reporting Standards (IFRS) valid for the 2005 business year. In comparison to the prior year, the provisions of IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations were applied for the first time. The new provisions of IFRS 2 Share-based Payment, IFRS 3 Business Combinations, IAS 36 and IAS 38 as well as amendments from the Improvement Project were applied in 2004, at an earlier date in agreement with the new standards. The new standards IFRS 6 Exploration for and Evaluation of Mineral Resources (valid as of 2006) and IFRS 7 Financial Instruments Disclosures (valid as of 2007) were not applied in advance.

Independent auditors have examined the annual financial statements of all national and international companies which require a statutory audit or have submitted to a voluntary audit; all such audited financial statements were awarded unqualified opinions. The financial statements of all consolidated companies are based on historical acquisition and production costs, and were prepared as of the balance sheet date. To simplify presentation, certain items on the balance sheet and income statement were grouped together. The notes provide detailed information on all such items.

2. Consolidation Range

An overview of fully or proportionally consolidated companies and companies valued at equity is provided in the List of Companies at the end of the notes.

In addition to Wienerberger AG, the 2005 financial statements include 14 (2004: 13) Austrian and 105 (2004: 107) foreign subsidiaries in which Wienerberger AG has management control or directly or indirectly owns the majority of shares. Thirty-three (2004: 32) affiliates, whose influence on the asset, financial and earnings position of the Group is immaterial, were not included in the consolidation. The combined revenues, income, liabilities and assets of these unconsolidated companies equal less than 2% of the relevant figures for the Group.

Twelve (2004: 13) joint venture companies in the Schlagmann and Bramac Groups, which are under common management, were consolidated using the proportional method.

The equity method is used for consolidation in cases where the Wienerberger Group holds between 20 and 50% of the shares (associates), if these entities are considered significant for the preparation of a true and fair view of the Group's assets, financial and earnings position. The carrying value of the 7 companies consolidated at equity totals TEUR 106,503, and TEUR 77,751 of this amount is attributable to the Pipelife Group.

The consolidation range developed as follows during the 2005 reporting year:

Consolidation Range	Fully consolidated	Proportionally consolidated	Equity accounting
Balance on 31.12.2004	**120**	**13**	**8**
Change in consolidation method	4	0	0
Included during reporting year for first time	7	0	0
Merged/liquidated during reporting year	-11	-1	-1
Divested during reporting year	-1	0	0
Balance on 31.12.2005	**119**	**12**	**7**
Thereof foreign companies	105	10	5

The following table shows the pro rata values for joint ventures included in the financial statements at their proportional share:

in TEUR	2005	2004
Revenues	89,144	90,583
EBITDA	20,826	20,621
EBIT	15,817	15,369

Assets *in TEUR*	31.12.2005	31.12.2004	**Equity and Liabilities**	31.12.2005	31.12.2004
A. Non-current assets	61,813	58,350	A. Equity	47,582	43,336
B. Current assets	28,707	28,012	B. Non-current provisions and liabilities	16,041	16,232
			C. Current provisions and liabilities	26,897	26,793
	90,520	**86,361**		**90,520**	**86,361**

Following are the proportional values from companies valued at equity (Pipelife Group and Tondach Gleinstätten Group):

in TEUR	2005	2004
Revenues	404,457	345,404
EBITDA	49,548	33,466
EBIT	31,374	16,706

Assets *in TEUR*	31.12.2005	31.12.2004	**Equity and Liabilities**	31.12.2005	31.12.2004
A. Non-current assets	130,863	122,517	A. Equity	102,306	71,401
B. Current assets	162,527	154,064	B. Non-current provisions and liabilities	67,148	91,696
			C. Current provisions and liabilities	123,936	113,484
	293,390	**276,581**		**293,390**	**276,581**

3. Acquisitions and Disposals

The following acquisitions made during 2005 are included in the consolidation for the first time:

Name of Company	Share in %	Name of Company	Share in %
von Müller Dachprodukte GmbH & Co. KG	80.00	Petersminde Teglvaerk A/S	100.00

The changes in the consolidation range since December 31, 2004 involved the following initial consolidations and deconsolidations:

At the end of March 2005 a majority stake was acquired in von Müller Dachprodukte GmbH & Co. KG, which owns two clay roof tile plants in Germany. During the third quarter Wienerberger acquired 100% of the shares in Petersminde Teglvaerk A/S with one facing brick plant in Denmark.

During the reporting year the Wienerberger Group not only completed acquisitions (share deals), but also purchased a number of brick plants (asset deals). These asset deals are shown as additions to assets and not reported as changes in the consolidation range. During the second quarter Wienerberger purchased two brick plants in Slovakia; one of these plants was shutdown permanently after the takeover.

The brick activities of Wienerberger in Russia and Bulgaria, which were not consolidated in previous years, were included in the consolidation range for the first time as of January 1, 2005. A plant is currently under construction in Russia, and bricks imported from neighboring countries are sold in Bulgaria.

Companies included in the consolidation for the first time generated TEUR 25,087 of revenues and reduced EBITDA by TEUR 3,475 for the period from January 1, 2005 to December 31, 2005.

On September 24, 2004 Wienerberger acquired 100% of the shares in thebrickbusiness, the third largest producer of bricks in Great Britain with nine plants. During the period from January 1, 2005 to September 23, 2005 thebrickbusiness contributed TEUR 62,627 to Group revenues and TEUR 14,750 to EBITDA; these figures were not included in the calculation of organic growth.

Changes to the consolidation range in 2005 also include the positive effect on revenues and earnings of the first full-year consolidation of Koramic Roofing (included at only 50% for the first quarter of 2004) and the full-year consolidation of three brick plants and one concrete paver plant in Poland (initial consolidation during the second quarter of 2004).

As of January 1, 2005 100% of the shares in Wienerberger Alpha Umwelttechnik were sold at carrying value. The deconsolidation had an impact of significantly less than 1% on Group revenues.

All changes in the consolidation range had a net impact of TEUR 106,082 on revenues and TEUR 15,076 on EBITDA.

Companies included for the first time were consolidated at the point of acquisition or at the next balance sheet date, unless this led to a material impact compared to inclusion at the point of acquisition.

The effect of changes in the consolidation range on the income statement and balance sheet is as follows for 2005 (from/as of the date of initial consolidation or deconsolidation):

in TEUR	**2005**
Revenues	106,082
EBITDA	15,076
EBIT	5,191

Assets		**Equity and Liabilities**	
in TEUR	**31.12.2005**		**31.12.2005**
A. Non-current assets	50,144	A. Non-current provisions and liabilities	7,076
B. Current assets	-38,264	B. Current provisions and liabilities	4,805
	11,881		**11,881**

4. Basis of Consolidation

For included subsidiaries, the book value method is used to eliminate the investment and equity. Under this method, the acquisition value of the investment is compared with the revalued shareholders' equity on the date of initial consolidation (purchase accounting). Any identifiable difference between the purchase price and revalued equity is added to fixed assets; any remaining goodwill, which represents compensation to the seller for market and development opportunities that are not specifically identified, is recognized as an asset in local currency under the relevant segment (TEUR 9,726 for the reporting year). In accordance with IFRS 3 Business Combinations, goodwill from acquisitions is no longer amortized on a regular basis but subject to an annual impairment test and only written down if the asset has been impaired. No impairment charges were recorded in 2005.

Initial consolidations in 2005 resulted in negative differences (badwill) of TEUR 630, which were recognized to the income statement.

Joint ventures are included at their proportional share in keeping with the general principles described above.

For associates consolidated at equity, the same basic methodology applied to subsidiaries and joint ventures is used to consolidate shareholders' equity. For companies consolidated using equity accounting, local valuation methods are maintained if the relevant amounts are immaterial.

All receivables and liabilities, revenues, and other income and expenses arising between companies consolidated at 100% or their proportional share are eliminated. Discounts and other unilaterial transactions affecting profit and loss are eliminated and charged to the income statement. Deferred taxes are recorded to reflect the income tax effects of consolidation entries charged to the income statement.

Inter-company gains and losses, which arise from the sale of goods or services between Group companies and which affect fixed or current assets, are eliminated unless they are immaterial.

5. Foreign Currency Translation

The accounts of foreign companies are translated into euro based on the functional currency method. The relevant local currency is the functional currency in all cases since these companies operate independently from a financial, economic, and organizational standpoint. With the exception of the component parts of shareholders' equity, all balance sheet items are translated using the closing rate on December 31, 2005. Goodwill is recorded as an asset in local currency and also translated at the closing rate on the balance sheet date for the financial statements. Expense and revenue items are translated at the average exchange rate for the year.

Unrealized currency translation differences arising from non-current Group loans are offset against the translation reserve with no impact on the income statement.

Translation risk arising from the Group's brick activities in the USA is limited by foreign currency swaps. These transactions involve the conclusion of a US dollar-euro foreign currency swap equal to the value of assets held in US dollars. The translation risk associated with brick activities in Poland and Great Britain is covered to roughly 55% and 95%, respectively, by foreign currency swaps and foreign currency futures.

During the reporting year, translation gains of TEUR 66,593 (2004: TEUR 2,705) were charged to equity with no effect on the income statement. The recording of foreign currency transactions (hedging transactions) that were not recognized to the income statement led to a decrease of TEUR 49,111 in retained earnings. Translation gains and losses arising from the use of different exchange rates for the balance sheet (exchange rate on the balance sheet date) and income statement (average exchange rate for the year) are charged or credited to equity.

The major exchange rates used for foreign currency translation showed the following development during the reporting year:

	Closing rate on		Average rate for the year	
in EUR	**31.12.2005**	**31.12.2004**	**2005**	**2004**
100 British Pound	145.92149	141.83391	146.22527	147.35857
100 Croatian Kuna	13.56677	13.05969	13.51375	13.33875
100 Czech Koruna	3.44828	3.28256	3.35783	3.13496
100 Danish Krone	13.40393	13.44303	13.41948	13.44098
100 Hungarian Forint	0.39546	0.40655	0.40313	0.39734
100 Norwegian Krone	12.52348	12.14108	12.48323	11.94765
100 Polish Zloty	25.90674	24.48280	24.85658	22.07991
100 Romanian Lei	27.17244	25.38715	27.61400	24.68250
100 Slovakian Krone	2.63992	2.58098	2.59075	2.49800
100 Slovenian Tolar	0.41753	0.41708	0.41742	0.41828
100 Swedish Krone	10.65133	11.08574	10.77407	10.95952
100 Swiss Franc	64.30455	64.81301	64.58462	64.76940
100 US Dollar	84.76731	73.41605	80.36759	80.40438

6. Significant Accounting Policies

The accounting and valuation methods used by the Group remain unchanged from December 31, 2004, with the exception of the valuation of non-current assets held for sale (IFRS 5 Non-current Assets Held for Sale).

The new provisions of IFRS 2 Share-based Payments, IFRS 3 Business Combinations, IAS 36 and IAS 38 as well as the amendments from the Improvement Project were applied in 2004, at an earlier date in agreement with the new standards.

Emission trading guideline RL 2003/87/EG took effect in the European Union on January 1, 2005, and requires the Wienerberger Group to redeem certificates for the discharge of the greenhouse gas CO_2, which is created as part of the process used to manufacture bricks. This guideline also directs public authorities to issue a specific number of free certificates to companies that emit CO_2 and thereby permit the fulfilment of these requirements. Depending on actual emissions, companies can either purchase extra certificates or sell unused certificates on the market. The Wienerberger Group was allocated approximately 2.7 million tons of free CO_2 emission rights per year for the period from 2005 to 2007. Following the withdrawal of IASB regulation IFRIC 3 after rejection by the EU Commission, Wienerberger continues to follow the method used in previous quarters and records emission rights at a purchase price of zero in accordance with IAS 20 and IAS 38. Under this method, the income statement only includes expenses for the purchase of additional certificates or income from the sale of unused certificates.

In the quarterly reports for 2005, the reduction in the hedging reserve as a result of the dollar-euro swap was included under cash flow from operating activities in the position "changes in non-cash items resulting from foreign exchange translation". The contra item to the hedging reserve was reported as part of cash flow from investing activities under changes in marketable securities, which were therefore shown as a higher figure. In accordance with IAS 7, these effects are considered to represent non-cash transactions in the financial statements for 2005 and are therefore no longer included on the Cash Flow Statement. The Cash Flow Statement for 2004 was adjusted accordingly.

Following the harmonization of reporting schedules, results from the Tondach Gleinstätten Group were included in the equity valuation for the same reporting period; results recorded for the entire year 2004 were therefore recognized in the first quarter. The share of results for 2005 were recognized in the relevant quarters.

As part of the 2005 tax reform, the Austrian Parliament reduced the corporate tax rate from 34 to 25%. This tax rate will take effect with the assessment for 2005. In accordance with IAS 12.47, all provisions for deferred taxes in Austria have been calculated at this new lower rate since December 31, 2004.

The consolidated financial statements were prepared in accordance with the following principles:

Realization of revenue and expenses: Revenue arising from the provision of goods or services is realized when all major risks and opportunities arising from the delivered object have been transferred to the buyer. Operating expenses are recognized when a service is rendered or a delivery is received, or at the point such liability is incurred.

Order backlog: Information on the order backlog is irrelevant for an analysis of the business activities of Wienerberger AG. Therefore, this information is not provided.

Intangible and tangible assets: Fixed assets and purchased intangible assets are recorded at production or acquisition cost, less straight-line depreciation or usage-based depletion (clay pits). Production costs include direct expenses plus allocated material and production overhead. General selling and administrative expenses are not capitalized. The cost of debt incurred during the construction period of major new plants is capitalized. Depreciation is based on the useful economic lives of the various assets (component approach).

For the majority of assets, ordinary straight-line depreciation is calculated as follows:

Production plants (incl. warehouses)	25 years	Kilns and dryers (facing bricks)	10 – 20 years
Administrative buildings	40 – 50 years	Other machinery	5 – 15 years
Residential buildings	40 – 50 years	Fittings, furniture and office equipment	3 – 10 years
Kilns and dryers (roof tiles and hollow bricks)	8 – 15 years	Other intangible assets	3 – 10 years

An impairment loss is recognized where necessary to reflect any significant and lasting decrease in value above and beyond ordinary depreciation. Repairs that do not increase the presumed useful life of assets are charged to current expenses. In accordance with IFRS 5, scheduled depreciation is discontinued when assets are classified as held for sale.

When plant or equipment is shutdown, sold or retired, the gain or loss arising from the difference between the proceeds on sale and remaining book value is recorded under other operating income or expenses if the amount of the transactions reflects similar annually recurring events.

In accordance with IFRS 3.62, the balance sheet values may be adjusted within one year if they were considered preliminary as of the acquisition date. In 2005 the final values for the acquisition of thebrickbusiness, and thereby also goodwill, was adjusted by TEUR 3,349.

In accordance with IAS 17 (Leases) leased fixed assets, which economically represent purchases financed with non-current funds (finance leases), are recorded at that price which would have been paid if the asset had been purchased. Amortization is calculated over the lesser of the useful life of the asset or the term of the lease. Obligations arising from future lease payments are recorded as liabilities.

Subsidies and investment incentives are recorded as liabilities and released in keeping with the useful life of the relevant asset.

In accordance with IAS 36 (Impairment of Assets), assets are written down to the value in use or a possible sale price or liquidation value if there is evidence of impairment and the present value (discounted at a WACC rate of 7.5%) of future payment surplus is less than book value. In the Wienerberger Group, cash-generating units generally represent groupings of plants. Future payment surpluses are based on internal forecasts, which are prepared in detail for 2006 and with minor simplifications for the following three years (2007, 2008 and 2009). The quality of these forecasts is evaluated on a regular basis through a variance analysis that compares this data with actual figures. The results of this analysis are reflected in the forecast for the following year. Future payment surpluses for the years 2010 to 2020 are based on the estimated payment surplus for 2009. Therefore, the calculation of the present value of payment surpluses is based on 15 reporting years.

The major factor for determining the value in use is formed by assumptions for the future development of the local market and sales volumes. The value in use is therefore determined on the basis of assumptions that are checked with economic researchers in the various regional markets, estimates published by Euroconstruct and values from past experience. Market growth rates may vary from –5 to +5% in a single year during the short-term planning period of four years; after this time, average market growth is generally assumed to range from 0 to +2%. Cost structure forecasts generally use past experience in the Wienerberger Group as a base for extrapolation.

If the reasons for impairment cease to exist, the carrying value of the relevant fixed asset is increased to its recoverable amount. In accordance with IFRS 3, no write-up is made to goodwill that was subject to an impairment write-down in the past.

Investment property is stated at carrying value.

Financial investments: Investments in associates and non-consolidated subsidiaries are generally stated at equity, unless these investments are immaterial. Investments in other companies are valued at acquisition cost. A write-down is made if there are signs of lasting impairment. Write-downs and write-ups are shown under financial results.

Inventories: Inventories are stated at the lower of cost or net realizable value, whereby valuation is based on the moving average method. Cost includes direct expenses, allocated overhead, and depreciation based on normal capacity usage. Interest charges as well as selling and administrative expenses are not included in the production cost of current assets. Risks resulting from length of storage or other impairments in value are reflected in appropriate write-downs.

Receivables: Receivables and other current assets are stated at nominal value. Individually identifiable risks are reflected in specific provisions. Non-interest bearing receivables with a remaining term in excess of one year are recorded at discounted present value. Foreign exchange receivables in individual company accounts are translated at the exchange rate on the balance sheet date.

Securities are recorded at purchase price as of the date of acquisition, and stated at fair value in subsequent periods, based on stock exchange quotations as of the balance sheet date. Fluctuations in fair value are recognized to the income statement and included under financial results. Financial assets are recorded as of the trade date, which is the date the company becomes a party to the buy or sell contract.

Provisions: Provisions for severance payments – primarily for employees of Austrian companies – are calculated according to financial principles based on a retirement age of 65 (men) and 60 (women), using a discount rate of 4%. The Austrian method "Teilwertverfahren" is used.

The Wienerberger Group has both defined contribution and defined benefit pension plans. Defined contribution plans carry no further obligation after the payment of premiums. Under defined benefit plans, the employee is promised a certain retirement benefit. The risk related to the actual retirement benefit is carried by the company up to the point of payment. The provisions for defined benefit pension plans are calculated according to the projected unit credit method. The valuation of pension commitments includes future wage/salary increases as well as increases in defined benefit commitments. In general these calculations are based on a discount rate of 5% (Europe) and 6% (USA), an expected increase of 3-5% in income, expected growth of 3-5% in pensions, average employee turnover of 2-5% and expected return of 5-7.7% on pension fund assets. The provisions for pensions are calculated by actuaries.

Commitments by US companies to cover medical costs for retired employees are recorded under provisions for pensions because of their pension-like character.

The provisions for pensions were netted out with pension plan assets that are held to cover commitments. The market values of fund assets that exceed pension obligations are shown under other receivables.

Significant actuarial gains and losses are not recognized to income in the year they arise, but are amortized over the remaining service time of active employees (corridor rule).

In agreement with IAS 12 (revised) the provision for deferred taxes includes all temporary valuation and accounting differences arising between financial statements prepared for tax purposes and IFRS financial statements. The provision for deferred taxes is calculated at the tax rate expected when these differences reverse in the future, based on the local tax rate of the relevant Group company. Future changes in tax rates are included if the relevant legal amendment has been passed as of the balance sheet date.

In accordance with IAS 16 (applicable as of January 1, 2005), provisions for site restoration are created when the clay pit is purchased. The provisions for site restoration on clay pits purchased before 2005 are based on depletion, in accordance with the transition rule to IAS 16. Other liabilities whose due dates or amounts are uncertain are recorded as liabilities in accordance with IAS 37.

Liabilities: Liabilities are stated at the actual amount received, less transaction costs. Any premium, discount or other difference between the amount received and repayment amount is distributed over the term of the liability according to the effective interest rate method and recorded under financial results. Foreign currency liabilities are translated at the exchange rate on the balance sheet date.

Derivative financial instruments: Interest rate and foreign exchange swaps as well as foreign exchange contracts are recorded at purchase price as of the trade date, and shown at fair value in subsequent periods. The fair value of securities traded on a stock exchange is based on the actual market price. The fair value of interest rate swaps that are not traded on a stock exchange is based on the discounted value of future payments, which is calculated using a current market interest rate. The fair value of derivative instruments, which must be classified as hedging instruments under IAS 39 (above all, foreign currency swaps), are recorded with no impact to the income statement. The ineffectiveness on cash flow hedges is immaterial. For fair value hedges (above all, interest rate swaps) the valuation of the base transaction is adjusted by the fair value of the hedged risk, and this amount is recognized to the income statement.

Earnings per share: The calculation of earnings per share is based on Group profit after tax less minority interest, divided by the weighted number of shares outstanding (less treasury stock). As part of the stock option plan, Wienerberger managers were granted option rights.

Estimates: In preparing the Group financial statements, it is necessary to estimate certain figures and make assumptions that influence the recording of assets and liabilities, the declaration of other obligations as of the balance sheet date, and the recording of revenues and expenses during the reporting period. The actual figures, which become known at a later date, may differ from these estimates.

Segment reporting: In accordance with the “management approach”, the definition of business units for primary segment reporting should reflect the internal reporting structure. Therefore, Wienerberger structures its segments of business according to regions. EBITDA, EBIT, assets and capital employed as well as maintenance capital expenditure and growth investments are classified according to company headquarters. Secondary segment reporting provides information on the following product groups: hollow bricks, facing bricks, roofing systems, pavers and other.

Intercompany prices: The regional exchange of goods and services between the individual strategic segments is immaterial. Prices for the sale of goods between Group companies are established at arm's length based on the resale price method. Prices for the provision of services between Group companies are established at arm's length based on the cost-plus method.

Notes to the Income Statement

7. Revenues

Consolidated revenues rose 11% to TEUR 1,954,571. After an adjustment for changes in the consolidation range and excluding currency translation effects, organic growth totaled 4% (2004: 8%). In the Central-East Europe segment, higher revenues in the Czech Republic, Slovakia and Romania offset declines in Hungary. Revenues in Germany remained largely unchanged, whereby lower brick revenues were offset by the initial consolidation of two clay roof tile plants acquired from von Müller Dachziegelprodukte GmbH & Co. KG. Revenues in Italy and Switzerland exceeded the prior year level. The North-West Europe segment reported a significant improvement in revenues following the first full-year consolidation of thebrickbusiness as well as organic growth in France and Belgium. Higher revenues were recorded on brick activities in the USA because of an increase in prices and additional purchased goods. Foreign exchange effects, primarily due to the revaluation of the Polish zloty and Czech koruna, had a positive impact of TEUR 24,747 on Group revenues. Detailed information on revenues by segment and region is provided under segment reporting on pages 96 and 97.

8. Cost of Materials and Depreciation

The cost of goods sold, selling and administrative expenses include expenses for materials, merchandise, services and energy totaling:

in TEUR	**2005**	**2004**
Cost of materials	350,788	348,933
Cost of merchandise	105,650	99,220
Cost of energy	250,364	198,569
Cost of services	73,780	50,080
Total	**780,582**	**696,802**

The cost of materials includes expenses for clay, sand, sawdust and other additives, pallets and other packaging materials. Maintenance expenses involve the use of low-value spare parts (cost of materials) as well as third party services (cost of services). The cost of goods sold, selling expenses, administrative expenses, and other operating expenses include the following depreciation and amortization:

in TEUR	2005	2004
Ordinary depreciation	154,082	140,694
Extraordinary depreciation	4,030	7,301
	158,112	**147,995**
Amortization of goodwill	0	0
Depreciation of plant, property and equipment and amortization of intangible assets	**158,112**	**147,995**

In accordance with IFRS 3 Business Combinations, goodwill is not amortized on a regular basis but subject to an annual impairment test (see 6. Significant Accounting Policies).

9. Personnel Expenses

The cost of goods sold, selling and administrative expenses include the following personnel expenses:

in TEUR	2005	2004
Wages	201,051	171,355
Salaries	166,315	147,020
Expenses for stock option plans	1,250	688
Expenses for severance payments	5,415	6,878
Expenses for pensions	11,584	9,242
Expenses for mandatory social security and payroll-related taxes and contributions	82,323	80,554
Other employee benefits	18,545	16,447
Personnel expenses	**486,483**	**432,184**

Compensation paid to the members of the Managing Board totaled TEUR 3,618 for the reporting year (2004: TEUR 3,430). Of this amount, TEUR 1,991 represents a variable component and TEUR 1,627 a fixed component. For active members of the Managing Board, pension expenses in the form of contributions to pension funds (defined contribution plans) and the service costs for defined benefit plans totaled TEUR 1,075 in 2005 (2004: TEUR 627).

Payments of TEUR 589 (2004: TEUR 501) were made to former members of the Managing Board or their surviving dependents.

The members of the Supervisory Board received cash payments totaling TEUR 273 for their activities during the reporting year (2004: TEUR 170). Compensation paid to the Supervisory Board is calculated as a percentage of profit after tax before minorities. These funds are distributed among the members of the Supervisory Board (shareholder representatives) in accordance with the scope of their duties.

The company has not provided any guarantees for credits and no companies in the Wienerberger Group have granted credits to the members of the Managing Board or Supervisory Board.

The members of the Managing Board and Supervisory Board are listed on pages 18 and 27. The number of shares owned by the members of the Managing Board and Supervisory Board is listed on page 33. Detailed information on compensation paid to the members of the Managing Board and Supervisory Board is provided in the compensation report on pages 31 to 33. Expenses arising from the stock option plans are shown above and on page 128.

10. Employees

The average number of employees was as follows:

	2005		2004	
	Total	**Thereof joint ventures**	**Total**	**Thereof joint ventures**
Production	10,051	440	8,877	475
Administration	1,111	73	1,043	77
Sales	2,165	166	2,234	161
Total	**13,327**	**679**	**12,154**	**713**
Thereof apprentices	39	3	31	1

Changes in the consolidation range led to an increase of 1,047 in the number of employees. Employees of companies included at their proportional share are reflected in this calculation in proportion to the holdings in these companies.

11. Other Operating Expenses

Other operating expenses are classified as follows:

in TEUR	2005	2004
Loss on the disposal of fixed assets, excluding financial assets	3,102	5,030
Miscellaneous	22,452	43,427
Other operating expenses	**25,554**	**48,457**

Research and development expenses at Wienerberger are related to the cost of product and process development, the improvement of environmental standards and laboratory activities. The development costs for successful research programs are generally capitalized under the related asset. In 2005 research activities totaled TEUR 3,595. Miscellaneous other operating expenses represent costs that cannot be allocated to the functional areas.

12. Other Operating Income

in TEUR	2005	2004
Income from the disposal and write-up of tangible assets, excluding financial assets	12,261	19,572
Insurance compensation	3,906	5,415
Miscellaneous	15,389	17,803
Other operating income	**31,556**	**42,790**

Miscellaneous other operating income represents sales-like revenues, such as rental and commission income, which are not part of the direct business activities of the Wienerberger Group.

13. Transition of Results according to Cost of Sales and Total Cost Methods

In an income statement prepared according to the cost of sales method, expenses are classified by functional area. Under the total cost method, the amounts for each individual category of expenses are shown and then adjusted to reflect the increase or decrease in finished and semi-finished goods in order to present the expenses related to the actual volume of goods sold. The relationship of these two methods is explained below:

in TEUR	Cost of freight	Cost of materials	Cost of merchandise	Depreciation	Cost of energy	Cost of services	Personnel expenses	Other	Total
Production costs	0	342,253	105,650	136,234	244,946	56,043	295,163	30,697	**1,210,986**
Selling expenses	109,794	7,681	0	7,068	4,303	11,242	120,922	108,768	**369,778**
Administrative expenses	0	854	0	7,495	679	2,633	68,789	29,074	**109,524**
Other operating expenses	0	0	0	7,315	436	3,862	3,182	10,759	**25,554**
Other operating income	0	0	0	0	0	0	-1,573	-29,983	**-31,556**
	109,794	**350,788**	**105,650**	**158,112**	**250,364**	**73,780**	**486,483**	**149,315**	**1,684,286**

14. Non-recurring Income and Expenses

As a reaction to the changed market conditions, the Wienerberger Group incurred TEUR 11,365 of restructuring expenses (thereof TEUR 1,591 in extraordinary write-off) for the temporary or partial closing of 17 plants during the reporting year. These restructuring activities were concentrated in Germany, Poland and Hungary. In order to improve comparability, these non-recurring expenses are shown separately under “non-recurring write-offs and provisions for restructuring”, and are therefore not included under ordinary operating expenses.

A property in the south of Vienna was sold during the fourth quarter of 2005 at a book gain of TEUR 10,637 (proceeds on sale TEUR 15,670). The book gain exceeded the normal scope for a transaction of this type by a substantial amount. For this reason, the gain is shown separately under “non-recurring income”.

15. Other Financial Results

Other financial results are classified as follows:

in TEUR	2005	2004
Income from subsidiaries	-633	-710
Income from other companies	534	91
Total income from investments	**-99**	**-619**
Interest and similar income	25,435	27,596
Interest and similar expenses	-68,861	-60,923
Net financing costs	**-43,426**	**-33,327**
Market valuation of securities	2,713	308
Foreign exchange gains/losses	378	3,620
Bank charges and commitment fees	-7,369	-4,649
Securities and other	**-4,278**	**-721**
Other financial results	**-47,803**	**-34,667**

Income from investments includes a loss of TEUR 289 on the sale of stakes in subsidiaries.

The position “bank charges and commitment fees” includes current expenses as well as the allocation of capitalized transaction costs that are related to the conclusion of credits or issue of bonds (above all, bank fees) over the term of the financing. The reversal of discounts and premiums is included under net financing costs.

16. Income Taxes

This item includes income taxes paid and owed by Group companies as well as provisions for deferred taxes.

in TEUR	2005	2004
Current tax expense	35,572	47,782
Deferred tax expense	19,262	1,756
Income taxes	**54,834**	**49,538**

The effective tax rate for the reporting year was 21.8% (2004: 21.4%). This rate is a weighted average of the effective local income tax rates of all companies included in the consolidation.

As part of the 2005 tax reform, the Austrian parliament approved a reduction in the corporate tax rate from 34 to 25% beginning with the assessment for 2005. In accordance with IAS 12.47, provisions for deferred taxes in Austria were calculated at this new rate in the annual financial statements for 2004.

The difference between the current Austrian corporate tax rate of 25% (2004: 34%) and the Group tax rate shown in these statements is due to the following factors:

in TEUR	2005	2004
Profit before tax	**251,267**	**231,370**
Tax expense at tax rate of 25% (2004: 34%)	**-62,817**	**-78,666**
Other foreign tax rates	-9,398	11,822
Non-temporary differences and tax income and expense from prior periods	17,320	10,606
Change in valuation allowances for deferred tax assets and tax-loss carry-forwards	-807	6,406
Changes in tax rates	868	295
Effective tax expense	**-54,834**	**-49,538**
Effective tax rate in %	21.8	21.4

17. Earnings per Share, Recommendation for the Distribution of Profits

The current number of shares outstanding is 74,167,796. Wienerberger carried out a share buyback program from March 24 to May 6, 2005, primarily to service the stock option plans; this program resulted in the purchase of 600,000 shares. During the reporting year Wienerberger management exercised 298,000 options for Wienerberger shares at a price of EUR 18.00 per share (first exercise window). These shares were drawn from treasury stock. As of December 31, 2005, 935,005 shares were held as treasury stock (2004: 633,005) and were deducted prior to the calculation of earnings per share. The resulting weighted average number of shares for the calculation of earnings per share in 2005 equaled 73,195,978.

Number of shares	2005	2004
Outstanding	74,167,796	74,167,796
Treasury stock	935,005	633,005
Weighted average	73,195,978	69,598,155

Based on consolidated net profit of TEUR 194,353 (2004: TEUR 177,104), earnings per share equal EUR 2.66 (2004: EUR 2.54). After an adjustment for non-recurring income and expenses of TEUR -728 (2004: TEUR 0), earnings per share total EUR 2.67 (2004: EUR 2.54). Options from 2002, 2003, 2004 and 2005 lead to a dilution of earnings per share as defined in IAS 33 because the option price was lower than the market price on the balance sheet date. The dilution totaled 399,152 shares and led to a minimal reduction in earnings per share to EUR 2.64 (2004: EUR 2.53).

In accordance with the provisions of the Austrian Stock Corporation Act, the financial statements of Wienerberger AG as of December 31, 2005 form the basis for the dividend payment. These financial statements show a net profit of EUR 86,682,874.51. The Managing Board recommends the Annual General Meeting approve a dividend of EUR 1.18 per share, for a total payment of EUR 87,517,999.28 on issued capital of EUR 74,167,796, less a proportional share of EUR 1,103,305.90 for treasury stock, resulting in an amount of EUR 86,414,693.38. The Managing Board also recommends that the Annual General Meeting approve the carry forward of the remaining EUR 268,181.13.

Notes to the Cash Flow Statement

The Cash Flow Statement for the Wienerberger Group shows the changes in cash and cash equivalents resulting from the inflow and outflow of funds during the reporting year. Cash and cash equivalents (liquid funds) include cash on hand and deposits with banks. Securities and current liabilities owed to financial institutions are not part of cash and cash equivalents. The effects of company acquisitions and disposals are eliminated and shown separately under net payments made for the acquisition of companies. Data from foreign Group companies are generally translated at the average exchange rate for the year. In contrast to this practice, cash and cash equivalents are valued at the exchange rate in effect on the balance sheet date.

In the quarterly reports for 2005, the reduction in the hedging reserve as a result of the dollar-euro swap was included under cash flow from operating activities in the position “changes in non-cash items resulting from foreign exchange translation”. The contra item to the hedging reserve was reported as part of cash flow from investing activities under changes in securities, which therefore showed a higher inflow. In accordance with IAS 7, these effects are considered to represent non-cash transactions in the financial statements for 2005 and are therefore not included on the Cash Flow Statement. The Cash Flow Statement for 2004 was adjusted accordingly.

18. Cash Flow from Operating Activities

Cash flow from operating activities shows the flows of funds arising from the provision and receipt of goods and services during the reporting year.

Cash flow from operating activities includes the following interest and tax payments:

in TEUR	2005	2004
Interest income	23,751	20,247
Interest payment	55,878	58,508
Tax payments	44,352	34,702

19. Cash Flow from Investing Activities

The acquisition of plant, property and equipment and intangible assets resulted in an outflow of funds totaling TEUR 278,628 (2004: TEUR 238,034). This amount includes TEUR 88,212 for maintenance, replacement rationalization and environmental protection investments (maintenance capex) as well as TEUR 190,416 for the construction or expansion of new plants and acquisitions (growth investments). Investments of TEUR 233 (2004: TEUR 921) were made in financial assets.

Cash inflows from the disposal of fixed and financial assets totaled TEUR 61,398 (2004: TEUR 74,349). These disposals generated gains of TEUR 17,691 (2004: TEUR 14,542). The TEUR 10,637 gain on a property in the south of Vienna was reclassified from operating results to non-recurring results in order to improve comparability.

Net payment made for the acquisition of companies totaled:

in TEUR	**2005**	**2004**
Payments made for companies acquired	44,652	400,294
Cash from companies consolidated for the first time	-496	-1,104
Acquisition of minority stakes	15,879	90
Cash outflows from deconsolidated companies	0	26
Cash flow from the recognition of new minority interest	0	-4,722
Net payments made for the acquisition of companies	**60,035**	**394,584**

In the prior year, the minority shares of capital increases (2004: TEUR 4,722) were reported under cash flow from investing activities. As of January 1, 2005 these items are reported under cash flow from financing activities. Prior year figures were not adjusted.

Net payments of TEUR 60,035 (2004: TEUR 394,584) made for companies acquired include the purchase price for the proportional share of equity as well as any debt assumed in connection with the transaction (debt-free company).

The transition from total investments to maintenance capex and growth investments is as follows:

in TEUR	**2005**	**2004**
Payments made for investments in tangible and intangible assets	278,628	238,034
Net payments made for the acquisition of companies	60,035	394,558
Total investments	**338,663**	**632,592**
Maintenance, replacement, rationalization and environmental investments	88,212	90,415
Maintenance capex	**88,212**	**90,415**
Payments made for new plant construction and renovation	190,416	147,619
Net payments made for the acquisition of companies	60,035	394,558
Growth investments	**250,451**	**542,177**

Notes to the Balance Sheet

20. Fixed and Financial Assets

The development of fixed and financial assets is shown on pages 94 and 95. The effect of changes in the consolidation range is shown in a separate column. The figures shown for foreign exchange rate increases and decreases represent amounts arising from the use of different exchange rates to translate the assets of foreign companies at the beginning of the year and year-end.

Goodwill is distributed among the individual segments of business as follows:

in TEUR	**2005**	**2004**
Central-East Europe	30,792	21,895
Central-West Europe	59,434	54,938
North-West Europe	289,252	281,900
USA	152,421	131,835
Investments and Other	141	0
Goodwill	**532,040**	**490,568**

Goodwill in the North-West Europe segment resulted primarily from the acquisition of business activities in Great Britain (TEUR 71,975) as well as the roof tile business in Belgium, Holland and France (total: TEUR 187,776). Non-current assets include land with a value of TEUR 267,571 (2004: TEUR 277,835). Capitalized interest expense and foreign currency differences on new plant construction totaled TEUR 1,005 in 2005 (2004: TEUR 250). Of total non-current assets, TEUR 4,932 (mainly land) meet the criteria defined in IFRS 5 Non-current Assets Held for Sale, whereby the sale of these assets within one year is highly probable.

In addition to operating leases, the Wienerberger Group also uses ***finance leases*** to a limited extent. Fixed assets include the following plant and equipment from finance leases:

in TEUR	**2005**	**2004**
Acquisition costs	29,350	24,872
Depreciation (accumulated)	10,715	5,385
Book value	18,635	19,486

Obligations arising from operating leases, license agreements, and rental contracts for the use of fixed assets not shown on the balance sheet represent liabilities of:

in TEUR	**2005**	**2004**
For the following year	14,550	11,927
For the next five years	46,660	43,687
Over five years	19,399	10,859

Payments arising from operating leases, license and rental agreements totaled TEUR 29,089 (2004: TEUR 28,135).

The balance sheet item "investment property" includes real estate and buildings with a book value of TEUR 32,984 (2004: TEUR 54,872), which are not used in current business operations. These assets are scheduled for sale over the middle to long-term, and are therefore classified as investment property. Based on comparable transactions, the present value of these assets is estimated at TEUR 43,456 (2004: TEUR 86,299). This property generated rental and other income of TEUR 261 in 2005 (2004: TEUR 186). During the 2005 business year, real estate classified as investment property with a book value of TEUR 29,836 was sold.

Other investments also include participation rights, which do not carry voting rights, to less than 40% of the profits earned by ANC Industriebeteiligungverwaltung GmbH, a subsidiary of the ANC private foundation.

21. Inventories

in TEUR	2005	2004
Raw materials and consumables	69,007	74,369
Semi-finished goods	46,851	30,696
Finished goods and merchandise	328,859	285,824
Prepayments	1,162	546
Inventories	**445,879**	**391,435**

Valuation adjustments totaling TEUR 5,252 (2004: TEUR 4,611) were recorded to products where the net realizable value (selling price less selling and administrative expenses) was less than the acquisition or production cost.

22. Receivables and Other Assets

All necessary individual valuation adjustments were made to receivables and other assets. In 2005 valuation adjustments totaled TEUR 942 (2004: TEUR 2,128). Individual valuation adjustments made to receivables during the reporting year represent less than 1% of total receivables and are therefore not shown separately.

Receivables		2005			2004	
in TEUR	Total	Remaining term <1 year	Remaining term >1 year	Total	Remaining term <1 year	Remaining term >1 year
Trade receivables from third parties	183,179	183,007	172	171,814	170,250	1,564
Trade receivables from subsidiaries	1,228	1,228	0	939	939	0
Trade receivables	**184,407**	**184,235**	**172**	**172,753**	**171,189**	**1,564**
Financial receivables from subsidiaries	12,556	8,042	4,514	13,429	7,456	5,973
Receivables arising from loans	12,469	3,044	9,425	14,008	13,714	294
Fair value of pension plan assets in excess of pension obligations	9,054	9,054	0	8,997	8,997	0
Other prepaid expenses	6,286	6,286	0	6,701	6,701	0
Miscellaneous and deferred charges	63,202	47,280	15,922	46,167	42,304	3,863
Other current receivables	**103,567**	**73,706**	**29,861**	**89,301**	**79,171**	**10,130**
Receivables	**287,974**	**257,941**	**30,033**	**262,054**	**250,360**	**11,694**

Receivables due from subsidiaries and affiliates are related primarily to loans. Trade receivables totaling TEUR 9,936 (2004: TEUR 8,265) are secured by notes payable.

23. Capital and Reserves

The development of capital and reserves during 2005 and 2004 is shown on page 93.

Wienerberger carried out a share buyback program from March 24 to May 6, 2005, which resulted in the purchase of 600,000 shares for TEUR 21,326. As part of the stock option plan for 2002, Wienerberger management exercised 298,000 options for Wienerberger shares at a price of EUR 18.00 per share. These shares were drawn from treasury stock, whereby equity increased by TEUR 5,364. The difference between the purchase cost of this treasury stock and the exercise price of the options led to a decrease of TEUR 1,156 in retained earnings.

The issued capital of Wienerberger AG equals EUR 74,167,796 and is divided into 74,167,796 shares with zero par value. The Annual General Meeting on May 12, 2005 empowered the Managing Board to repurchase up to 10% of authorized share capital within a period of 18 months.

Moreover, the Annual General Meeting on May 11, 2004 passed a resolution that gives the Managing Board of Wienerberger AG the option to carry out a capital increase through the issue of up to 31,639,486 new shares. Every capital increase carried out within the framework of this authorization (valid for five years) must be approved by the Supervisory Board. In 2004 a total of 8,888,823 new shares were issued to finance the acquisition of Koramic Roofing and other growth projects. The Annual General Meeting on May 11, 2004 also authorized the Managing Board to issue up to 1,000,000 shares to serve the stock option plans over the next five years. This authorization has not been used to date.

Bank Austria Creditanstalt AG owned less than 5% of the share capital of Wienerberger AG as of December 31, 2005. AIM Trimark Investments, a subsidiary of the Canadian investment company AMVESCAP PLC, reported in November 2005 that it holds slightly more than 5% of the share capital of Wienerberger AG through 16 funds that are managed by AIM Trimark Investments. Free float is distributed among Austrian and international investors (also see page 36). The Wienerberger share is traded in the "Prime Market" Segment of the Vienna Stock Exchange. In the USA, the share is traded in a "Level 1 ADR Program" of the Bank of New York on the OTC market.

Retained earnings of TEUR 1,031,209 (2004: TEUR 962,644) include the retained earnings of Wienerberger AG plus the retained earnings of subsidiaries not eliminated during the capital consolidation. Group profit for 2005, excluding the share of profit attributable to minority interest, is shown under retained earnings.

24. Provisions

in TEUR	1.1.2005	Reclassification	1.1.2005	Foreign exchange incr./decr.	Chg. in consolidation range	Reversal	Use	Addition	31.12.2005
Provisions for severance payments	11,380	0	11,380	27	-122	65	1,306	3,528	13,442
Provisions for pensions	55,404	0	55,404	2,692	1,710	3,094	19,137	20,261	57,836
Provisions for service anniversary bonuses	4,026	0	4,026	63	-11	265	117	697	4,393
Employee-related provisions	**70,810**	**0**	**70,810**	**2,782**	**1,577**	**3,424**	**20,560**	**24,486**	**75,671**
Provisions for deferred taxes	**92,130**	**0**	**92,130**	**4,643**	**712**	**8,423**	**4,931**	**21,187**	**105,318**
Provision for warranties	20,974	0	20,974	39	3,772	1,156	2,230	948	22,347
Provision for site restoration	25,693	0	25,693	546	1,407	1,140	1,814	3,768	28,460
Provision for environmental measures	4,383	0	4,383	11	0	1,181	788	231	2,656
Other non-current provisions	**51,050**	**0**	**51,050**	**596**	**5,179**	**3,477**	**4,832**	**4,947**	**53,463**
Non-current provisions	**213,990**	**0**	**213,990**	**8,021**	**7,468**	**15,324**	**30,323**	**50,620**	**234,452**
Provisions for current taxes	563	0	563	27	6	25	0	132	703
Provision for vacations	7,720	-7,720	0	0	0	0	0	0	0
Other current provisions	48,711	0	48,711	892	412	9,225	23,679	21,420	38,531
Current provisions	**56,994**	**-7,720**	**49,274**	**919**	**418**	**9,250**	**23,679**	**21,552**	**39,234**
Provisions	**270,984**	**-7,720**	**263,264**	**8,940**	**7,886**	**24,574**	**54,002**	**72,172**	**273,686**

Provisions in the 2004 financial statements include obligations arising from unused vacation days. These provisions were reclassified to current liabilities as of January 1, 2005 (TEUR 7,720).

25. Provisions for Pensions

Wienerberger has made pension commitments to selected managers as well as all employees in Holland, Great Britain, the USA and Switzerland. Defined contribution plans represent the goal for future pension agreements. In 2004 a number of defined benefit pension agreements with active managers were converted to defined contribution pension models through the transfer of previously earned claims to a pension plan. Wienerberger has also made a number of defined benefit pension commitments mainly to former managers, which are not tied to plan assets. The length of service forms the basis for retirement benefits. General Shale employees have a funded defined benefit pension plan as well as non-funded health insurance. The amount by which the fair value of pension plan assets exceeds pension obligations is shown under other receivables. ZZ Wancor (Switzerland) has a defined contribution pension plan through an external pension fund. Claims earned by Dutch employees are satisfied primarily through contributions to an industry-wide pension fund in Holland. In Great Britain there is a defined contribution pension plan covering all employees. The member companies of thebrickbusiness, which was acquired during 2004, had a defined benefit model up to the end of 2003; a provision was created to reflect these obligations.

The most important actuarial parameters and relevant accounting principles are described on pages 105 and 106.

Total pension expenses for 2005 cover both defined contribution and defined benefit pension plans, and include the following components:

in TEUR	2005	2004
Defined contribution plans		
Expenses for defined contribution pension plans	**6,048**	**4,453**
Defined benefit plans		
Service costs for defined benefit pension plans	3,962	1,842
Interest costs	9,787	9,288
Expected income from plan assets	-7,830	-7,879
Actuarial gain/loss	1,410	1,536
Past service cost	46	1
Effect of plan curtailments and settlements	-1,839	0
Expenses for defined benefit plans	**5,536**	**4,788**
Total expenses for pensions	**11,584**	**9,242**

Gross pension obligations represent the present value of pension commitments as calculated by actuaries. Total pension obligations of TEUR 196,765 (2004: TEUR 182,240) include TEUR 175,861 (2004: TEUR 165,289) that are covered in part or in full by investments in funds (plan assets). The transition from gross pension obligations (defined benefit obligation) to net obligations as shown on the balance sheet is made by deducting non-recorded subsequent service cost and non-recorded actuarial gains and losses as well as the fair value of pension plan assets. Of total net obligations, TEUR 15,220 are related to the US (retirement) health insurance program. The component parts of pension obligations and their coverage through fund assets is shown on the next page:

in TEUR	Defined benefit obligation 2005	2004	Fair value of plan assets 2005	2004
Value as of 1.1.	**182,240**	**108,654**	**112,769**	**65,179**
Changes in consolidation range	1,710	72,773	0	44,999
Foreign exchange increase/decrease	11,787	-7,891	7,428	-4,482
Service costs for defined benefit plans	3,962	1,842	0	0
Interest costs	9,787	9,288	0	0
Expected income from plan assets	0	0	7,830	7,879
Effects of plan curtailments and settlements	-2,682	-3,320	-188	-3,320
Actuarial gain/loss	-3,708	4,021	6,760	-655
Past service cost	95	1	0	0
Payments to retirees	-7,411	-4,173	-7,411	-4,173
Payments received from employees	985	1,045	985	1,045
Payments received from employers	0	0	6,733	6,297
Value as of 31.12.	**196,765**	**182,240**	**134,906**	**112,769**
Fair value of plan assets	-134,906	-112,769		
Funded status as of 31.12.	**61,859**	**69,471**		
Non-recorded past service cost	0	0		
Non-recorded actuarial gains/losses	-13,077	-23,064		
Net pension obligations recorded as of 31.12	**48,782**	**46,407**		
Thereof provision for pensions (page 116)	57,836	55,404		
Thereof fair value of plan assets in excess of pension obligations (page 115)	9,054	8,997		

Pension plan assets are comprised of assets in the defined contribution pension plans in the USA and Holland as well as from the former defined benefit pension plan in Great Britain. The expected return on plan assets in 2005 was TEUR 7,830 and the actual return was TEUR 14,590. The plan assets are invested in stocks (77%), bonds (11%) and other assets (12%).

Legal regulations grant Austrian employees the right to a lump-sum payment at retirement or termination by the employer, depending on the length of service. These future obligations are reflected in provisions for severance payments. There are similar obligations in France and Italy.

26. Provisions for Deferred Taxes

Deferred tax assets and provisions for deferred taxes as of December 31, 2005 and December 31, 2004 are the result of the following temporary valuation and accounting differences between book values in the IFRS financial statements and the relevant tax bases:

in TEUR	2005 Assets	2005 Equity and liabilities	2004 Assets	2004 Equity and liabilities
Intangible assets	547	-16,211	225	-9,480
Property, plant and equipment	7,379	-104,522	9,140	-102,853
Financial assets	0	-412	0	-1,380
Inventories	2,518	-7,990	2,118	-6,473
Receivables	6,300	-4,430	3,898	-3,210
Securities	150	-206	140	-183
Cash and cash at bank	1	0	1	-2
Deferred charges	1,643	-4,321	505	-2,074
	18,538	**-138,093**	**16,027**	**-125,655**
Untaxed reserves	0	-10,165	0	-10,617
Provisions	26,900	-873	24,869	-872
Liabilities	5,536	-3,613	10,457	-1,300
Deferred income	26,894	-2,092	1,302	-2,493
	59,329	**-16,744**	**36,628**	**-15,282**
Tax loss carry-forwards	83,643		91,555	
Deferred tax assets/provisions	**161,510**	**-154,836**	**144,210**	**-140,937**
Valuation allowance for deferred tax assets	-50,637		-52,666	
Offset within legal tax units and jurisdictions	-49,518	49,518	-48,807	48,807
Net deferred tax assets and provisions	**61,355**	**-105,318**	**42,737**	**-92,130**

In the Group financial statements, temporary differences and tax loss carry-forwards totaling TEUR 50,637 (2004: TEUR 52,666) are not reflected in deferred tax assets because their use as tax relief is not yet sufficiently certain.

In accordance with IAS 12.39, no provisions for deferred taxes were recorded on temporary differences related to shares owned in subsidiaries. The cumulative value of shares in subsidiaries is TEUR 33,225 less than the pro rata share of equity owned in subsidiaries (2004: TEUR -10,871).

27. Liabilities

The remaining terms of the various categories of liabilities are shown in the following table:

2005 *in TEUR*	**Total**	**Remaining term <1 year**	**Remaining term 1-5 years**	**Remaining term >5 years**	**Thereof secured by collateral**
Interest-bearing loans	1,163,439	88,963	617,010	457,466	5,102
Finance leases	23,181	6,291	16,334	556	0
Financial liabilities owed to subsidiaries	2,619	2,619	0	0	0
Financial liabilities	**1,189,239**	**97,873**	**633,344**	**458,022**	**5,102**
Trade payables owed to third parties	149,506	149,476	30	0	0
Trade payables owed to subsidiaries	1,206	1,206	0	0	0
Trade payables	**150,712**	**150,682**	**30**	**0**	**0**
Prepayments received on orders	1,330	1,330	0	0	10
Amounts owed to tax authorities and social security carriers	36,825	36,624	8	193	9
Deferred income	37,896	11,653	12,879	13,364	7
Miscellaneous liabilities	96,778	72,120	10,664	13,994	1
Other liabilities	**172,829**	**121,727**	**23,551**	**27,551**	**27**
Liabilities as per balance sheet	**1,512,780**	**370,282**	**656,925**	**485,573**	**5,129**

2004 *in TEUR*	**Total**	**Remaining term <1 year**	**Remaining term 1-5 years**	**Remaining term >5 years**	**Thereof secured by collateral**
Interest-bearing loans	901,936	267,534	454,733	179,669	84
Finance leases	28,698	8,388	20,310	0	867
Financial liabilities owed to subsidiaries	2,249	2,249	0	0	0
Financial liabilities	**932,883**	**278,171**	**475,043**	**179,669**	**951**
Trade payables owed to third parties	143,988	143,988	0	0	0
Trade payables owed to subsidiaries	1,361	1,361	0	0	0
Trade payables	**145,349**	**145,349**	**0**	**0**	**0**
Prepayments received on orders	1,443	1,443	0	0	0
Amounts owed to tax authorities and social security carriers	49,140	48,167	780	193	0
Deferred income	10,656	10,656	0	0	0
Miscellaneous liabilities	88,233	64,179	10,833	13,221	0
Other liabilities	**149,472**	**124,445**	**11,613**	**13,414**	**0**
Liabilities as per balance sheet	**1,227,704**	**547,965**	**486,656**	**193,083**	**951**

Collateral primarily represents mortgages on land and guarantee agreements.

Other liabilities include TEUR 39,634 (2004: TEUR 26,073) due to employees and TEUR 19,051 (2004: TEUR 17,509) of accruals for bonuses due to customers. As of January 1, 2005 obligations to employees arising from unused vacation days are included under amounts due to employees; in the prior year, these liabilities were reported under provisions (2004: TEUR 7,720). Deferred income also includes TEUR 34,308 (2004: TEUR 7,032) of subsidies and investment allowances granted by third parties, which are released to the income statement over the useful life of the related assets.

28. Contingent Liabilities

Contingent liabilities result from obligations to third parties, and are comprised of:

in TEUR	31.12.2005	31.12.2004
Sureties	16	0
Contingent liabilities	2,025	6,372
Obligations from bills of exchange	10	0
Other contractual obligations	410	1,617
Contingent liabilities	**2,461**	**7,989**

All contingent liabilities reflect possible future obligations whose existence can only be confirmed by the occurrence of a future event that is completely uncertain as of the balance sheet date. In some cases the minority shareholders of group companies hold put options, which allow them to sell their holdings to Wienerberger within a specified period of time at a predefined price. These put-options are not recorded as financial instruments because there is no market value and another reliable estimate is not possible. There are no financial obligations ***(off balance sheet risks)*** above and beyond the contingent liabilities and guarantees stated above.

Financial Instruments

29. Financial Instruments

Securities	2005			2004		
	Book value *in TEUR*	**Market value** *in TEUR*	**Ø Effective interest rate** *in %*	**Book value** *in TEUR*	**Market value** *in TEUR*	**Ø Effective interest rate** *in %*
Shares in funds	15,942	15,942	4.21	4,566	4,566	1.30
Debt issued by corporations	30	30		11,271	11,271	5.48
Debt issued by local Austrian authorities	0	0		37	37	5.75
Stock	13	13		125	125	
Derivatives	4,390	4,390		52,794	52,794	
Other	2,027	2,027		1,724	1,724	1.28
	22,402	**22,402**		**70,517**	**70,517**	

Financial liabilities are comprised of the following items:

	Currency	Nominal value *in 1,000 local currency*	Market value *in TEUR*	Book value *in TEUR*	Effective interest rate *in %*
Loans	*EUR*	538,838	519,771	524,771	3.30
	HUF	876,842	2,080	2,083	6.40
	SKK	95,000	1,004	943	3.65
			522,855	**527,797**	
Roll-over	*DKK*	8,034	1,078	1,077	2.34
	SKK	13,516	409	357	7.45
			1,487	**1,434**	
Current loans	*EUR*	8,360	4,259	4,249	2.84
	CHF	30,000	19,320	19,231	1.48
	PLN	22,515	5,837	5,775	4.86
			29,416	**29,255**	
Fixed interest loans due to financial institutions			**553,758**	**558,486**	

	Currency	Nominal value *in 1,000 local currency*	Market value *in TEUR*	Book value *in TEUR*	Effective interest rate *in %*
Loans	*EUR*	166,454	157,379	156,002	3.91
	SIT	1,626,240	5,252	5,252	2.80
			162,631	**161,254**	
Roll-over	*EUR*	13,756	**13,756**	**13,756**	2.59
Current loans	*EUR*	39,839	34,934	34,863	2.26
	CZK	35	1	1	
	GBP	9	13	13	
	PLN	4	1	1	
	SIT	576	2	2	
	SKK	677	18	18	
	HRK	73	10	10	
Current loans			**34,979**	**34,908**	
Variable interest loans due to financial institutions			**211,366**	**209,918**	

	Currency	Nominal value *in 1,000 local currency*	Market value *in TEUR*	Book value *in TEUR*	Effective interest rate *in %*
Bonds - fixed interest	*EUR*	400,000	402,479	390,948	4.05
Roll-over - fixed interest	*EUR*	324	331	324	5.00
Loans – fixed interest	*EUR*	2,790	3,214	2,787	6.30
Current loans - fixed interest	*EUR*	464	466	464	2.71
			406,490	**394,523**	
Loans - variable interest	*PLN*	2,320	521	512	5.40
Loans due to non-banks			**407,011**	**395,035**	

In April 2005 Wienerberger issued a seven-year, fixed-interest, bullet repayment bond with a volume of TEUR 400,000, which is recorded under long-term borrowings. The related expenses of TEUR 10,139 (bank charges and interest rate hedges) were recorded together with the bond and not recognized to the income statement. The difference will be recognized as interest expense or bank charges over the term of the bond in accordance with the effective interest rate method.

The conclusion of interest rate swaps can distort the calculation of interest rates (variable, fixed). The structure of financial liabilities (variable and fixed interest rates) including the effects of interest rate swaps is shown on page 74.

30. Derivative Financial Instruments

The fair value of forward exchange contracts is based on the market price as of the balance sheet date. The prices for comparable transactions are used to value certain OTC contracts. The fair value for interest rate swaps represents the value that the company would receive or be required to pay on termination as of the balance sheet date. Current market conditions, above all current interest rates and the credit standing of the swap partner are taken into account in the determination of value.

The interpretation of market information necessary for the estimation of fair values also requires a certain degree of subjective judgement. This can result in a difference between the figures shown here and values subsequently realized on the marketplace.

	2005			2004		
	Currency	**Nominal value** *31.12.2005 in 1,000 local currency*	**Market value** *31.12.2005 in TEUR*	**Currency**	**Nominal value** *31.12.2004 in 1,000 local currency*	**Market value** *31.12.2004 in TEUR*
Forward exchange contracts	*EUR*	12,961	87	*CZK*	83,700	98
	DKK	54,300	8	*USD*	1,300	0
	GBP	24,961	152			
	NOK	5,662	1			
	SEK	5,300	-3			
Interest rate swaps	*EUR*	383,805	-2,542	*EUR*	434,940	-3,248
Cross currency swaps	*USD/EUR*	380,870	20,863	*USD/EUR*	380,870	59,710
	GBP/EUR	85,000	493	*GBP/EUR*	85,000	3,973
	PLN/EUR	417,270	-13,612	*PLN/EUR*	417,270	-7,739
	CZK/EUR	800,000	-907			
	CHF/EUR	25,000	-150			
			4,390			**52,794**

Risk Report

The conduct of global operations exposes the business segments of the Wienerberger Group to a variety of risks that are inseparable from entrepreneurial activities. These risks and their potential impact on the Group are identified and analyzed by Wienerberger risk management, and suitable actions are taken based on the Group's defined risk policy. From the current standpoint, there are no risks that could endanger the continued existence of the Group.

Market Risks

Risks arise from developments in the major economies in which Wienerberger operates across Europe and the USA. The most important market segments for the Wienerberger Group are construction, in general, and new housing starts and renovation, in particular. Key parameters for the development of residential construction are consumer confidence and the level of mortgage interest rates. In addition to this dependency on construction activity, bricks are subject to continuous competition from other wall and roofing materials. This competition on the building materials market requires specialized research and development of our primary products, bricks and clay roof tiles. In addition, the building materials industry is subject to seasonal fluctuations. As is the case with the entire building materials industry, the earnings of the Wienerberger Group are in part dependent on the weather. In order to avoid earnings fluctuations wherever possible, Wienerberger pursues a strategy of geographical diversification with parallel concentration on the core business. The Group's activities are subject to the usual risks inherent in local markets, where positions must be continually defended against competitors and substitute products. The Group's most important customer group is the building materials sector, and further market adjustments in this branch are expected to increase pressure on prices in the future. Specific market situations can also have a negative impact on price levels, and Wienerberger therefore monitors its price strategy on a continuous basis.

Procurement, Production, Investment and Acquisition Risks

The majority of the Wienerberger plants were constructed or modernized in recent years, and the risk of operating breakdowns or longer loss of production is therefore low. Supplies of clay raw materials for the production of bricks and clay roof tiles are guaranteed on a lasting basis by sufficient deposits and long-term supply contracts.

Energy prices are dependent on international market developments. In 2005 energy costs for the Wienerberger Group totaled TEUR 250,364 (2004: TEUR 198,569), or 12.8% (2004: 11.3%) of revenues. These expenses are divided into 62% for natural gas, 25% for electricity, 7% for oil and 6% for coal and other materials. Sharp increases in the price of natural gas during the reporting year triggered an above-average rise in energy costs in relation to revenues because our selling prices are determined at the start of the year and normally cannot be changed by a large amount during this twelve-month period. Wienerberger works to minimize the risk connected with rising energy prices on liberalized markets in Great Britain and the USA (in total, 19% of energy costs) by concluding futures contracts. In all East European countries except Slovakia and Slovenia (in total, 23% of energy costs), the prices for natural gas are regulated by the federal government and contracts with local suppliers are negotiated each year. In most West European countries (in total, 58% of energy costs) Wienerberger concludes agreements with national and international suppliers, in which prices are determined using formulas that are tied to substitute products (such as light heating oil and diesel oil). These prices are in part established for longer period of time. Therefore, futures can be concluded as a hedge against risk using a link to these substitute products.

Excess capacity in specific markets can lead to increased pressure on prices which, in turn, can result in selling prices that fail to cover production and capital costs. Wienerberger therefore monitors production capacity on a continual basis, and adjusts this capacity by closing plants on a temporary or permanent basis or shifting production to more efficient facilities. Continuous optimization and both internal and external growth projects are required to increase the value of Wienerberger. The future profitability of these projects is dependent to a large degree on the investment volume and/or acquisition price. For this reason, all growth projects must meet strict return on investment criteria for our bolt-on and external projects (also see the chapter Strategy and Business Model on page 38).

Financial Risks

Operating activities expose Wienerberger to interest rate and exchange rate risks. Derivative financing instruments, in particular forward exchange contracts and swaps, are used to limit and control this risk. No derivative contracts are concluded for trading or speculative purposes.

The exposure of the Wienerberger Group to exchange rate risk is limited because of the local nature of the building materials business, which rarely involves exports or imports. Therefore, cash flows into or out of the euro region are almost entirely related to Group dividends or loans. The foreign exchange risk of these inter-Group cash flows is managed by the holding company. Risks may also arise from the translation of foreign company financial statements into the euro, which is the Group currency. Revenues, earnings, and balance sheet items of companies not headquartered in the euro region are therefore dependent on the relevant euro exchange rate. Group Treasury is responsible for the central management of capital employed. These activities include the conclusion of financing by Wienerberger AG, and the distribution of these funds to the operating companies.

The following table shows Group revenues and capital employed by currency. For the first time, the calculation of capital employed includes the effects of forward exchange contracts and foreign currency swaps:

	2005		2004	
Revenues	*in € mill.*	*Share in %*	*in € mill.*	*Share in %*
Euro	958.8	49	916.2	52
East European currencies	431.6	22	410.2	23
US dollar	337.2	17	284.4	16
Other	227.0	12	148.0	9
Revenues	**1,954.6**	**100**	**1,758.8**	**100**

	2005		2004	
Capital employed	*in € mill.*	*Share in %*	*in € mill.*	*Share in %*
Euro	1,762.0	77	1,573.1	78
East European currencies	409.7	18	333.8	16
US dollar	22.2	1	-3.3	0
Other	95.5	4	127.9	6
Capital employed after hedging effect	**2,289.4**	**100**	**2,031.5**	**100**

Interest rate risk is comprised of two components: the optimal average term of all financing and the separation into fixed and variable interest rates. The risk associated with fixed interest rates lies in a possible decline in interest rate levels, while the risk associated with variable interest rates concern the possibility of an interest rates rise.

For the analysis of interest rate risk (fixed and variable interest rates), financial liabilities (page 122) must be adjusted for the effects of derivative instruments (hedging) and short-term fixed-interest financial liabilities are treated as variable-interest items.

	2005		2004	
in TEUR	**Fixed interest rate**	**Variable interest rate**	**Fixed interest rate**	**Variable interest rate**
Interest-bearing loans	953,009	210,430	676,273	225,663
Reclassification of short-term loans with fixed interest rate	-29,254	29,254	-231,687	231,687
Effect from derivative instruments (hedging)	-68,800	68,800	134,710	-134,710
Interest-bearing loans after hedging effect	**854,955**	**308,484**	**579,296**	**322,640**

The credit risk associated with financing activities is immaterial because of the strict requirements of Wienerberger's internal financial and treasury guidelines. The credit risk connected with the investment of liquid funds and securities is limited by the fact that virtually all securities held by the Group were issued by Austrian corporations and Wienerberger works only with financing partners who can demonstrate an excellent credit rating.

The assets held by defined benefit pension plan assets (TEUR 134,906) are invested in stocks (77%), bonds (11%) and other assets (12%) and are subject to normal market risk.

The credit risk on trade receivables can be classified as low because the credit standing of new and existing customers is monitored on a continual basis. No trade receivables due from individual customers comprise more than 5% of total Group receivables. The liquidity of the operating companies is managed by Group Treasury.

Liquidity risk is relatively low because the brick and roofing systems businesses generate high cash flows. Gearing and the equity base form a limit for the possible expansive growth of the Wienerberger Group.

Other Risks

Wienerberger plants exceed current legal requirements for the prevention of environmental damage, but the intensification of environmental standards presents our engineering department with a continuous range of new challenges. The landfill business was transferred to a foundation in 2001, which considerably reduced the risk for Wienerberger AG from these activities. Legal commitments are identified and met through internal knowledge of the current legal and contractual situation as well as cooperation with experts and external consultants.

The risks associated with a breakdown of our centralized Group data processing system as the result of natural disasters have been minimized through the parallel installation of systems at facilities in different locations. In recent years, a number of building materials companies with operations in the USA became the subject of class action suits from patients with asbestos-related diseases. After an examination of our US activities, we have classified this risk as minimal because none of our American subsidiaries has ever produced or sold asbestos products.

Other Information

31. Significant Events occurring after the Balance Sheet Date (Supplementary Report)

The Wienerberger Group acquired three Polish companies with two brick plants in the southern region of Poland as of February 1, 2006 following the approval of the transaction by cartel authorities. The purchase contract was concluded during 2005 under the suspensive condition that this approval would be received.

32. Related Party Transactions

Some real estate in Poland is held on a trust basis by management for legal reasons associated with the purchase of land.

33. Stock Option Plan

On May 8, 2002 the Annual General Meeting of Wienerberger AG authorized the use of Wienerberger AG treasury stock for a stock option plan. Based on this authorization, an option program was implemented for key managers who have a direct influence on the development of the company. After 2002, 2003 and 2004, options were granted for the fourth time during the 2005 business year. The number of options granted is dependent on the fulfillment of annual performance goals, with budgeted net income for the Group again forming the target for 2005. In order for the 2005 options to become valid, Group net profit must equal at least 95% of budget. If results fall between 95 and 100%, the options will be allocated on a proportional basis.

With the exception of the members of the Managing Board (see individual list), 12 key managers were each granted 3,432 options and 50 key managers were each granted 2,059 options in 2005. These options can not be transferred or traded, and each option represents the right to purchase one share. The options have a five-year term and can be exercised three years after they are granted. After expiration of this three-year period, the options may be exercised within certain windows one month after the announcement of quarterly results, the first time eighth calendar days after the annual general meeting. If the employee resigns within this three-year period, the options expire. The exercise price equals the average of all daily closing prices over a period of four weeks beginning with the announcement of preliminary results for the past reporting year, and totals EUR 37.50 for 2005. One-third of the shares that are purchased through the exercise of these options are subject to a 12-month retention period beginning on the date of exercise; the remaining shares are not subject to a retention period.

In order to serve the options granted in 2004 and 2005 as well as any options granted in subsequent years, the Annual General Meeting on May 12, 2005 approved the issue of authorized conditional capital as well as the purchase of treasury stock. Wienerberger carried out a share buyback program from March 24 to May 6, 2005, which resulted in the purchase of 600,000 shares. During the reporting year 298,000 options for Wienerberger shares from the 2002 stock option plan were exercised at a price of EUR 18.00 each. These shares were drawn from treasury stock.

The development of issued stock options is as follows:

	2005		2004	
	Number of options	Average exercise price per option	Number of options	Average exercise price per option
Total at the beginning of the year	**934,000**	**19.49**	**736,000**	**16.73**
Options granted	187,373	37.50	328,000	25.00
Options exercised	-298,000	18.00	0	0
Options forfeited	0	0	-130,000	17.94
Options subsequently accepted by employees	75,000	20.77	0	0
Total at the end of the year	**898,373**	**23.85**	**934,000**	**19.49**
Eligible for exercise at year-end	30,000	18.00	0	0

Number of options granted	From 2005	From 2004	From 2003	From 2002
Members of the Managing Board				
Wolfgang Reithofer	12,354	18,000	18,000	18,000
Heimo Scheuch	10,295	15,000	15,000	15,000
Hans Tschuden	10,295	15,000	15,000	15,000
Johann Windisch	10,295	15,000	15,000	15,000
Total for the Managing Board	**43,239**	**63,000**	**63,000**	**63,000**
Other key employees	144,134	265,000	310,000	310,000
Total number of options granted	**187,373**	**328,000**	**373,000**	**373,000**
Forfeited due to the end of employment	0	-15,000	-55,000	-70,000
Options subsequently accepted by employees	0	35,000	15,000	25,000
Exercised options	0	0	0	-298,000
Existing options	**187,373**	**348,000**	**333,000**	**30,000**
Eligible for exercise at year-end	0	0	0	30,000

Some managers subsequently accepted the options offered for the years 2002 to 2004 following changes in the tax laws of their countries. The relevant correction to the number of exercisable options is shown on the line "Options subsequently accepted by employees".

The options were valued based on the Black-Scholes option-pricing model. The interpretation of market information necessary for the estimation of market values also requires a certain degree of subjective judgment. The expected volatility was extrapolated based on the historical development of the price of the Wienerberger share. Therefore, the figures shown here may differ from the values subsequently realized on the marketplace.

Valuation of options		From 2005	From 2004	From 2003	From 2002
Major parameters for options granted					
Market price at granting	*in EUR*	33.86	27.53	17.32	18.97
Exercise price	*in EUR*	37.50	25.00	15.50	18.00
Term of options		5 years	5 years	5 years	5 years
Risk-free interest rate	*in %*	3.15	3.90	3.17	3.74
Expected volatility	*in %*	28	30	17	15
Present value of options	*in EUR*	5.91	7.44	2.23	2.65
Fair value of stock options at grant date	*in TEUR*	**962**	**2,029**	**710**	**802**
Included in personnel expenses for 2005	*in TEUR*	240	773	237	0

All members of the Managing Board exercised the options granted in 2002 during the reporting year. The resulting number of shares owned by these persons is presented in the Remuneration Report on page 33.

The Managing Board of Wienerberger AG released the consolidated financial statements on March 3, 2006 for distribution to the Supervisory Board. The Supervisory Board has the responsibility to examine the consolidated financial statements, and decide whether it will approve these consolidated financial statements.

Vienna, March 3, 2006

The Managing Board of Wienerberger AG

Wolfgang Reithofer
CEO

Heimo Scheuch

Hans Tschuden

Johann Windisch

Major differences between Austrian and IFRS accounting principles

The primary objective of IFRS accounting is to provide investors with suitable information for decision-making. Therefore IFRS make a strict distinction between accounting for commercial purposes and accounting for tax purposes, provisions for expenses are not permitted, the realization of income is defined differently in certain cases, accounting and valuation options are more restrictive, and information and explanations in the notes to the financial statements are more extensive.

Goodwill arising on acquisitions: In accordance with IFRS 3 goodwill is capitalized and subject to an impairment test each year, but is not amortized on a regular basis. The Austrian Commercial Code allows either a credit to reserves with no effect on the income statement or capitalization and straight-line amortization.

Deferred taxes: The Austrian Commercial Code requires the creation of deferred tax provisions for temporary differences if a tax liability is expected to arise when these differences are reversed. IFRS require the creation of deferred taxes on all temporary differences which arise between financial statements prepared for tax purposes and IFRS financial statements. Under IFRS, deferred tax assets must also be recorded for tax loss carry-forwards that are expected to be offset against taxable profits in the future.

Other provisions: In contrast to the Austrian Commercial Code, IFRS interpret the principle of conservatism differently with respect to provisions. IFRS tend to place stricter requirements on the probability of an event occurring and on estimating the amount of the provision.

Securities: Austrian accounting principles require securities to be recorded at the lower of acquisition cost or market value. Under IFRS, securities are valued at market price, whereby changes in market price are recognized directly to the income statement or recorded under equity without recognition to the income statement.

Foreign currency valuation: These two accounting systems require different treatments for unrealized profits arising from the valuation of foreign exchange items as of the balance sheet date. According to Austrian law the principle of realizable value requires only unrealized losses to be recorded, where IFRS also require the recognition of unrealized profits. In keeping with IFRS, unrealized exchange rate gains or losses arising from long-term inter-company loans are recorded under equity without recognition to the income statement.

Extraordinary results: In contrast to Austrian accounting, IFRS do not permit the recognition of extraordinary income or expense.

Stock options: IFRS 2 requires stock options to be reported under personnel expenses at the value on the day they were granted, whereby this value must be distributed over the years up to the earliest exercise date. Under the Austrian Commercial Code, the recording method depends on how the options will be serviced.

Unqualified Opinion

To the members of the Managing Board and Supervisory Board of Wienerberger AG, Vienna

We have audited the ***consolidated financial statements of Wienerberger AG, Vienna, for the fiscal year from January 1 to December 31, 2005***. The Company's management is responsible for the preparation and the content of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and for the preparation of the management report for the group in accordance with Austrian regulations. Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to state whether the management report for the group is in accordance with the consolidated financial statements.

We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing and International Standards on Auditing (ISA). Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement and whether we can state that the management report for the group is in accordance with the consolidated financial statements. In determining the audit procedures we considered our knowledge of the business, the economic and legal environment of the group as well as the expected occurrence of errors. An audit involves procedures to obtain evidence about amounts and other disclosures in the consolidated financial statements on a sample basis. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements are in accordance with legal requirements and present fairly, in all material respects, the financial position of the group as of December 31, 2005 and of the results of its operations and its cash flows for the fiscal year from January 1 to December 31, 2005 in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The management report for the group is in accordance with the consolidated financial statements.

Vienna, March 8, 2006

KPMG
Wirtschaftsprüfungs- und Steuerberatungs GmbH

KPMG Wirtschaftsprüfungs- und Steuerberatungs GmbH

Rainer Hassler

Martin Wagner

Certified Public Accountants

Group Companies

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
Wienerberger International NV	**Zaltbommel**	**50,000**	**EUR**	**100.00%**	**VK**	
Wienerberger Ziegelindustrie GmbH	Hennersdorf	300,000,000	ATS	100.00%	VK	
Wienerberger Ziegelindustrie Entwicklungs GmbH in Liqu.	Wien	35,000	EUR	100.00%	OK	1)
Wienerberger Teglaipari Rt.	Budapest	2,140,000,000	HUF	100.00%	VK	
Magyar Téglaipari Rt.	Törökbalint	20,000,000	HUF	40.00%	EQ	
Wienerberger Management Service Szolgáltató és Tanácsadó Kft.	Budapest	3,000,000	HUF	100.00%	OK	1)
Wienerberger cihlarsky prumysl, a.s.	Ceske Budejovice	961,543,960	CZK	100.00%	VK	
Wienerberger service, spol. s r.o.	Ceske Budejovice	200,000	CZK	100.00%	OK	1)
Cihelna Kinsky, spol. s r.o.	Kostelec nad Orlici	2,000,000	CZK	73.20%	VK	
Wienerberger eurostroj, spol. s r.o.	Ceske Budejovice	100,000	CZK	100.00%	VK	
Wienerberger euroform, spol. s r.o.	Ceske Budejovice	44,550,000	CZK	100.00%	VK	
Wienerberger cihelna Jezernice, spol. s r.o.	Ceske Budejovice	200,000	CZK	100.00%	VK	
Wienerberger Slovenske tehelne spol. s r.o.	Zlate Moravce	100,000,000	SKK	100.00%	VK	
Wienerberger Cegielnie Lebork Sp. z o.o.	Warszawa	116,334,660	PLN	100.00%	VK	
Handel Ceramika Budowlana Sp. z o.o.	Warszawa	50,000	PLN	40.00%	OK	1)
Wienerberger Honoratka Ceramika Budowlana S.A.	Konin	20,187,000	PLN	77.79%	VK	
Wienerberger Karbud S.A.	Warszawa	17,081,200	PLN	100.00%	VK	
Wienerberger Ceramika Budowlana Sp. z o.o.	Warszawa	1,000,000	PLN	93.22%	VK	
Moreva Sp. z o.o.	Warszawa	50,000	PLN	100.00%	OK	1)
Wienerberger Osiek Sp. z o.o.	Warszawa	10,008,000	PLN	100.00%	VK	
Glina Sp. z o.o.	Warszawa	50,000	PLN	0.00%	VK	
Glina Nowa Sp. z o.o.	Warszawa	50,000	PLN	100.00%	VK	
Koramic Pokrycia Dachowe Sp. z o.o.	Warszawa	233,458,290	PLN	100.00%	VK	
Polskie Przedsiebiorstwo Obrotu Gruntami Sp. z o.o.	Warszawa	4,199,200	PLN	100.00%	VK	
von Müller Dachowki Sp. z o.o.	Warszawa	50,000	PLN	99.00%	OKE	1)
Wienerberger Ilovac d.d.	Karlovac	8,988,040	HRK	99.92%	VK	
Wienerberger Cetera IGM d.d.	Karlovac	359,240	HRK	99.70%	VK	
Wienerberger Industrija opeke d.j.l.	Sarajevo	2,000	KM	100.00%	VK	
Wienerberger Opekarna Ormoz d.d.	Ormoz	228,130,000	SIT	87.06%	VK	
Opekarna Pragersko d.d.	Pragersko	245,262,000	SIT	83.51%	VK	
Wienerberger Opecni Sistemi d.o.o.	Zalec	1,500,000	SIT	100.00%	OK	1)
Wienerberger EOOD	Sofia	100,000	BGL	100.00%	VKE	
Agro Property Bulgaria EOOD	Sofia	5,000	BGL	100.00%	OKE	1)
Wienerberger Sisteme de Caramizi S.R.L.	Bucuresti	39,147,100	RON	65.08%	VK	
OOO "Wienerberger Kirpitsch"	Kirschatsch	469,423,261	RUR	100.00%	VKE	
WZI-Finanz S.A.	Luxembourg	500,065	EUR	100.00%	VK	
Wienerberger TOV	Kyiv	162,484	EUR	100.00%	OKE	1)
Semmelrock International GmbH	**Klagenfurt**	**3,000,000**	**EUR**	**75.00%**	**VKE**	
Semmelrock Baustoffindustrie GmbH	Klagenfurt	1,000,000	EUR	75.00%	VK	
Semmelrock Industriebeteiligungsverwaltung GmbH	Wien	35,000	EUR	75.00%	VK	
Semmelrock Stein & Design Kft.	Ocsa	983,000,000	HUF	75.00%	VK	
Semmelrock Stein + Design Dlazby s.r.o.	Sered	91,200,000	SKK	75.00%	VK	
Semmelrock Stein & Design d.o.o.	Ogulin	15,520,000	HRK	75.00%	VK	
Semmelrock Stein & Design Kostka Brukowa Sp. z o.o.	Kolbiel	21,478,000	PLN	75.00%	VK	
Semmelrock Stein & Design Sp. z o.o.	Gliwice	11,800,000	PLN	75.00%	VK	
Semmelrock Stein & Design Kombet Sp. z o.o.	Gdynia	2,890,000	PLN	52.50%	VK	
Semmelrock Stein + Design S.R.L.	Gura Ocnitei	200	RON	75.00%	VKE	

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
Bramac Dachsysteme International GmbH	**Pöchlarn**	**40,000,000**	**ATS**	**50.00%**	**QU**	
Bramac pokrivni sistemi EOOD	Silistra	846,200	BGL	50.00%	QU	
Bramac stresni systemy spol. s r.o.	Praha	160,000,000	CZK	50.00%	QU	
Bramac Krovni Sistemi d.o.o.	Sarajevo	2,000	DEM	50.00%	QU	
Bramac Pokrovni Sistemi d.o.o.	Novi Zagreb	7,778,000	HRK	50.00%	QU	
Bramac Dachsteinproduktion und Baustoffindustrie Kft.	Veszprem	1,831,880,000	HUF	50.00%	QU	
Bramac Sisteme de Invelitori S.R.L.	Sibiu	8,658,000	RON	50.00%	QU	
Bramac stresni sistemi d.o.o.	Skocjan	910,000,000	SIT	50.00%	QU	
Bramac Stresne Systemy spol. s r.o.	Ivanka pri Nitre	173,835,000	SKK	50.00%	QU	
Bramac Krovni Sistemi d.o.o.	Beograd	750,000	EUR	50.00%	QU	
Wienerberger Ziegelindustrie GmbH	**Hannover**	**9,500,000**	**EUR**	**100.00%**	**VK**	
Schlagmann Beteiligungs GmbH	Zeilarn	26,000	EUR	50.00%	OK	1)
Schlagmann Baustoffwerke GmbH & Co. KG	Zeilarn	10,300,000	EUR	50.00%	QU	
Pro Massivhaus Service und Training GmbH	Lanhofen	25,000	EUR	50.00%	OK	1)
Wienerberger Vermögensgesellschaft mbH	Hannover	25,000	EUR	100.00%	VK	
Megalith Bausteinwerk Verwaltungs GmbH	Miltitz	26,000	EUR	100.00%	OK	1)
Megalith Bausteinwerk GmbH Nebelschütz KG	Miltitz	6,000,000	DEM	100.00%	VK	
Megalith Bausteinwerk Beteiligungen GmbH	Schönau v. d. Walde	26,000	EUR	100.00%	OK	1)
Megalith Bausteinwerk GmbH & Co. Schönau KG	Wipperoda	6,000,000	DEM	100.00%	VK	
Wienerberger Systemschornstein GmbH & Co. KG	Hannover	130,000	DEM	100.00%	OK	1)
Krauss Kaminwerke Verwaltungs-GmbH	Hannover	26,000	EUR	100.00%	OK	1)
Krauss Kaminwerke GmbH & Co. KG	Hannover	500,000	DEM	100.00%	OK	1)
Ziegelwerk B GmbH	Hannover	26,000	EUR	100.00%	OK	1)
Tongruben Verwaltungs GmbH	Hannover	26,000	EUR	100.00%	OK	1)
Tagebau Burgwall Sand und Kies GmbH	Burgwall	130,000	EUR	100.00%	OK	1)
TZ Tonabbau + Ziegelproduktion GmbH	Hannover	26,000	EUR	94.23%	VK	
Wienerberger Verkaufs GmbH	Hannover	28,500	EUR	100.00%	OK	1)
Eisenberg Verwaltungs GmbH	Hannover	26,000	EUR	100.00%	OK	1)
Wienerberger Dachprodukte GmbH & Co. KG	Hannover	100	EUR	100.00%	OK	1)
Wienerberger Dachprodukte Beteiligungen GmbH	Hannover	25,000	EUR	100.00%	OK	1)
von Müller Dachprodukte Verwaltungs-GmbH	Hannover	25,000	EUR	80.00%	OKE	1)
von Müller Dachprodukte GmbH & Co. KG	Hannover	2,000,000	EUR	80.00%	VKE	
F.v. Müller Dachziegelwerke Görlitz GmbH	Görlitz	500,000	DEM	80.00%	OKE	1)
ReRo Reststoff Rohstoff Handelsgesellschaft mbH	Hannover	26,000	EUR	100.00%	OK	1)
Megalith Bohemia s r.o.	Slany, okr. Kladno	2,000,000	CZK	100.00%	OK	1)
Koramic Verwaltungs-GmbH	Hannover	26,000	EUR	100.00%	OK	1)
Koramic Dachprodukte GmbH & Co. KG	Hannover	5,000,000	EUR	100.00%	VK	
ZZ Wancor	**Regensdorf**	**1,000,000**	**CHF**	**100.00%**	**VK**	
ZZW Swissbrick AG	Regensdorf	200,000	CHF	100.00%	VKE	
Wienerberger Brunori Srl	**Bubano**	**4,056,000**	**EUR**	**100.00%**	**VK**	
Wienerberger Tacconi Srl	Roma	1,187,952	EUR	59.99%	VK	
Alaudae Srl	Bubano	51,130	EUR	100.00%	VK	
Fornaci Giuliane S.p.A.	Cormons	1,900,000	EUR	30.00%	EQ	

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
Wienerberger NV	**Kortrijk**	**102,736,187**	**EUR**	**100.00%**	**VK**	
Syndikaat Machiensteen II NV	Rumst	1,484,400	EUR	100.00%	VK	
Terca Beerse NV	Beerse	13,379,600	EUR	100.00%	VK	
Terca Tessenderlo NV	Tessenderlo	3,297,000	EUR	100.00%	VK	
Terca Quirijnen NV	Malle West	4,624,000	EUR	100.00%	VK	
Terca Zonnebeke NV	Zonnebeke	8,040,500	EUR	100.00%	VK	
Terca Nova NV	Beerse	5,950,000	EUR	100.00%	VK	
Desimpel NV	Kortemark	16,294,047	EUR	99.99%	VK	
Deva-Kort NV	Kortemark	247,894	EUR	100.00%	VK	
Steenfabrieken Desimpel NV	Kortrijk	12,102,410	EUR	100.00%	VK	
Briqueterie de Peruwelz NV	Kortemark	22,483,943	EUR	100.00%	VK	
Desimpel Kortemark Industries NV	Kortemark	350,000	EUR	100.00%	VK	
Wienerberger Coordination Center NV	Kortrijk	75,831,000	EUR	100.00%	VK	
Koramic Roofing Products NV	Kortrijk	4,500,000	EUR	100.00%	VK	
Tuileries du Hainaut SA	Mouscron	4,090,243	EUR	100.00%	VK	
Wienerberger B.V.	**Zaltbommel**	**25,457,070**	**EUR**	**100.00%**	**VK**	
Terca B.V.	Zaltbommel	13,613	EUR	100.00%	VK	
Van Hesteren & Janssens B.V.	Zaltbommel	363,024	EUR	100.00%	VK	
Desimpel AK1 B.V.	Amsterdam	70,000	EUR	100.00%	VK	
Wienerberger Trading Holland B.V.	Zaltbommel	18,000	EUR	100.00%	VK	
German Brick Trading B.V.	Wijchen	249,700	EUR	100.00%	VK	
Steenhandel Oost Nederland B.V.	Rijssen	3,630	EUR	100.00%	VK	
Aberson Bouwmaterialen B.V.	Zwolle	59,899	EUR	100.00%	VK	
Koramic Dachziegel Handels GmbH	Brüggen-Niederrhein	25,565	EUR	100.00%	EQ	
Steencentrale Neerbosch B.V.	Wijchen	45,400	EUR	100.00%	VK	
Leeuwis B.V.	Wijchen	91,210	EUR	100.00%	VK	
Handelsmaatschappij Rellingen B.V.	Wijchen	136,134	EUR	100.00%	VK	
Steinzentrale Nord GmbH	Rellingen	52,500	EUR	100.00%	VK	
Desimpel Klinker (Deutschland) GmbH	Emmerich	25,000	EUR	100.00%	VK	
Desimpel Klinker (Deutschland) GmbH & Co. KG	Emmerich	50,000	EUR	100.00%	VK	
Galileo Brick Limited	**Cheadle**	**2,000,000**	**GBP**	**100.00%**	**VK**	
Wienerberger (UK) Limited	Manchester	780,646	GBP	100.00%	VK	
The Brick and Stone Company Limited	Cheadle	5,000	GBP	100.00%	VKE	
Terca Reclaimed Buildings Materials Limited	Cheadle	15,000	GBP	100.00%	VKE	
Wienerberger Limited	Cheadle	1	GBP	100.00%	VKE	
Galileo Block Limited	Cheadle	104,002	GBP	100.00%	VK	
Galileo Block 2 Limited	Cheadle	2	GBP	100.00%	VK	
Chelwood Group Unlimited	Cheadle	5,975,506	GBP	100.00%	VK	
The Brick Business Limited	Cheadle	900,002	GBP	100.00%	VK	
The Ockley Brick Company Limited	Cheadle	700	GBP	100.00%	VK	
Chelwood Brick Limited	Cheadle	890,850	GBP	100.00%	VK	
Ambion Brick Company Limited	Cheadle	6,698,797	GBP	100.00%	VK	
Ockley Building Products Limited	Cheadle	500,000	GBP	100.00%	VK	
Irlam Brick Limited	Cheadle	15,100	GBP	100.00%	VK	
Galileo Trustee Limited	Cheadle	1	GBP	100.00%	VK	
DMWSL 320 Limited	Cheadle	1	GBP	100.00%	VK	

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
Wienerberger Participations SAS	**Achenheim**	**36,000,000**	**EUR**	**100.00%**	**VK**	
Wienerberger SAS	Achenheim	30,000,000	EUR	100.00%	VK	
Pacema SAS	Achenheim	3,800,000	EUR	100.00%	VK	
Société du Terril d'Hulluch (STF) SNC	Lens	300,000	EUR	50.00%	OK	1)
Desimpel Briques SAS	Cauchy à la Tour	3,821,410	EUR	100.00%	VK	
Koramic Tuiles SAS	Recologne	10,000,000	EUR	100.00%	VK	
Wienerberger A/S	**Brøndby**	**107,954,000**	**DKK**	**100.00%**	**VK**	
Petersminde Teglvaerk A/S	Stenstrup	1,700,000	DKK	100.00%	VKE	
Wienerberger AS	Lunde i Telemark	43,546,575	NOK	100.00%	VK	
Wienerberger AB	Bjärred	17,550,000	SEK	100.00%	VK	
Wienerberger OY AB	Helsinki	1,000,000	EUR	100.00%	VK	
Wienerberger AS	Aseri	24,074,000	EEK	100.00%	VK	
General Shale Brick, Inc.	**Johnson City**	**1,000**	**USD**	**100.00%**	**VK**	
General Shale Building Materials, Inc.	Johnson City	1,000	USD	100.00%	VK	
Modern Concrete, LLC	Louisville	1,000	USD	35.00%	EQ	
Pipelife International GmbH	**Wr. Neudorf**	**29,000,000**	**EUR**	**50.00%**	**EQ**	**2)**
Wienerberger Dach Beteiligungs GmbH	**Wien**	**500,000**	**ATS**	**100.00%**	**VK**	
WIBRA Tondachziegel Beteiligungs-GmbH	Wien	500,000	ATS	50.00%	QU	
Tondach Gleinstätten AG	Gleinstätten	500,000	EUR	25.00%	EQ	3)
Wienerberger Beteiligungs GmbH	**Wien**	**1,000,000**	**ATS**	**100.00%**	**VK**	
Wienerberger Finance Service B.V.	Zaltbommel	18,000	EUR	100.00%	VK	
Wienerberger Finanz Service GmbH	Wien	25,435,492	EUR	100.00%	VK	
Wienerberger Ofenkachel GmbH & CoKG	Mattersburg	363,364	EUR	100.00%	VK	
Wienerberger Ofenkachel Verwaltungs GmbH	Wien	35,000	EUR	100.00%	OK	1)
VVT Vermögensverwaltung GmbH	Wien	36,000	EUR	100.00%	VK	
WK Services NV	Kortrijk	32,226,158	EUR	100.00%	VK	
Wienerberger Beteiligungs GmbH	Hannover	26,000	EUR	100.00%	OK	1)
Wienerberger Anteilsverwaltung GmbH	Wien	35,000	EUR	100.00%	VK	
Wienerberger beta Asset Management GmbH	Wien	35,000	EUR	100.00%	OK	1)
Wienerberger Industriebeteiligungsverwaltung GmbH	Wien	35,000	EUR	100.00%	VKE	
Wienerberger France Holding GmbH	Wien	35,000	EUR	100.00%	VK	
Wienerberger ZZ Holding GmbH	Wien	35,000	EUR	100.00%	VK	
Keramo Wienerberger Steinzeugwerk Zwickau GmbH	Zwickau	4,000,000	DEM	100.00%	EQ	

VK ...... Full consolidation
VKE .... First time full consolidation
QU ..... Proportional consolidation
QUE ... First time proportional consolidation

EQ ..... Equity accounting
EQE... First time equity accounting
OK .... No consolidation

1) Immaterial
2) Holding company of Pipelife Group
3) Holding company of Tondach Gleinstätten Group

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Audited IFRS Consolidated Financial Statements for Financial Year Ended December 31, 2004

Income Statement

Notes		2004 *in TEUR*	2003 *in TEUR*
(7)	Revenues	1,758,846	1,544,019
(8, 9, 12)	Cost of goods sold	-1,074,544	-984,680
	Gross profit	**684,302**	**559,339**
(8, 9, 12)	Selling expenses	-312,779	-274,288
(8, 9, 12)	Administrative expenses	-108,406	-96,569
(10)	Other operating expenses	-48,457	-34,430
(11)	Other operating income	42,790	51,354
(8)	Amortization of goodwill	0	-19,257
	Operating profit before non-recurring items	**257,450**	**186,149**
	Non-recurring write-offs and provisions related to restructuring	0	0
	Non-recurring income	0	0
	Operating profit after non-recurring items	**257,450**	**186,149**
	Income from investments in associates	8,586	3,464
(13)	Other financial results	-34,667	-33,568
	Financial results	**-26,080**	**-30,104**
	Profit before tax	**231,370**	**156,045**
(14)	Income taxes	-49,538	-43,117
	Profit after tax	**181,832**	**112,928**
	Thereof minority interest	4,729	2,511
	Thereof net profit for the period	**177,104**	**110,417**
(28)	**Adjusted earnings per share before amortization of goodwill and non-recurring items (in EUR)**	**2.54**	**2.01**
(28)	**Earnings per share (in EUR)**	**2.54**	**1.71**
(28)	**Diluted earnings per share (in EUR)**	**2.53**	**1,71**
(28)	**Recommended or paid dividend per share (in EUR)**	**1.07**	**0.77**

The following notes to the financial statements form an integral part of this income statement.

Balance Sheet

Notes		31.12.2004 *in TEUR*	31.12.2003 *in TEUR*
	ASSETS		
(15)	Intangible assets	522,064	333,905
(15)	Property, plant and equipment	1,337,568	1,046,967
(15)	Investment property	54,872	65,974
(15)	Investments in associates	76,329	83,152
(15)	Other financial assets	21,835	48,668
(21)	Deferred tax assets	42,737	32,048
	Non-current assets	**2,055,404**	**1,610,714**
(16)	Inventories	391,435	302,452
(17)	Trade receivables	172,753	132,959
(17)	Other current receivables	89,301	184,166
	Marketable securities	70,517	50,101
	Cash and cash at bank	86,492	126,704
	Current assets	**810,497**	**796,382**
	Total Assets	**2,865,901**	**2,407,096**
	EQUITY AND LIABILITIES		
	Issued capital	74,168	65,279
	Share premium	415,052	192,831
	Retained earnings	962,644	820,103
	Treasury stock	-13,327	-13,327
	Translation reserve	-105,502	-108,206
	Minority interest	34,178	23,753
(18)	**Equity**	**1,367,214**	**980,433**
(19, 20)	Employee-related provisions	70,810	46,010
(19, 21)	Provisions for deferred taxes	92,130	90,344
(19)	Other non-current provisions	51,050	48,002
(22)	Long-term borrowings	654,711	722,520
(22)	Other non-current liabilities	25,028	21,459
	Non-current provisions and liabilities	**893,729**	**928,335**
(19)	Provisions for current taxes	563	7,569
(19)	Other current provisions	56,431	92,931
(22)	Short-term borrowings	278,171	237,225
(22)	Trade payables	145,349	91,842
(22)	Other current liabilities	124,444	68,761
	Current provisions and liabilities	**604,958**	**498,328**
	Total Equity and Liabilities	**2,865,901**	**2,407,096**

The following notes to the financial statements form an integral part of this balance sheet.

Statement of Cash Flows

Notes		2004 in TEUR	2003 in TEUR
	Profit after tax	181,832	112,928
	Depreciation and amortization	148,739	148,778
	Write-up of fixed and financial assets	0	-2,488
	Increase/decrease in long-term provisions	-10,415	-9,787
	Income from associates	-8,586	-3,660
	Income/loss from the disposal of fixed and financial assets	-14,542	-12,218
	Gross cash flow	**297,028**	**233,553**
	Increase/decrease in inventories	-37,005	37,648
	Increase/decrease in trade receivables	-14,944	-4,349
	Increase/decrease in trade payables	36,103	-27,462
	Increase/decrease in other net current assets	30,787	8,481
	Changes in non-cash items resulting from foreign exchange translation	24,296	32,423
(26)	**Cash flow from operating activities**	**336,265**	**280,294**
	Proceeds from the sale of assets	74,349	58,191
	Purchase of property, plant and equipment and intangible assets	-238,034	-145,383
	Payments made for investments in financial assets	-921	-10,604
	Increase/decrease in marketable securities	-18,535	-17,606
	Cash flow from changes in the consolidation range	-394,584	-210,661
(27)	**Cash flow from investing activities**	**-577,725**	**-326,063**
	Increase/decrease in long-term borrowings	-12,692	56,153
	Increase/decrease in short-term borrowings	40,763	73,670
	Dividends paid by Wienerberger AG	-49,777	-42,665
	Dividends paid to minority shareholders as well as capital decrease	-2,690	-2,189
	Dividend payments from associates	1,975	660
	Capital increase Wienerberger AG	221,782	0
	Cash flow from financing activities	**199,361**	**85,629**
	Change in cash and cash at bank	**-42,099**	**39,860**
	Effect of exchange rate fluctuations on cash held	1,887	-2,085
	Cash and cash at bank at the beginning of the year	126,704	88,929
	Cash and cash at bank at the end of the year	**86,492**	**126,704**
	Thereof cash and cash at bank	86,492	126,704

The following notes to the financial statements form an integral part of this statement of cash flows.

Capital and Reserves

in TEUR	Issued capital	Share premium	Retained earnings	Treasury stock	Translation reserve	Minority interest	Total
Balance on 31.12.2002	**65,279**	**192,831**	**724,438**	**-13,370**	**-16,349**	**17,292**	**970,121**
Net profit/minority interest			110,417			2,511	112,928
Dividend payments			-42,665			-2,189	-44,854
Currency translation adjustment					-91,857	-1,300	-93,157
Hedging reserves			27,061				27,061
Capital increase/decrease						994	994
Increase/decrease in minority interest						7,341	7,341
Increase/decrease in treasury stock				43			43
Other changes			852			-896	-44
Balance on 31.12.2003	**65,279**	**192,831**	**820,103**	**-13,327**	**-108,206**	**23,753**	**980,433**
Net profit/minority interest			177,104			4,729	181,832
Dividend payments			-49,777			-1,682	-51,459
Currency translation adjustment					2,705	1,785	4,490
Hedging reserves			25,750			-92	25,658
Capital increase/decrease	8,888	222,221	-9,327			366	222,148
Increase/decrease in minority interest						3,286	3,286
Increase/decrease in treasury stock							0
Other changes			-1,209			2,034	825
Balance on 31.12.2004	**74,168**	**415,052**	**962,644**	**-13,327**	**-105,502**	**34,178**	**1,367,214**

The following notes to the financial statements form an integral part of this schedule on capital and reserves.

Changes in Fixed and Financial Assets

in TEUR	Acquisition or Production Costs Balance on 1.1.2004	Acquisition/ disposal of businesses	Foreign exchange incr./decr.	Acquisi- tions	Disposals	Transfers	Balance on 31.12.2004
Goodwill	**307,176**	187,817	-12,538	5,984	21	2,150	**490,568**
Other intangible assets	**42,936**	828	1,845	7,986	4,262	-5,353	**43,980**
Intangible assets	**350,112**	188,645	-10,693	13,970	4,283	-3,203	**534,548**
Land and buildings	**651,995**	72,675	8,225	35,965	5,180	20,227	**783,907**
Machinery and equipment	**1,264,541**	141,902	11,957	56,469	88,837	69,423	**1,455,455**
Fixtures, fittings, tools and equipment	**75,751**	5,089	-464	12,384	11,644	6,364	**87,480**
Prepayments and assets under construction	**45,209**	7,178	1,311	119,211	824	-89,288	**82,797**
Property, plant and equipment	**2,037,496**	226,844	21,029	224,029	106,485	6,726	**2,409,639**
Investment property	**100,335**	400	348	35	23,370	1,889	**79,637**
Investments in subsidiaries	**12,125**	-6,799	3	903	37	0	**6,195**
Investments in associates	**78,230**	-1,779	-27	18	8,056	-5,448	**62,938**
Other investments	**39,720**	150	120	0	20,429	0	**19,561**
Financial assets	**130,075**	-8,428	96	921	28,522	-5,448	**88,694**
	2,618,018	**407,461**	**10,780**	**238,955**	**162,660**	**-36**	**3,112,517**

in TEUR	Acquisition or Production Costs Balance on 1.1.2003	Acquisition/ disposal of businesses	Foreign exchange incr./decr.	Acquisi- tions	Disposals	Transfers	Balance on 31.12.2003
Goodwill	**314,537**	101,246	-36,221	1,641	11,737	-31	**369,435**
Other intangible assets	**23,431**	19,623	-435	1,421	1,108	2	**42,936**
Intangible assets	**337,968**	120,869	-36,657	3,063	12,845	-29	**412,370**
Land and buildings	**787,290**	24,082	-30,891	27,841	97,176	-59,151	**651,995**
Machinery and equipment	**1,414,075**	25,661	-68,552	67,437	187,003	12,921	**1,264,541**
Fixtures, fittings, tools and equipment	**88,302**	-5,593	-2,346	8,062	12,533	-141	**75,751**
Prepayments and assets under construction	**30,527**	3,183	-4,230	38,980	3,192	-20,059	**45,209**
Property, plant and equipment	**2,320,193**	47,334	-106,019	142,321	299,903	-66,430	**2,037,496**
Investment property	**0**	0	0	0	0	100,335	**100,335**
Investments in subsidiaries	**6,764**	-1,484	-1	7,081	234	0	**12,125**
Investments in associates	**114,534**	-1,020	-4,808	3,400	0	-33,876	**78,230**
Other investments	**11,451**	-120	-25	123	5,669	33,958	**39,720**
Financial assets	**132,749**	-2,624	-4,833	10,604	5,903	82	**130,074**
	2,790,910	**165,579**	**-147,509**	**155,987**	**318,651**	**33,958**	**2,680,275**

Note: Rounding differences may arise from the automatic processing of data.
The following notes to the financial statements form an integral part of this schedule on changes in fixed and financial assets.

Depreciation

Balance on 1.1.2004	Acquisition/ disposal of businesses	Foreign exchange incr./decr.	Current year	Write-up	Disposals	Transfers	Balance on 31.12.2004	Carrying amount 31.12.2004	Carrying amount 31.12.2003
0	0	0	0	0	0	0	**0**	**490.568**	**307.176**
16,207	96	311	3,558	0	3,427	-4,261	**12,484**	**31,496**	**26,729**
16,207	96	311	3,558	0	3,427	-4,261	**12,484**	**522,064**	**333,905**
196,753	2,433	1,143	27,217	0	4,484	2,763	**225,825**	**558,082**	**455,242**
741,236	11,640	3,744	106,087	0	71,854	530	**791,383**	**664,072**	**523,305**
52,360	1,098	526	10,573	0	10,878	979	**54,658**	**32,822**	**23,391**
179	34	0	3	0	0	-11	**205**	**82,592**	**45,030**
990,528	15,205	5,413	143,880	0	87,216	4,261	**1,072,071**	**1,337,568**	**1,046,967**
34,361	0	236	557	0	10,388	0	**24,766**	**54,872**	**65,974**
3,177	0	0	744	0	0	0	**3,921**	**2,274**	**8,948**
-4,923	-27	28	0	8,586	-154	-36	**-13,390**	**76,329**	**83,152**
0	0	0	0	0	0	0	**0**	**19,561**	**39,720**
-1,746	-27	28	744	8,586	-154	-36	**-9,470**	**98,163**	**131,820**
1,039,350	**15,274**	**5,988**	**148,739**	**8,586**	**100,877**	**-36**	**1,099,851**	**2,012,666**	**1,578,666**

Depreciation

Balance on 1.1.2003	Acquisition/ disposal of businesses	Foreign exchange incr./decr.	Current year	Write-up	Disposals	Transfers	Balance on 31.12.2003	Carrying amount 31.12.2003	Carrying amount 31.12.2002
61,444	-1,578	-7,522	19,257	0	9,344	0	**62,258**	**307,176**	**253,093**
17,446	-3,344	-304	2,556	0	148	0	**16,207**	**26,729**	**5,985**
78,890	-4,922	-7,826	21,814	0	9,491	0	**78,465**	**333,905**	**259,078**
289,103	-10,275	-7,114	26,226	34	66,654	-34,499	**196,753**	**455,242**	**498,187**
921,765	-50,388	-34,541	90,804	2,171	184,699	466	**741,236**	**523,305**	**492,310**
64,981	-8,231	-1,516	9,655	283	11,763	-482	**52,360**	**23,391**	**23,321**
72	-70	0	0	0	-23	154	**179**	**45,030**	**30,455**
1,275,921	-68,964	-43,171	126,685	2,488	263,094	-34,361	**990,528**	**1,046,967**	**1,044,273**
0	0	0	0	0	0	34,361	**34,361**	**65,974**	**0**
3,214	-25	0	0	0	13	0	**3,177**	**8,948**	**3,550**
-1,066	-1,020	-32	196	3,660	-660	0	**-4,923**	**83,152**	**115,600**
0	0	0	83	0	83	0	**0**	**39,720**	**11,451**
2,149	-1,044	-32	279	3,660	-564	0	**-1,746**	**131,820**	**130,600**
1,356,959	**-74,930**	**-51,030**	**148,778**	**6,148**	**272,022**	**0**	**1,101,607**	**1,578,666**	**1,433,951**

Segment Reporting

Segments	Central-East Europe		Central-West Europe		North-West Europe	
in TEUR	**2004**	**2003**	**2004**	**2003**	**2004**	**2003**
Third-party revenues	487,979	446,491	364,916	327,502	614,465	462,172
Inter-company revenues	1,752	8,568	8,249	4,717	18,816	18,574
Total revenues	489,731	455,059	373,165	332,219	633,281	480,746
EBITDA	142,231	127,271	87,163	68,634	134,473	87,992
Depreciation and amortization	40,642	36,044	35,772	39,722	51,237	44,426
Operating profit	101,589	91,227	51,391	28,912	83,236	43,566
Income from investments in associates	2,404	1,347	0	105	0	0
Investments in associates	16,893	19,429	1,459	1,459	90	5,408
Liabilities	630,266	416,603	269,252	303,585	697,769	446,517
Capital employed	468,075	334,086	359,078	350,497	885,379	539,333
Assets	1,025,855	1,197,593	498,780	487,983	1,164,907	852,330
Capital expenditure	91,877	29,196	43,316	18,729	76,692	61,582
Acquisitions	37,988	36,982	13,075	21,405	323,104	174,942
Employees	4,558	3,883	1,768	1,670	3,539	2,960

Products	Revenues		EBITDA		Assets	
in TEUR	**2004**	**2003**	**2004**	**2003**	**2004**	**2003**
Hollow bricks	647,498	591,162	195,052	159,554	911,225	905,763
Facing bricks	711,574	613,042	147,077	105,457	931,867	776,528
Roofing systems	314,598	228,441	69,205	57,363	670,752	371,500
Pavers	78,747	63,712	11,596	10,620	115,104	84,945
Other	6,429	47,662	-17,484	1,654	236,953	268,360
Wienerberger Group	**1,758,846**	**1,544,019**	**405,445**	**334,648**	**2,865,901**	**2,407,096**

Revenues	Central-East Europe		Central-West Europe		North-West Europe	
in TEUR	**2004**	**2003**	**2004**	**2003**	**2004**	**2003**
Austria	84,793	88,967				
Czech Republic	100,771	84,876				
Hungary	106,043	115,469				
Poland	101,876	78,496				
Other Eastern Europe	94,555	85,712			7,015	6,110
Germany			233,816	214,515		
Switzerland			65,928	62,366		
Italy			65,437	51,328		
Belgium					182,056	127,444
Holland					196,143	163,557
France					132,737	106,262
Great Britain					59,075	30,025
Scandinavia and Finland					37,630	29,043
USA						
Wienerberger Group	**488,038**	**453,520**	**365,181**	**328,209**	**614,656**	**462,441**

USA		Investments and Other		Group Eliminations		Wienerberger Group	
2004	2003	2004	2003	2004	2003	2004	2003
284,425	252,052	6,429	47,662	0	0	**1,758,214**	**1,535,879**
0	0	9,830	12,727	-38,015	-36,447	**632**	**8,139**
284,425	252,052	16,259	60,389	-38,015	-36,447	**1,758,846**	**1,544,019**
59,072	49,097	-17,494	1,382	0	272	**405,445**	**334,648**
17,106	22,398	3,238	5,909	0	0	**147,995**	**148,499**
41,966	26,699	-20,732	-4,527	0	272	**257,450**	**186,149**
454	-45	5,729	2,057	0	0	**8,586**	**3,464**
3,490	5,132	54,396	51,724	0	0	**76,329**	**83,152**
269,365	285,570	814,023	625,426	-1,181,988	-651,037	**1,498,688**	**1,426,664**
277,253	281,407	41,711	19,226	0	0	**2,031,495**	**1,524,549**
359,032	357,030	2,250,649	2,144,046	-2,433,322	-2,631,886	**2,865,901**	**2,407,096**
23,424	34,526	2,724	1,349	0	0	**238,034**	**145,382**
20,391	0	0	0	0	0	**394,558**	**233,329**
2,117	1,886	172	473	0	0	**12,154**	**10,872**

Capital Employed		Capex and Acquisitions	
2004	2003	2004	2003
658,187	590,705	108,105	65,062
715,543	585,181	252,119	68,172
535,314	260,493	253,947	235,789
80,741	68,944	15,696	8,339
41,710	19,226	2,725	1,349
2,031,495	**1,524,549**	**632,592**	**378,711**

USA		Investments and Other		Wienerberger Group	
2004	2003	2004	2003	2004	2003
		6,546	8,919	**91,339**	**97,886**
				100,771	**84,876**
				106,043	**115,469**
				101,876	**78,496**
				101,570	**91,822**
			20,199	**233,816**	**234,714**
				65,928	**62,366**
				65,437	**51,328**
			18,679	**182,056**	**146,123**
				196,143	**163,557**
				132,737	**106,262**
				59,057	**30,025**
				37,630	**29,043**
284,425	252,052			**284,425**	**252,052**
284,425	**252,052**	**6,546**	**47,797**	**1,758,846**	**1,544,019**

Notes to the Financial Statements

Reporting in accordance with International Financial Reporting Standards (IFRS)

These financial statements were prepared in keeping with § 245a of the Austrian Commercial Code and in accordance with the guidelines set forth in International Financial Reporting Standards (IFRS) and the Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) (see section 1, Basis of Preparation), which were in effect as of the balance sheet date. These financial statements meet the requirements set forth in the European Union Guideline for Group Accounting (Guideline 83/349/EWG).

General Information

1. Basis of Preparation

Wienerberger is an international building materials group; the headquarters of the parent company are located in Vienna, Austria. The business activities of the Group can be classified in five segments: Central-East Europe, Central-West Europe, North-West Europe and the USA as well as Investments and Other. The consolidated financial statements of Wienerberger AG and its subsidiaries reflect International Financial Reporting Standards (IFRS) valid for the 2004 business year. Wienerberger has applied the new provisions of IFRS 2 (Share-Based Payments), IFRS 3 (Business Combinations), IAS 36, IAS 38 and changes resulting from the Improvement Project on a retrospecive basis. This earlier application is in agreement with the new standards.

Prior year data were adjusted to reflect the new method used to consolidate the Pipelife Group (changeover from proportional consolidation to valuation at equity). Additional information is provided under section 2, Consolidation Range.

Independent auditors have examined the annual financial statements of all material companies and all national and international companies which require a statutory audit or have submitted to a voluntary audit and which are included using the full consolidation method; all such audited financial statements were awarded unqualified opinions. The financial statements of all consolidated companies are based on historical acquisition and production costs, and were prepared as of the balance sheet date. To simplify presentation, certain items on the balance sheet and income statement were grouped together. The Notes provide detailed information on all such items.

2. Consolidation Range

In contrast to the financial statements as of December 31, 2003, the member companies of the Pipelife Group are no longer consolidated in the Wienerberger financial statements using the proportional method, but have been valued at equity since January 1, 2004. The Pipelife Group has gradually developed into an autonomous company group with independent management over the past years. In keeping with the increased focus of Wienerberger on bricks and roof tiles, Pipelife is now treated as a financial investment and classified under the Investments and Other segment. The effect of Wienerberger on management decisions in the Pipelife Group is shifting more towards significant influence and away from joint control. Therefore, equity valuation better presents the asset, financial and earnings positions of the Pipelife Group than consolidation using the proportional method. In accordance with IAS 8.49 this change in consolidation method was applied retroactively, and all comparative prior year data was adjusted.

An overview of the companies included in the consolidation and companies valued at equity is provided in the List of Group Companies at the end of the notes.

Including Wienerberger AG, the 2004 financial statements comprise 13 (2003: 9) Austrian and 107 (2003: 92) foreign subsidiaries in which Wienerberger AG has management control or directly or indirectly owns the majority of shares. The companies in the Koramic Roofing Group were fully consolidated as of April 1, 2004 (acquisition of the remaining 50% of the original joint venture). Thirty-two (2003: 33) affiliates whose influence on the asset, financial and earnings position of the Group is immaterial were not included in the consolidation. The combined revenues, income, liabilities and assets of these unconsolidated companies equal less than 2% of the relevant figures for the Group.

Thirteen (2003: 25) joint venture companies in the Schlagmann and Bramac Groups, which are under common management, were consolidated using the proportional method. The member companies of the Koramic Roofing Group were consolidated using the proportional method up to March 31, 2004.

The equity method is used for consolidation in cases where the Wienerberger Group holds between 20 and 50% of the shares (associates), if these entities are considered significant for the preparation of a true and fair view of the Group's assets, financial and earnings position. The book value of eight companies consolidated at equity totals TEUR 76,329; of this amount TEUR 51,584 is related to the Pipelife Group.

The consolidation range developed as follows during the 2004 reporting year:

Consolidation Range	**Control**	**Joint control**	**Equity accounting**
Balance on 31.12.2003	**101**	**25**	**10**
Change in consolidation method	14	-14	
Included during reporting year for first time	26	2	
Merged/liquidated during reporting year	-19		
Divested during reporting year	-2		-2
Balance on 31.12.2004	**120**	**13**	**8**
Thereof foreign companies	107	11	5

The following table shows the pro rata values for joint ventures included in the financial statements at their proportional share:

in TEUR	**2004**	**2003**
Revenues	90,583	241,105
EBITDA	20,621	50,042
EBIT	15,369	24,816

in TEUR	**31.12.2004**	**31.12.2003**		**31.12.2004**	**31.12.2003**
A. Non-current assets	58,350	255,267	A. Equity	43,336	103,604
B. Current assets	28,012	78,793	B. Non-current provisions and liabilities	27,299	121,097
			C. Current provisions and liabilities	15,727	109,359
	86,361	**334,060**		**86,361**	**334,060**

Following are the proportional values from companies valued at equity (the Pipelife Group and Tondach Gleinstätten Group):

in TEUR	2004	2003
Revenues	345,404	320,218
EBITDA	33,466	23,317
EBIT	16,706	6,452

in TEUR	31.12.2004	31.12.2003		31.12.2004	31.12.2003
A. Non-current assets	122,517	118,746	A. Equity	71,401	64,250
B. Current assets	154,064	125,985	B. Non-current provisions and liabilities	91,696	44,207
			C. Current provisions and liabilities	113,484	136,274
	276,581	**244,731**		**276,581**	**244,731**

3. Acquisitions and Disposals

The following acquisitions made during 2004 are included in the consolidation for the first time:

Name of Company	Share in %	Name of Company	Share in %
Wienerberger Poland B.V.	100.00	Wienerberger Kupno Sp. z o.o.	100.00
The Brick Business Limited	100.00	Semmelrock Stein & Design Kombet Sp. z o.o.	52.50
Galileo Brick Limited	100.00	Tuileries du Hainaut SA	50.00
Ambion Brick Company Limited	100.00	Koramic Roofing Products NV	50.00
Chelwood Group Unlimited	100.00	Koramic Dachprodukte GmbH&Co.KG	50.00
Ockley Building Products Limited	100.00	Koramic Tuiles SAS	50.00
The Ockley Brick Company Limited	100.00	Koramic Tuiles Participations S.A.	50.00
Irlam Brick Limited	100.00	Koramic Pokrycia Dachowe Sp. z o.o.	50.00
Chelwood Brick Limited	100.00	Dakpannenfabriek Deest B.V.	50.00
Galileo Block Limited	100.00	Dakpannenfabriek Tegelen B.V.	50.00
WH Collier Limited	100.00	Koramic Dachziegel Handels GmbH	50.00
DMWSL 320 Limited	100.00	Dakpannenfabriek Pottelberg NV	50.00
Galileo Block 2 Limited	100.00	Koramic Janssen-Dings B.V.	50.00
Galileo Trustee Limited	100.00	Koramic Dakpangroep B.V.	50.00
Somersbury Developments Limited	50.00	Wiekor OÜ	50.00
Wienerberger Osiek Sp. z o.o.	100.00	Polskie Przedsiebiorstwo Obrotu Gruntami Sp. z o.o.	44.90

The changes in the consolidation range since December 31, 2003 involved the following initial consolidations and deconsolidations:

The remaining 50% stake in the original Koramic Roofing joint venture was acquired as of April 1, 2004. The purchase price for these shares totaled TEUR 63,691. In addition, a proportional share of the liabilities held by this company (TEUR 160,227) was taken over. The Koramic activities were fully consolidated as of April 1, 2004. The second 50% stake contributed TEUR 85,312 to Group revenues and TEUR 24,596 to Group EBITDA after this point in time.

On September 24, 2004 Wienerberger acquired thebrickbusiness, the third largest producer of bricks in Great Britain with nine plants, for a purchase price (including debt) of TEUR 128,136 as well as the Ockley brick plant near London for TEUR 12,600. thebrickbusiness was fully consolidated in the Group financial statements as of September 24, 2004. During the period from September 24, 2004 to December 31, 2004 thebrickbusiness generated TEUR 24,705 of Group revenues and TEUR 4,477 of Group EBITDA.

Wienerberger acquired three brick plants in Poland for TEUR 9,250 (including debt) as of April 30, 2004 and subsequently consolidated these facilities. Other changes in the consolidation range since December 31, 2003 were the initial consolidation of brick activities in Romania and the concrete paver plant acquired by Semmelrock in Gliwice, Poland during 2003 as of January 1, 2004. The Semmelrock Group purchased a 70% stake in a concrete paver plant near Gdansk in north Poland as of April 1, 2004.

The sales and distribution activities of three American companies were purchased for a total price of TEUR 20,391 during the reporting year. These transactions are disclosed as acquisitions (share deals) because the activities of the American companies were taken over in full.

During the reporting year the Wienerberger Group not only completed a number of acquisitions (share deals), but also purchased several brick plants (asset deals). These asset deals are shown as additions to assets and not reported as changes in the consolidation range. As of February 1, 2004 Wienerberger purchased two hollow brick plants from the Trost Group in southwest Germany for TEUR 27,000. A plant in Sibiu (West Romania) was acquired during May. Wienerberger purchased the equipment from two plants of the Wewers Group in Denmark as of September 23, 2004.

The 45% stake in "Wienerberg City" Errichtungsges.m.b.H, which operates the Vienna Twin Tower, was sold as of December 23, 2004; this investment was previously valued at equity. The sale of these shares and transfer of a loan granted by the Group were recorded at adjusted carrying value in accordance with the equity method.

Companies included in the consolidation for the first time generated TEUR 136,165 of revenues and TEUR 31,987 of EBITDA for the period from January 1, 2004 to December 31, 2004. The 50% stake in the Steinzeug Group was sold during the fourth quarter of 2003 and is included in the income statement for the period from January 1, 2003 to September 30, 2003 on a proportional basis with TEUR 40,581 of revenues and TEUR 5,644 of EBITDA. Changes in the consolidation range had a net impact of TEUR 95,584 on revenues and TEUR 26,343 on EBITDA.

Companies included for the first time were consolidated at the point of acquisition or at the next balance sheet date, unless this led to a material impact compared to inclusion at the point of acquisition.

The effect of changes in the consolidation range on the income statement and balance sheet is as follows for 2004 (or as of the point of initial consolidation or deconsolidation):

in TEUR	**2004**
Revenues	95,584
EBITDA	26,343
EBIT	16,888

in TEUR	**31.12.2004**		**31.12.2004**
A. Non-current assets	410,857	A. Non-current provisions and liabilities	51,431
B. Current assets	-318,127	B. Current provisions and liabilities	41,299
	92,730		**92,730**

4. Basis of Consolidation

For included subsidiaries, the purchase price method is used to eliminate the investment and equity. Under this method, the book value of the investment is compared with the relevant shareholders' equity on the date of initial consolidation (purchase accounting). Any identifiable difference between purchase price and applicable equity is added to fixed assets; any remaining goodwill, which compensates the seller for market potential and development opportunities that cannot be identified more precisely, is capitalized (TEUR 187,817 for the reporting year). Material amounts of goodwill capitalized during 2004 resulted from the acquisition of the remaining 50% stake in the Koramic Group (TEUR 100,075) as well as the acquisition of thebrick-business (TEUR 65,110). In accordance with the new rules set forth in IFRS 3 (Business Combinations), goodwill from acquisitions is no longer amortized on a regular basis but subject to an annual impairment test, and only written down if the asset has been impaired. In conjunction with initial consolidations made during the reporting year, no differences were recorded as negative goodwill.

Joint ventures are included at their proportional share in keeping with the general principles described above.

For associates consolidated at equity, the same basic methodology applied to subsidiaries and joint ventures is used to consolidate shareholders' equity, based on the most recent available financial statements. For companies consolidated using equity accounting, local valuation methods are maintained if the relevant amounts are immaterial.

All receivables and liabilities, revenues, and other income and expenses arising between companies consolidated at 100% or their proportional share are eliminated. Discounts and other unilateral transactions affecting profit and loss are charged to the income statement. Deferred taxes are recorded to reflect the income tax effects of consolidation entries charged to the income statement.

Inter-company gains and losses, which arise from the sale of goods or services between Group companies and which affect fixed or current assets, are eliminated unless they are immaterial.

5. Foreign Currency Translation

The accounts of foreign companies are translated into euro based on the functional currency method. The relevant local currency is the functional currency in all cases since these companies operate independently from a financial, economic, and organizational standpoint. With the exception of the component parts of shareholders' equity, all balance sheet items are translated using the closing rate on December 31, 2004. Goodwill is recorded as an asset in local currency and also translated at the closing rate on the balance sheet date for the financial statements. Expense and revenue items are translated at the average exchange rate for the year.

Unrealized currency translation differences arising from non-current Group loans are offset against the translation reserve with no impact on the income statement.

Translation risk arising from the Group's brick activities in the USA is limited by foreign currency swaps. These transactions involve the conclusion of a US dollar-euro foreign currency swap equal to the value of assets held in US dollars. The translation risk associated with brick activities in Poland is covered to 60% by foreign currency swaps. In 2004 Wienerberger also entered into a British pound cross currency swap following the acquisition of thebrickbusiness.

During the reporting year, translation losses of TEUR 2,705 (2003: TEUR -91,857) were charged to equity with no effect on the income statement. The recording of foreign currency transactions (hedging transactions) without realization to the income statement led to an increase of TEUR 30,216 in retained earnings. Translation gains and losses arising from the use of different exchange rates for the balance sheet (exchange rate on the balance sheet date) and income statement (average exchange rate for the year) are charged or credited to equity.

The major exchange rates used for foreign currency translation showed the following development during the reporting year:

	Closing rate on		Average rate for the year	
in EUR	**31.12.2004**	**31.12.2003**	**2004**	**2003**
100 US Dollar	73.41605	79.17656	80.40438	88.39299
100 Swiss Franc	64.81301	64.18897	64.76940	65.74485
100 Czech Krone	3.28256	3.08547	3.13496	3.13997
100 Croatian Kuna	13.05969	13.07942	13.33875	13.21499
100 Hungarian Forint	0.40655	0.38095	0.39734	0.39446
100 Norwegian Krone	12.14108	11.88481	11.94765	12.49715
100 Polish Zloty	24.48280	21.26800	22.07991	22.73407
100 Swedish Krone	11.08574	11.01322	10.95952	10.95966
100 Slovakian Krone	2.58098	2.42895	2.49800	2.41079
100 British Pound	141.83391	141.88422	147.35857	144.52411
100 Danish Krone	13.44303	13.43183	13.44098	13.45766
100 Romanian Lei	0.00254	0.00243	0.00247	0.00266
100 Slovenian Tolar	0.41708	0.42248	0.41828	0.42764

6. Significant Accounting Policies

The accounting and valuation methods used by the Group remain unchanged from December 31, 2003, with the exception of the accounting for goodwill and share-based payments.

The International Accounting Standards Board (IASB) issued the new IFRS 3 for Business Combinations in March 2004. In principle, IFRS 3 is valid for all business years that start after March 31, 2004. In accordance with IFRS 3 Par. 85, the new regulations set forth in IFRS 3 may also be applied retrospectively if the necessary data is available and the amended provisions of IAS 36 and IAS 38 are also implemented at the same time. Wienerberger has elected to make use of this early application and implement both the new and amended provisions of IFRS 3, IAS 36 and IAS 38 as of January 1, 2004. The major changes to the basis of consolidation relate to the non-amortization of goodwill and more stringent tests for the impairment of goodwill. The total carrying value of goodwill as of December 31, 2003 (TEUR 307,176) was reclassified as new acquisition costs as of January 1, 2004 and will not be subject to ordinary amortization. The period from January 1, 2003 to December 31, 2003 includes goodwill amortization of TEUR 19,257.

In addition, IFRS 2 was also applied to the Wienerberger stock option plan for the first time with these financial statements. This led to an increase of TEUR 687 in personnel expenses for 2004.

Wienerberger has also applied all changes resulting from the Improvement Project on a retrospective basis. The goal of this Improvement Project by the International Accounting Standards Board (IASB) was to revise a number of standards and improve the harmonization between individual standards.

Wienerberger manages business activities in keeping with a regional focus that gives local responsibility for all products to operating management. The growing integration of Koramic Roofing in this regional framework necessitated the adjustment of segment reporting as of January 1, 2004. Segment information for the prior year was adjusted.

The consolidated financial statements were prepared in accordance with the following principles:

Realization of revenues and expenses: Revenues arising from the provision of goods or services are realized when all major risks and opportunities arising from the delivered object have been transferred to the buyer. Operating expenses are recognized when a service is rendered or a delivery is received, or at the point such liability is incurred.

Order intake: Information on the order intake is irrelevant for an analysis of the business activities of Wienerberger AG. Therefore, this information is not provided.

Intangible and fixed assets: Fixed assets and purchased intangible assets are recorded at production or acquisition cost, less straight-line depreciation or usage-based depletion (clay pits). Production costs include direct expenses plus allocated material and production overhead. General selling and administrative expenses are not capitalized. The cost of debt incurred during the construction of major new plants is capitalized over the building period. Depreciation is based on the useful economic lives of the various asset groups. For the majority of assets, ordinary straight-line depreciation is calculated as follows:

Production plants (incl. warehouses)	25 years	Kilns and dryers (facing bricks)	10 – 20 years
Administrative buildings	40 – 50 years	Other machinery	5 – 15 years
Residential buildings	40 – 50 years	Fittings, furniture and office equipment	3 – 10 years
Kilns and dryers (roof tiles and hollow bricks)	8 – 15 years	Other intangible assets	3 – 10 years

An impairment loss is recognized where necessary to reflect any significant and lasting decrease in value above and beyond ordinary depreciation. Repairs that do not increase the presumed useful life of assets are charged to current expenses.

When plant or equipment is shutdown, sold or retired, the gain or loss arising from the difference between the proceeds on sale and remaining book value is recorded under other operating income or loss if the amount of the transaction reflects similar annually recurring events.

In accordance with IAS 17 (Accounting for Leases) leased fixed assets, which economically represent purchases financed with non-current funds (finance leases), are recorded at that price which would have been paid if the asset had been purchased. Amortization is calculated over the lesser of the useful life of the asset or the term of the lease. Obligations arising from future lease payments are recorded as liabilities.

Subsidies and investment incentives (in particular, German investment subsidies) are recorded as liabilities and released in keeping with the useful life of the relevant asset.

In accordance with IAS 36 (Impairment of Assets), assets are written down to net selling price or liquidation value if there is evidence of impairment and the present value (discounted at a WACC rate of 7.5%) of future payment surpluses is less than book value. In the Wienerberger Group, cash-generating units generally represent groupings of plants. Goodwill is distributed more or less equally among the various cash-generating units, and no single unit is responsible for a significantly higher component of goodwill.

The major factor for determining the value in use is formed by assumptions for the future development of the local market and sales volumes. The value in use is based on conclusions that are checked with economic researchers in the various regional markets, estimates published by Euroconstruct and values from past experience. Market growth rates may vary from -3 to +5% in a single year during the short-term planning period of four years; after this time, average market growth is assumed to range from 0 to +2%. Cost structure forecasts generally use past experience in the Wienerberger Group as a base for extrapolation.

If the reasons for impairment cease to exist, the carrying value of the relevant fixed asset is increased to its recoverable amount. In accordance with IFRS 3, no write-ups are made to goodwill that was subject to an impairment write-down in the past.

Investment property is stated at carrying value.

Financial investments: Investments in associates and non-consolidated subsidiaries are generally stated at equity, unless these investments are immaterial. Investments in other companies are valued at acquisition cost. A write-down is made if there are signs of lasting impairment. Write-downs and write-ups are shown under financial results.

Inventories: Inventories are stated at the lower of cost or net realizable value. This valuation is based on the moving average method. Cost includes direct expenses, allocated overhead, and depreciation based on normal capacity usage. Interest charges and selling and administrative expenses are not included in the production cost of current assets. Risks resulting from length of storage or other impairments in value are reflected in appropriate write-downs.

Receivables: Receivables and other assets are stated at acquisition cost. Individually identifiable risks are reflected in specific provisions. Non-interest bearing receivables with a remaining term of more than one year are recorded at the discounted present value. Foreign exchange receivables in individual company accounts are translated at the average exchange rate on the balance sheet date.

Marketable securities (available-for-sale) are recorded at purchase price as of the date of acquisition, and stated at fair value in subsequent periods, based on stock exchange quotations as of the balance sheet date. Fluctuations in fair value are recognized to the income statement and included under financial results. Financial assets are recorded as of the trade date, which is the date the company becomes a party to the buy or sell contract.

Provisions: Provisions for severance payments - primarily for employees of Austrian companies - are calculated according to financial principles based on a retirement age of 65 for men and 60 for women, using a discount rate of 4%. The Austrian method "Teilwertverfahren" is used.

The Wienerberger Group has both defined contribution and defined benefit pension plans. Defined contribution plans carry no further obligation for the employer after the payment of premiums. Under defined benefit plans, the employee is promised a certain retirement benefit. The risk related to the actual retirement benefit is carried by the company up to the point of payment. The provisions for defined benefit pension plans are calculated according to the projected unit credit method. The valuation of pension commitments includes future wage/salary increases as well as increases in defined contribution and defined benefit commitments. In general these calculations are based on a discount rate of 5.5% for Europe and 5.75% for the USA, an expected increase of 4% in income, expected growth of 2.5% in pensions, average employee turnover of 2% and expected return of 7.75% on pension fund assets. The provisions for pensions are calculated by an actuary.

Commitments by US companies to cover medical costs for retired employees are recorded under provisions for pensions because of their pension-like character.

The provisions for pensions were netted out with pension fund assets that are held to cover commitments. The market values of fund assets that exceed pension obligations are shown under other current receivables.

Significant actuarial gains and losses are not recognized to income in the year they arise, but are amortized over the remaining service time of active employees (corridor rule).

In agreement with IAS 12 (revised), the provision for deferred taxes includes all temporary valuation and accounting differences arising between financial statements prepared for tax purposes and IAS financial statements. The provision for deferred taxes is calculated at the tax rate expected when these differences reverse in the future, based on the local tax rate of the relevant Group company. Future changes in tax rates are included if the relevant legal amendment has been passed as of the balance sheet date.

Provisions for site restoration are created for clay pits in proportion to depletion. Other liabilities whose due dates or amounts are uncertain are recorded as liabilities in accordance with IAS 37.

Liabilities: Liabilities are stated at the actual amount received, less transaction costs. Any premium, discount or other difference between the amount received and repayment amount is distributed over the term of the liability according to the effective interest rate method and recorded under financial results. Foreign currency liabilities are translated at the average exchange rate on the balance sheet date.

Derivative financial instruments: Interest rate and cross-currency swaps and forward exchange contracts are recorded at their purchase price as of the trade date, and shown at fair value in subsequent periods. The fair value of derivative instruments that must be classified as hedging instruments under IAS 39 (above all, cross-currency swaps) are recorded with no impact to the income statement. Differences arising from the re-measurement of cash flow hedges to fair value are recognized to equity (hedging reserve). Ineffectiveness on cash flow hedges is immaterial. For fair value hedges (above all, interest rate swaps), the valuation of the base transaction is corrected by the fair value of the derivative instrument.

Earnings per share: Earnings per share are calculated based on Group profit after tax less minority interest, divided by the number of outstanding shares (less treasury stock). As part of the stock option plan, option rights were issued to Wienerberger managers.

Estimates: In preparing the Group financial statements, it is necessary to estimate certain figures and make assumptions that influence the recording of assets and liabilities, the declaration of other obligations as of the balance sheet date, and the recording of revenues and expenses during the reporting period. The actual figures, which become known at a later date, may differ from these estimates.

Segment reporting: In accordance with the "management approach", the definition of business units for primary segment reporting should reflect the internal reporting structure. Following the integration of the Koramic Group at a local level, revenues are classified by customer headquarters. EBITDA, EBIT, assets and capital employed as well as capital expenditure and acquisitions are classified according to company headquarters, whereby assets do not include investments in other companies or Group settlements. Secondary segment reporting provides information on the following product groups: hollow bricks, facing bricks, roofing systems, pavers and other.

Intercompany prices: The regional exchange of goods and services between the individual strategic segments is immaterial. Prices for the sale of goods between Group companies are established at arm's length based on the resale price method. Prices for the provision of services between Group companies are established at arm's length based on the cost-plus method.

Notes to the Income Statement

7. Revenues

Consolidated revenues rose 14% to TEUR 1,758,846. After the elimination of revenues recorded by companies consolidated for the first time as well as deconsolidated subsidiaries, the organic change totaled 8% (2003: 7%). This organic growth was supported by higher prices and regional growth in sales volumes in Central-East Europe and North-West Europe. Brick activities in the USA recorded significant growth due to higher sales volumes and prices, which were reduced by the unfavorable development of the US dollar exchange rate. Foreign exchange rates only had a material effect on group revenues in the USA (TEUR -28,261). Detailed information on revenues by region and segment is provided under segment reporting (see pages 88 to 89).

8. Cost of Materials and Depreciation

The cost of goods sold, selling and administrative expenses include expenses for materials, services and energy totaling:

in TEUR	**2004**	**2003**
Cost of materials	448,153	318,773
Cost of energy	198,569	166,499
Cost of services	50,080	77,003
Total	**696,802**	**562,275**

The cost of materials covers expenses for clay, sand, sawdust, other additives, pallets and other packaging materials as well as the cost of externally purchased merchandise.

The cost of goods sold, selling and administrative expenses, and other operating expenses include the following depreciation and amortization:

in TEUR	**2004**	**2003**
Ordinary depreciation	140,694	124,314
Extraordinary depreciation	7,301	4,928
	147,995	**129,242**
Amortization of goodwill	0	19,257
Depreciation of plant, property and equipment and amortization of intangible assets	**147,995**	**148,499**

In accordance with the new IFRS 3 (Business Combinations), goodwill is no longer amortized on a regular basis but subject to an annual impairment test (see section 6, Significant Accounting Policies).

9. Personnel Expenses

The cost of goods sold, selling and general administrative expenses include the following personnel expenses:

in TEUR	2004	2003
Wages	171,355	159,315
Salaries	147,708	128,535
Expenses for severance payments	6,878	3,396
Expenses for pensions	9,242	7,745
Expenses for mandatory social security and payroll-related taxes and contributions	80,554	67,981
Other employee benefits	16,447	14,626
Personnel expenses	**432,184**	**381,598**

The average number of employees was as follows:

	2004		2003	
	Total	Thereof joint ventures	Total	Thereof joint ventures
Production	8,877	475	8,183	1,446
Administration	1,043	77	917	148
Sales	2,234	161	1,772	338
Total	**12,154**	**713**	**10,872**	**1,932**
Thereof apprentices	31	1	34	3

Changes in the consolidation range led to an increase of 1,289 in the number of employees. Employees of companies included at their proportional share are reflected in this calculation in relation to the holdings in these companies.

During the reporting year, the members of the Managing Board earned salaries and benefits totaling TEUR 3,430 (2003: TEUR 2,404). Of this amount TEUR 1,832 represent variable and TEUR 1,598 fixed components. Salaries and benefits paid to the individual members of the Managing Board are classified as follows:

Salaries and Benefits of Managing Board	Fixed	Variable	Total
Wolfgang Reithofer	619,932	618,229	1,238,161
Heimo Scheuch	300,995	404,580	705,575
Hans Tschuden	300,995	404,580	705,575
Johann Windisch	376,269	404,580	780,849

The members of the Managing Board and Supervisory Board are listed on pages 16 and 20. Information on shares held by the members of the Managing Board is provided on page 121.

Payments of TEUR 501 (2003: TEUR 348) were made to former members of the Managing Board and their surviving dependents. The members of the Supervisory Board received compensation of TEUR 170 (2003: TEUR 129) for their work during the 2004 Business Year. There are no outstanding credits or guarantees for loans by companies of the Wienerberger Group to members of the Managing or Supervisory Boards.

10. Other Operating Expenses

Other operating expenses are classified as follows:

in TEUR	2004	2003
Loss from the disposal of fixed assets excluding financial assets	5,030	2,250
Miscellaneous	43,427	32,180
Other operating expenses	**48,457**	**34,430**

Research and development expenses at Wienerberger are related exclusively to the cost of product and process development as well as laboratory activities, and totaled TEUR 6,045 for the reporting year. Miscellaneous other operating expenses represent costs that cannot be allocated to the functional areas.

11. Other Operating Income

in TEUR	2004	2003
Gains from the disposal and write-up of fixed assets excluding financial assets	19,572	15,635
Miscellaneous	23,218	35,719
Other operating income	**42,790**	**51,354**

The remaining miscellaneous other operating income represents sales-like revenues, such as rental and commission income, which are not part of the direct business activities of the Wienerberger Group.

12. Transition of Results according to Cost of Sales and Total Cost Methods

In an income statement prepared according to the cost of sales method, expenses are classified by functional area. Under the total cost method, the amounts for the individual categories of expenses are shown and then adjusted to reflect the increase or decrease in finished goods and work in process in order to present the expenses related to the actual volume of goods sold. The relationship of these two methods is explained below:

in TEUR	Cost of freight	Cost of materials	Depre-ciation	Cost of energy	Cost of services	Personnel expenses	Other	Total
Production costs	0	439,342	114,832	195,362	38,383	257,294	29,331	**1,074,544**
Selling expenses	87,887	12,725	6,392	2,828	5,744	100,189	97,014	**312,779**
Administrative expenses	0	709	7,402	559	1,938	62,611	35,187	**108,406**
Other operating expenses	0	906	19,369	17	4,015	12,090	12,060	**48,457**
Other operating income	0	-5,529	0	-197	0	0	-37,064	**-42,790**
Total	**87,887**	**448,153**	**147,995**	**198,569**	**50,080**	**432,184**	**136,528**	**1,501,396**

13. Other Financial Results

Other financial results are classified as follows:

in TEUR	2004	2003
Income from subsidiaries	-710	163
Income from other companies	91	427
Total income from investments	**-619**	**590**
Interest and similar income	27,596	18,095
Interest and similar expenses	-60,923	-50,052
Net financing costs	**-33,327**	**-31,957**
Market valuation of marketable securities	308	2,694
Miscellaneous other financials	-1,029	-4,895
Marketable securities and other	**-721**	**-2,201**
Other financial results	**-34,667**	**-33,568**

14. Income Taxes

This item includes income taxes paid and owed by Group companies as well as provisions for deferred taxes.

in TEUR	2004	2003
Current tax expenses	47,782	29,840
Deferred tax expenses	1,756	13,277
Income taxes	**49,538**	**43,117**

The effective tax rate for the reporting year was 21.4% (2003: 27.6%). This rate is a weighted average of the local income tax rates of all companies included in the consolidation.

As part of the 2005 tax reform, the Austrian parliament approved a reduction in the corporate tax rate from 34 to 25% beginning with the assessment for 2005. In accordance with IAS 12.47, provisions for deferred taxes in Austria have been calculated using this new rate.

The difference between the 2004 Austrian corporate tax rate of 34% and the Group tax rate shown in these statements is due to the following factors:

in TEUR	2004	2003
Profit before tax	**231,370**	**156,045**
Tax expense at tax rate of 34%	**-78,666**	**-53,055**
Other foreign tax rates	11,822	9,144
Non-temporary differences and tax income and expense from prior periods	10,606	1,459
Change in valuation adjustments of deferred tax assets and losses for which no deferred tax provisions were created	6,406	-4,773
Changes in tax rates	295	4,108
Effective tax expense	**-49,538**	**-43,117**
Effective tax rate in %	21.4	27.6

Notes to the Balance Sheet

15. Fixed and Financial Assets

The development of fixed and financial assets is shown on pages 86 and 87. The effect of acquisitions and disposals of businesses is shown in a separate column. The figures shown for foreign exchange rate increases and decreases represent amounts arising from the use of different exchange rates to translate the assets of foreign companies at the beginning of the year versus year-end.

Goodwill arising from the acquisition of companies is distributed among the individual business segments as follows:

in TEUR	2004	2003
Central-East Europe	21,895	11,633
Central-West Europe	54,938	50,646
North-West Europe	281,900	116,772
USA	131,835	128,126
Investments and Other	0	0
Goodwill	**490,568**	**307,177**

Fixed assets include TEUR 277,835 (2003: TEUR 246,580) of land. Interest expense and foreign currency differences on new plant construction totaled TEUR 250 (2003: TEUR 824) for the reporting year.

In addition to operating leases, the Wienerberger Group also uses finance leases to a limited extent. Fixed assets include the following plant and equipment from finance leases:

in TEUR	**2004**	**2003**
Acquisition costs	24,872	52,126
Depreciation (accumulated)	5,385	11,401
Book value	19,486	40,725

Obligations arising from operating leases, license agreements, and rental contracts for the use of fixed assets not shown on the balance sheet represent liabilities of:

in TEUR	**2004**	**2003**
For the following year	11,927	8,711
For the next five years	43,687	27,890
Over five years	10,859	7,532

Payments arising from operating leases, which are included in results for the reporting year, totaled TEUR 28,135 (2003: TEUR 18,729).

The balance sheet item "investment property" includes real estate and buildings with a book value of TEUR 54,872 (2003: TEUR 65,974), which are not used in current business operations. These assets are scheduled for sale over the middle to long-term, and are therefore classified as investment property. Based on comparable transactions, the present value of these assets is estimated at TEUR 86,299 (2003: TEUR 104,542). This property generated rental and other income of TEUR 186 in 2004 (2003: TEUR 297). During the 2004 Business Year, real estate classified as investment property with a book value of TEUR 12,982 was sold.

16. Inventories

in TEUR	**2004**	**2003**
Raw materials and consumables	74,369	75,816
Semi-finished goods	30,696	16,778
Finished goods and merchandise	285,824	208,753
Prepayments	546	1,105
Inventories	**391,435**	**302,452**

17. Receivables and Other Assets

All necessary individual valuation adjustments were made to receivables and other assets. In 2004 valuation adjustments totaled TEUR 2,128 (2003: TEUR 2,062). Individual valuation adjustments made to receivables during the reporting year represent less than 1% of total receivables and are therefore not shown separately.

Receivables	**2004**			**2003**		
in TEUR	**Total**	**Thereof remaining term under 1 year**	**Thereof remaining term over 1 year**	**Total**	**Thereof remaining term under 1 year**	**Thereof remaining term over 1 year**
1. Trade receivables	171,814	170,250	1,564	121,968	118,818	3,150
2. Trade receivables from subsidiaries	939	939	0	10,991	10,991	0
3. Financial receivables from subsidiaries	13,429	7,456	5,973	107,003	11,746	95,257
4. Receivables arising from loans	14,008	13,714	294	18,435	16,737	1,698
5. Fair value of pension fund assets in excess of pension obligations	8,997	8,997	0	8,394	8,394	0
6. Other prepaid expenses and deferred charges	6,701	6,701	0	9,948	9,948	0
7. Miscellaneous	46,167	42,304	3,863	40,386	35,525	4,861
Receivables	**262,055**	**250,361**	**11,694**	**317,125**	**212,159**	**104,966**

Receivables due from group companies are related chiefly to loans. The decrease in this item during 2004 resulted primarily from a change in the elimination of the loan granted to Koramic Roofing as well as the transfer of a loan receivable in conjunction with the sale of "Wienerberg City" Errichtungsges.m.b.H. With respect to the loan granted to Koramic Roofing, it should be noted that only 50% was eliminated in 2003 due to the proportional consolidation of this investment, but data for the reporting year reflect full consolidation. Trade receivables totaling TEUR 8,265 (2003: TEUR 12,173) are secured by notes payable.

18. Capital and Reserves

The development of capital and reserves during 2004 and 2003 is shown on page 85.

Wienerberger carried out a capital increase during 2004. A total of 8,888,823 new shares were issued at a price of EUR 26 each. Expenses related to this capital increase amounted to TEUR 9,327 (Austrian capital investment tax of TEUR 2,311 and other expenses of TEUR 7,016) were charged to equity without recognition to the income statement. This transaction resulted in a net capital increase of TEUR 221,782.

The issued capital of Wienerberger AG now equals EUR 74,167,796 and is divided into 74,167,796 shares with zero par value. The Annual General Meeting on May 11, 2004 authorized the Managing Board to repurchase up to 10% of authorized share capital within a period of 18 months.

The major shareholders of the Wienerberger Group were the Bank Austria Creditanstalt AG and the Belgian Koramic Building Products NV. On February 17, 2004 Bank Austria Creditanstalt AG and Koramic Building Products NV sold their Wienerberger shares to international institutional investors in a joint action. Koramic Building Products NV therefore ceased to be a shareholder of Wienerberger AG on February 17, 2004. Bank Austria Creditanstalt AG now holds less than 15% of Wienerberger shares that are tied to options for a three-year exchangeable bond that was issued to institutional investors in January 2004. Free float is distributed among Austrian and international investors (also see page 26).

The Wienerberger share is traded in the Prime Market Segment of the Vienna Stock Exchange. In the USA, the share is traded in a Sponsored Level 1 ADR Program of the Bank of New York on the OTC market.

Retained earnings of TEUR 962,644 (2003: TEUR 820,103) include the retained earnings of Wienerberger AG plus the retained earnings of subsidiaries not eliminated during the capital consolidation. Group profit for 2004, excluding the share of profit due to minority interest, is shown under retained earnings.

19. Provisions

in TEUR	1.1.2004	Reclassi-fication	1.1.2004	Foreign exchange incr./decr.	Chg. in consoli-dation range	Reversal	Use	Addition	31.12.2004
1. Provisions for severance payments	10,279	0	10,279	35	177	183	1,313	2,385	11,380
2. Provisions for pensions	32,704	17	32,721	-986	27,774	5,455	1,976	3,326	55,404
3. Provisions for deferred taxes	90,344	-3,157	87,187	-1,858	9,888	8,576	2,198	7,687	92,130
4. Other non-current provisions									
a) Warrantees	21,426	3	21,429	234	994	789	2,279	1,385	20,974
b) Service anniversary bonuses	3,027	-317	2,710	139	39	424	75	1,638	4,026
c) Site restoration	24,054	-63	23,991	417	983	860	2,854	4,016	25,693
d) Environment	2,522	3,576	6,098	8	196	1,862	156	99	4,383
Non-current provisions	**184,356**	**59**	**184,415**	**-2,011**	**40,051**	**18,149**	**10,851**	**20,536**	**213,990**
5. Provisions for current taxes	7,569	-6,731	838	84	13	155	608	391	563
6. Other current provisions									
a) Vacations	13,853	-7,105	6,748	7	1,259	220	2,834	2,760	7,720
b) Miscellaneous	79,078	-28,926	50,152	767	9,421	8,188	27,821	24,380	48,711
Current provisions	**100,500**	**-42,762**	**57,738**	**858**	**10,693**	**8,563**	**31,263**	**27,531**	**56,994**
Provisions	**284,856**	**-42,703**	**242,153**	**-1,153**	**50,744**	**26,712**	**42,114**	**48,067**	**270,985**

Provisions shown in the 2003 financial statements include current tax obligations and trade payables for which invoices had not been received as of the balance sheet date. These trade payables were reclassified under current liabilities beginning in 2004 and totaled TEUR 42,703.

20. Provisions for Pensions

Wienerberger has made pension commitments to selected managers as well as all employees in Holland, Great Britain, USA and Switzerland. The goal is to use defined contribution plans for future pension agreements. In 2004 a number of defined benefit pension agreements with active managers were converted to defined contribution pension fund models through the transfer of previously earned claims to a pension fund. The Group also has a limited number of non-funded defined benefit plans for former managers. The length of service forms the basis for retirement benefits. General Shale employees (USA) have a funded defined benefit pension plan as well as non-funded health insurance. The amount by which the fair value of pension fund assets exceeds pension obligations are shown under receivables. ZZ Wancor (Switzerland) has a defined contribution pension plan through an external pension fund. Claims earned by Dutch employees are satisfied primarily through contributions to an industry pension fund in Holland. In Great Britain there is a defined contribution pension plan covering all employees. The newly acquired member companies of thebrickbusiness had a defined benefit pension plan in the past; a provision has been created to reflect the resulting obligations.

The most important actuarial parameters and relevant accounting principles are described on pages 98 and 99.

Total pension expenses for 2004 relate to both defined contribution and defined benefit pension plans, and include the following components:

in TEUR	**2004**	**2003**
Defined contribution plans		
Costs for defined contribution pension plans	4,453	4,306
Defined benefit plans		
Service costs for defined benefit pension plans	1,842	2,673
Interest costs	9,288	6,505
Expected income from plan assets	-7,879	-4,631
Actuarial gain/loss	1,536	-1,308
Past service cost	1	195
Effect of plan curtailments and settlements	0	4
Expenses for defined benefit plans	**4,788**	**3,439**
Total expenses for pensions	**9,241**	**7,745**

Gross pension obligations represent the present value of pension commitments as calculated by actuaries. The transition from gross pension obligations (defined obligation) to net obligations as shown on the balance sheet is made by deducting non-recorded subsequent service costs and non-recorded actuarial gains and losses as well as the fair value of pension fund assets. Of total net obligations, TEUR 17,404 are related to the US (retirement) health insurance program. The component parts of pension obligations and their coverage through fund assets is shown below:

in TEUR	**2004**	**2003**
Defined benefit obligations covered in whole or in part by a fund	165,289	92,969
Defined benefit obligations not covered by a fund	16,951	15,685
Total gross pension obligations as of 31.12.	**182,240**	**108,654**
Fair value of fund assets	-112,769	-65,179
Gross pension obligations less fund assets as of 31.12.	**69,471**	**43,475**
Non-recorded past service cost	0	0
Non-recorded actuarial gains/losses	-23,064	-19,165
Net pension obligations recorded	**46,407**	**24,310**

in TEUR	**2004**	**2003**
Net obligations recorded as of 1.1.	**24,310**	**27,843**
Changes in the consolidation range	27,774	125
Exchange rate changes	-1,259	-1,273
Expenses for pensions (defined benefit plans)	4,788	3,439
Payments to retirees	-4,173	-2,890
Effects of plan curtailments and settlements as well as contributions by employees	-5,033	-2,934
Net obligations recorded as of 31.12.	**46,407**	**24,310**

The changes in the consolidation range relate primarily to the initial consolidation of thebrickbusiness (TEUR 24,907). Pension fund assets are comprised chiefly of assets in the US defined contribution pension plan. The expected income from this fund in 2004 was TEUR 3,113. Realized income totaled TEUR 3,396. The US fund has invested its assets in stocks (49%), bonds (26%) and other assets (25%).

Legal regulations grant Austrian employees the right to a lump-sum payment at retirement or termination by the employer, depending on the length of service. These future obligations are reflected in provisions for severance compensation. There are similar obligations in France and Italy.

21. Provisions for Deferred Taxes

Deferred tax assets and provisions for deferred taxes as of December 31, 2004 and December 31, 2003 are the result of the following temporary valuation and accounting differences between book values in the IFRS financial statements and the relevant tax bases:

	2004		2003	
in TEUR	**Assets**	**Equity and liabilities**	**Assets**	**Equity and liabilities**
Intangible assets	225	-9,480	1,251	-5,382
Property, plant and equipment	9,140	-102,853	16,200	-92,215
Financial assets	0	-1,380	1	-71
Inventories	2,118	-6,473	1,758	-4,930
Receivables	3,898	-3,210	1,282	-1,397
Marketable securities	140	-183	52	-671
Cash and cash at bank	1	-2	1	-329
Deferred charges	505	-2,074	2,362	-5,412
	16,027	**-125,655**	**22,907**	**-110,407**
Untaxed reserves	0	-10,617	0	-17,419
Provisions	24,869	-872	18,989	-1,707
Liabilities	10,457	-1,300	6,815	-611
Deferred income	1,302	-2,493	1,796	-2,484
	36,628	**-15,282**	**27,600**	**-22,221**
Tax loss carry-forwards	91,555		50,161	
Deferred tax assets/provisions	**144,210**	**-140,937**	**100,668**	**-132,628**
Valuation allowance for deferred tax assets	-52,666		-26,336	
Offset within legal tax units and jurisdictions	-48,807	48,807	-42,284	42,284
Net deferred tax assets and provisions	**42,737**	**-92,130**	**32,048**	**-90,344**

In the Group financial statements, temporary differences and tax loss carry-forwards totaling TEUR 52,666 (2003: TEUR 26,336) are not reflected in deferred tax assets because their use as tax relief is not yet sufficiently certain.

In accordance with IAS 12.39, no provisions for deferred taxes were recorded on temporary differences related to shares owned in subsidiaries. The cumulative value of shares in subsidiaries exceeds the pro rata share of equity owned in subsidiaries by TEUR 10,871 (2003: TEUR 167,175).

22. Liabilities

The remaining terms of the various categories of liabilities are shown below:

2004

in TEUR	Total	Remaining term <1 year	Remaining term 1–5 years	Remaining term >5 years	Remaining term >1 year, secured by collateral
1. Interest-bearing loans	901,936	267,534	454,733	179,669	84
2. Trade payables	143,988	143,988	0	0	0
3. Finance leases	28,698	8,388	20,310	0	867
4. Prepayments received on orders	1,443	1,443	0	0	0
5. Trade payables owed to subsidiaries	1,361	1,361	0	0	0
6. Financial liabilities owed to subsidiaries	2,249	2,249	0	0	0
7. Amounts owed to tax authorities and social security carriers	49,140	48,167	780	193	0
8. Deferred income	10,656	10,656	0	0	0
9. Other liabilities	88,233	64,179	10,833	13,221	0
Liabilities as per balance sheet	**1,227,704**	**547,965**	**486,656**	**193,083**	**951**

2003

in TEUR	Total	Remaining term <1 year	Remaining term 1–5 years	Remaining term >5 years	Remaining term >1 year, secured by collateral
1. Interest-bearing loans	925,918	227,722	505,593	192,603	41
2. Trade payables	89,559	87,821	1,738	0	0
3. Finance leases	31,986	7,662	20,499	3,825	0
4. Prepayments received on orders	1,053	1,053	0	0	0
5. Trade payables owed to subsidiaries	2,283	2,283	0	0	0
6. Financial liabilities owed to subsidiaries	1,840	1,840	0	0	0
7. Amounts owed to tax authorities and social security carriers	23,573	23,573	0	0	0
8. Deferred income	11,047	11,047	0	0	0
9. Other liabilities	54,548	33,089	14,118	7,341	0
Liabilities as per balance sheet	**1,141,807**	**396,090**	**541,948**	**203,769**	**41**

Amounts owed to group companies are related chiefly to settlement accounts and the provision of goods and services. Collateral primarily represents mortgages on land and guarantee agreements.

Other liabilities include TEUR 26,073 due to employees and TEUR 17,509 of discounts and other reductions in revenues. Deferred income also includes TEUR 7,032 (2003: TEUR 6,049) of subsidies and investment allowances granted by third parties, which are released to the income statement over the useful life of the related assets.

23. Contingent Liabilities and Guarantees

Guarantees result from obligations to third parties, and are related to:

in TEUR	**31.12.2004**	**31.12.2003**
Sureties	0	102
Guarantees	6,372	3,971
Obligations from bills of exchange	0	0
Other contractual obligations	1,617	105
Contingent liabilities and guarantees	**7,989**	**4,178**

In addition to the contingent liabilities listed above, a guarantee for earnings in the years 2004 to 2006 was provided in connection with the sale of the 50% stake in Steinzeug GmbH; this guarantee equals a maximum of TEUR 3,500. All guarantees reflect possible future obligations whose existence can only be confirmed by the occurrence of a future event that is completely uncertain as of the balance sheet date. There are no financial obligations (off balance sheet risks) above and beyond the contingent liabilities and guarantees stated above.

Financial Instruments

A distinction is made between primary and derivative financial instruments.

24. Primary Financial Instruments

Marketable Securities	**2004**			**2003**		
	Book value *in TEUR*	**Market value** *in TEUR*	**Average effective interest rate** *in %*	**Book value** *in TEUR*	**Market value** *in TEUR*	**Average effective interest rate** *in %*
Shares in funds	4,566	4,566	1.30	5,790	5,790	1.42
Debt issued by corporations	11,271	11,271	5.48	13,376	13,376	5.28
Debt issued by local Austrian authorities	37	37	5.75			
Stock	125	125		615	615	
Derivatives	52,794	52,794		29,548	29,548	
Other	1,724	1,724	1.28	772	772	
	70,517	**70,517**		**50,101**	**50,101**	

Financial liabilities can be classified as follows:

Type	Currency	Nominal value *in 1,000 local currency*	Book value *in TEUR*	Effective interest rate *in %*
Loans	EUR	450,562	436,854	3.89
	SKK	95,000	1,538	4.65
			438,392	
Roll-over	DKK	631	85	2.19
	HRK	158	21	3.50
	PLN	4,929	1,207	6.44
	SIT	576	2	3.70
	SKK	40,088	1,035	4.74
			2,349	
Current loans	EUR	152,634	151,813	2.56
	CHF	80,000	52,415	2.02
	CZK	521,196	17,575	3.96
	HUF	1,500,000	6,284	10.38
	PLN	14,400	3,600	7.21
			231,687	
Fixed interest loans due to financial institutions			**672,428**	

Type	Currency	Nominal value *in 1,000 local currency*	Book value *in TEUR*	Effective interest rate *in %*
Loans	EUR	209,040	197,569	2.97
	HUF	450,000	813	11.42
	SIT	1,626,240	5,950	4.33
			204,331	
Roll-over	EUR	7,858	7,830	2.99
	PLN	1,500	848	5.26
			8,678	
Current loans	EUR	13,292	10,342	2.51
	HRK	17,500	1,828	7.58
			12,170	
Variable interest loans due to financial institutions			**225,180**	

Type	Currency	Nominal value *in 1,000 local currency*	Book value *in TEUR*	Effective interest rate *in %*
Loans - fixed interest	EUR	5,784	2,716	4.88
Current loans - fixed interest	EUR	2,653	1,129	4.79
			3,845	
Loans - variable interest	PLN	1,960	483	7.44
Loans due to non-banks			**4,328**	

25. Derivative Financial Instruments

The fair value of forward exchange contracts is based on the market price as of the balance sheet date. The prices for comparable transactions are used to value certain OTC contracts. The fair value of interest rate swaps represents the value that the company would receive or be required to pay on termination as of the balance sheet date. Current market conditions, above all current interest rates and the creditworthiness of the swap partner are taken into account in the determination of value.

The interpretation of market information necessary for the estimation of fair values also requires a certain degree of subjective judgment. This can result in a difference between the figures shown here and values subsequently realized on the market place.

	2004			2003		
	Currency	**Nominal value** *31.12.2004 in 1,000 local currency*	**Market value** *31.12.2004 in TEUR*	**Currency**	**Nominal value** *31.12.2003 in 1,000 local currency*	**Market value** *31.12.2003 in TEUR*
Forward exchange contracts	CZK	83,700	98			
	USD	1,300	0			
Interest rate swaps	EUR	434,940	-3,248	EUR	160,850	1,331
				PLN	23,390	2,487
Cross-currency swaps	USD/EUR	380,870	59,710	USD/EUR	256,002	25,729
	GBP/EUR	85,000	3,973			
	PLN/EUR	417,270	-7,739			
			52,794			**29,548**

Notes to the Statement of Cash Flows

The Statement of Cash Flows for the Wienerberger Group shows the changes in cash and cash at bank resulting from the inflow and outflow of funds during the reporting year. Cash and cash at bank (liquid funds) include cash on hand and deposits with banks. Marketable securities and current liabilities owed to financial institutions are not part of cash and cash at bank. The effects of company acquisitions and disposals are eliminated and shown separately under "cash flow from changes in the consolidation range". Data from foreign Group companies are generally translated at the average exchange rate for the year. In contrast to this practice, cash and cash at bank are valued at the exchange rate in effect on the balance sheet date.

26. Cash Flow from Operating Activities

Cash flow from operating activities shows the flows of funds arising from the provision and receipt of goods and services during the reporting year.

Cash flow from operating activities includes the following interest and tax payments:

in TEUR	**2004**	**2003**
Interest income	20,247	15,473
Interest payment	58,508	45,479
Tax payments	34,702	24,697

27. Cash Flow from Investing Activities

The acquisition of plant, property and equipment and intangible assets resulted in an outflow of funds totaling TEUR 238,034 (2003: TEUR 145,383). This amount includes TEUR 90,415 for maintenance, expansion, rationalization and environmental protection investments (maintenance capex) as well as TEUR 147,619 for the construction of new plants and renovation of existing facilities. Investments of TEUR 921 (2003: TEUR 10,604) were made in financial assets.

Cash inflows from the disposal of fixed and financial assets totaled TEUR 74,349 (2003: TEUR 58,191). These disposals generated gains of TEUR 19,572 (2003: TEUR 15,635).

Changes in cash and cash at bank resulting from changes in the consolidation range are as follows:

in TEUR	**2004**	**2003**
Payments made for companies acquired	-400,294	-234,991
Cash from companies consolidated for the first time	1,104	3,621
Payments received for companies sold	0	23,369
Cash from deconsolidated companies	-26	-701
Payments for the acquisition of minority interest and cash flow from the recognition of new minority interest	4,632	-1,959
Cash flow from changes in the consolidation range	**-394,584**	**-210,661**

Payments made for companies acquired include the purchase price for the proportional share of equity as well as any debt assumed in connection with the transaction (debt-free company).

Growth investments made by the Wienerberger Group are comprised of the following:

in TEUR	**2004**	**2003**
Payments made for new plant construction and renovation	147,619	78,632
Payments made for the acquisition of companies	395,662	234,991
Cash from companies consolidated for the first time	-1,104	-3,621
Growth investments	**542,177**	**310,002**

Risk Report

The conduct of global operations exposes the business segments of the Wienerberger Group to a variety of risks that are inseparable from entrepreneurial activities. These risks and their potential impact on the Group are identified and analyzed by Wienerberger risk management, and suitable actions are taken based on the Group's defined risk policy. From the current standpoint, there are no risks that could endanger the continued existence of the Group.

Market Risks

Risks arise from developments in the major economies in which Wienerberger operates across Europe and the USA. The most important market segments for the Wienerberger Group are construction in general, and new residential construction and renovation in particular. A key parameter for the development of residential construction is the level of mortgage interest rates. In addition to this dependency on construction activity, bricks and tiles are subject to continuous competition from other wall and roofing materials. This competition on the building materials market requires specialized research and development of our primary products, bricks and clay roof tiles. In addition, the building materials industry is subject to seasonal fluctuations. As is the case with the entire building materials industry, the earnings of the Wienerberger Group are in part dependent on the weather. In order to avoid earnings fluctuations wherever possible, Wienerberger pursues a strategy of geographical diversification with parallel concentration on the core business. The Group's activities are subject to the usual risks inherent in local market, where positions must be continually defended against competitors and substitute products. Our most important customer group is the building materials sector, and further market adjustments in this branch are expected to increase pressure on prices in the future. Specific market situations can also have a negative impact on price levels, and Wienerberger therefore monitors its price strategy on a continuous basis.

Procurement, Production, Investment and Acquisition Risks

The majority of the Wienerberger plants were constructed or modernized in recent years, and the risk of operating breakdowns or longer loss of production is therefore low. Supplies of clay raw materials for the production of bricks and clay roof tiles are guaranteed on a lasting basis by sufficient deposits and long-term supply contracts. Energy prices are a function of developments on international markets. In 2004, energy costs for the Wienerberger Group totaled TEUR 198,569 or 11% of revenues. These expenses are divided into 28% for electricity, 61% for natural gas, 4% for oil and 7% for coal and other materials.

Excess capacity in specific markets can lead to increased pressure on prices which, in turn, can result in selling prices that fail to cover production and capital costs. Wienerberger therefore monitors production capacity on a continual basis, and adjusts this capacity over the mid-term through a variety of measures. Ongoing optimization as well as internal and external growth projects are necessary to increase the value of Wienerberger. The future profitability of these projects is dependent to a large degree on the investment volume and/or acquisition price. For this reason, all growth projects must meet strict return on investment criteria.

Financial Risks

Operating activities expose Wienerberger to interest rate and exchange rate risks. Derivative financial instruments, in particular forward exchange contracts and swaps, are used to limit and control this risk. No derivative contracts are concluded for trading or speculative purposes. The exposure of the Wienerberger Group to exchange rate risk on cash outflows is limited because of the local nature of the building materials business, which rarely involves exports or imports. Therefore, cash flows into or out of the euro region are almost entirely related to Group dividends or loans. These inter-Group cash flows are managed by the holding company, depending on exchange rates. Risks may also arise from the translation of foreign company financial statements into the euro, which is the Group currency. Revenues, earnings, and balance sheet items of companies not headquartered in the euro region are therefore dependent on the relevant euro exchange rate. As a result of the decentralized structure of the Wienerberger Group, credit financing for current assets is arranged in the local currency of the operating company. Foreign exchange risk is therefore very low because the operating companies generally issue invoices in local currency.

Revenues and capital employed by currency are as follows:

Revenues	2004		2003	
	in € mill.	*Share in %*	*in € mill.*	*Share in %*
Euro	916.2	52	812.6	53
Eastern European currencies	410.2	23	365.2	24
US Dollar	284.4	16	252.0	16
Other	148.0	9	114.2	7
Revenues	**1,758.8**	**100**	**1,544.0**	**100**

Capital employed	2004		2003	
	in € mill.	*Share in %*	*in € mill.*	*Share in %*
Euro	1,067.0	52	853.8	56
Eastern European currencies	438.7	22	290.2	19
US Dollar	277.3	14	281.4	18
Other	248.5	12	99.1	7
Capital employed	**2,031.5**	**100**	**1,524.5**	**100**

The credit risk associated with financing activities is immaterial because of the strict requirements of Wienerberger financial and treasury guidelines. The level of credit risk connected with the investment of liquid funds and securities is limited by the fact that virtually all marketable securities held by the Group were issued by Austrian corporations and Wienerberger works only with financing partners who can demonstrate an excellent credit rating.

The credit risk on trade receivables can be classified as low because the credit standing of new and existing customers is monitored on a continual basis. No trade receivables due from individual customers comprise more than 3% of total Group receivables. The liquidity of the operating companies is managed by Group Treasury.

Liquidity risk is relatively low because the brick and roofing systems businesses generate high cash flows. Gearing and the equity base form a limit for the possible expansive growth of the Wienerberger Group.

Other Risks

Wienerberger plants exceed current legal requirements for the prevention of environmental damage. The intensification of environmental standards, especially with respect to emissions, continually presents our engineering department with new challenges. The landfill business was transferred to a foundation in 2001, which considerably reduced the risk for Wienerberger AG from these activities. Legal commitments are identified and met through internal knowledge of the current legal and contractual situation as well as cooperation with experts and external consultants.

The risks associated with a breakdown of our centralized Group data processing system as the result of natural disasters have been minimized through the parallel installation of systems in separate facilities. In recent years, a number of building materials companies with operations in the USA became the subject of class action suits from patients with asbestos-related diseases. After an examination of our US activities, we have classified this risk as minimal because none of our American subsidiaries has ever produced or sold asbestos products.

Other Information

28. Earnings per Share, Recommendation for the Distribution of Profits

Wienerberger carried out a capital increase and issued 8,888,823 new shares in June 2004. The current number of shares outstanding is 74,167,796. As of December 31, 2004, 633,005 shares were held as treasury stock and were deducted prior to the calculation of earnings per share. The weighted average number of shares for the calculation of earnings per share 2004 totaled 69,598,155.

Number of shares	**2004**	**2003**
Outstanding	74,167,796	65,278,973
Weighted average	69,598,155	64,644,844

Based on consolidated net profit of TEUR 177,104 (2003: TEUR 110,417), earnings per share equal EUR 2.54 (2003: EUR 1.71). After an adjustment for the amortization of goodwill, earnings per share total EUR 2.54 (2003: EUR 2.01). The financial statements for 2003 include ordinary amortization of goodwill totaling TEUR 19,257. The comparable figure for 2004 is zero because no impairment write-downs were required to goodwill as required by IFRS 3. In accordance with IAS 33, stock options for the 2002, 2003 and 2004 Business Years result in the dilution of the number of shares outstanding because the option price was less than the market price on the balance sheet closing date. The dilution involves 284,877 shares and led to a minimal reduction in earnings per share to EUR 2.53.

In accordance with the provisions of the Austrian Stock Corporation Act, the financial statements of Wienerberger AG as of December 31, 2004 form the basis for the dividend payment. These financial statements show net profit of EUR 78,788,213. The Managing Board recommends the Annual General Meeting approve a dividend of EUR 1.07 per share from net profit of EUR 78,788,213, for a total payment of EUR 79,359,541 on issued capital of EUR 74,167,796, less a proportional share of EUR 677,315 for treasury stock. The dividend distribution will therefore total EUR 78,682,226 on issued capital of EUR 74,167,796. The Managing Board also recommends that the Annual General Meeting approve the carry forward of the remaining EUR 105,987.

29. Significant Events occurring after the Balance Sheet Date (Supplementary Report)

No significant events occurred after the balance sheet date on December 31, 2004.

30. Business Activities with Related Companies

Investment, consulting and financial transactions are conducted at arm's length with Bank Austria Creditanstalt AG, which is a shareholder of Wienerberger AG through an exchangeable bond. In 2004 fees of TEUR 850 were paid for services provided in connection with the acquisition of companies and TEUR 2,542 in conjunction with the capital increase.

Some real estate in Poland is held on a trust basis by management for legal reasons associated with the purchase of land.

The ANC private foundation was created in 2001. Following the transfer of the landfill business and shares in Immofinanz AG in exchange for participation rights and after the sale of the Steinzeug Group to the ANC private foundation in previous years, a significant part of the participation rights were repurchased by the ANC private foundation for TEUR 20,236 in 2004. This reduced the participation rights of the Wienerberger Group to less than 40% of profit earned by the ANC private foundation. Wienerberger has a receivable of TEUR 10,257 which is due from ANC private foundation.

31. Stock Option Plan

On May 8, 2002 the Annual General Meeting of Wienerberger AG authorized the use of Wienerberger AG treasury stock for a stock option plan. Based on this authorization, a stock option plan was implemented for key managers who have a direct influence on the development of the company. After 2002 and 2003, options were granted for the third time during the 2004 Business Year. The number of options granted is dependent on the fulfillment of annual performance goals, with budgeted net profit for the Group as the goal for 2004. Excluding the members of the Managing Board (see individual list), 53 key managers were granted 5,000 options each in 2004. These options can not be transferred or traded, and each option represents the right to purchase one share. The options have a five-year term and can be exercised three years after they are granted. After expiration of this three-year period, the options may be exercised within certain windows one month after the announcement of quarterly results. If an employee leaves the company within this three-year period, the options expire. The exercise price equals the average of all daily closing prices over a period of four weeks beginning with the announcement of preliminary results for the past reporting year, and totals EUR 25 for 2004. Shares purchased through the exercise of options are not subject to a retention period. In order to serve the options granted in 2004 and any options granted in subsequent years, the Annual General Meeting on May 11, 2004 approved the issue of authorized conditional capital as well as the purchase of treasury stock.

The development of issued stock options is as follows:

	2004		2003	
	Number of options	**Average exercise price per option**	**Number of options**	**Average exercise price per option**
Total at the beginning of the year	736,000	16.73	373,000	18.00
Options granted	328,000	25.00	373,000	15.50
Exercised options	0	0	0	0
Forfeited	-130,000	17.94	-10,000	18.00
Total at the year-end	**934,000**	**19.49**	**736,000**	**16.73**
Exercisable options at year-end	0		0	

Granted options	**2004**	**2003**	**2002**
Members of the Managing Board:			
Wolfgang Reithofer	18,000	18,000	18,000
Heimo Scheuch	15,000	15,000	15,000
Hans Tschuden	15,000	15,000	15,000
Johann Windisch	15,000	15,000	15,000
Total for the Managing Board	**63,000**	**63,000**	**63,000**
Other key employees (5,000 options each)	265,000	310,000	310,000
Total number of options granted	**328,000**	**373,000**	**373,000**
Forfeited	-15,000	-55,000	-70,000
Existing options	**313,000**	**318,000**	**303,000**
Exercisable options at year-end	0	0	0

The options were valued based on the Black-Scholes option-pricing model. The interpretation of market information necessary for the estimation of market values also requires a certain degree of subjective judgment. This can result in a difference between the figures shown here and values subsequently realized on the marketplace.

The major parameters for options granted by the company are as follows:

Valuation of options		**2004**	**2003**	**2002**
Major parameters for options granted:				
Market price at granting	*in EUR*	27.53	17.32	18.97
Exercise price	*in EUR*	25.00	15.50	18.00
Term of options		5 years	5 years	5 years
Risk-free interest rate	*in %*	3.90	3.17	3.74
Expected volatility	*in %*	30	17	15
Present value of options	*in EUR*	7.44	2.23	2.65
Fair value at grant date	*in TEUR*	**2,029**	**710**	**802**
Included in personnel expenses for 2004	*in TEUR*	451	237	0

32. Employee Stock Participation Program

On May 8, 2002 the Annual General Meeting of Wienerberger AG authorized the use of Wienerberger AG treasury stock for an employee stock participation program. In autumn of 2002 an offer was made to all employees of the Wienerberger Group, which entitles participants to receive 15 free bonus shares if they purchase a maximum of 45 Wienerberger shares. These bonus shares must be held for a period of two years. A total of 285 employees participated in this program during 2002. In 2003 the employee stock participation program was also offered to employees who work in countries where the program was not previously introduced. This resulted in 198 new participants and the transfer of 2,733 additional shares. Fifteen bonus shares expired because the recipients left the company during 2004. These shares are now included under treasury stock. The shares transferred to employees were deducted from treasury stock. No bonus shares were issued as part of this program in 2004.

33. Shares held by Members of the Managing Board

The members of the Managing Board of Wienerberger AG hold shares in the Company as follows:

Number of shares held by Managing Board	1.1.2004	Purchase	Sale	31.12.2004
Wolfgang Reithofer	53,370	71,671	0	125,041
Heimo Scheuch	3,120	0	0	3,120
Hans Tschuden	1,264	233	0	1,497
Johann Windisch	0	10,000	0	10,000

Vienna, March 4, 2005

The Managing Board of Wienerberger AG

Wolfgang Reithofer
CEO

Heimo Scheuch

Hans Tschuden

Johann Windisch

Major differences between Austrian and IFRS accounting principles

The primary objective of IFRS accounting is to provide investors with suitable information for decision-making. Therefore IFRS make a strict distinction between accounting for commercial purposes and accounting for tax purposes. Provisions for expenses are not permitted, the realization of income is defined differently in certain cases, accounting and valuation options are more restrictive, and information and explanations in the notes to the financial statements are more extensive.

Goodwill arising on acquisitions: In accordance with IFRS 3 goodwill is capitalized and subject to an impairment test each year; since 2004 goodwill is no longer amortized on a regular basis. The Austrian Commercial Code allows a credit to reserves, with no effect on the income statement or capitalization and subsequent straigth-line amortization.

Deferred taxes: The Austrian Commercial Code requires the creation of deferred tax provisions for temporary differences if a tax liability or income is expected to arise when these differences are reversed. IFRS require the creation of deferred taxes on all temporary differences which arise between financial statements prepared for tax purposes and IFRS financial statements. Under IFRS, deferred tax assets must also be recorded for tax loss carry-forwards that are expected to be offset against taxable profits in the future.

Other provisions: In contrast to the Austrian Commercial Code, IFRS interpret the principle of conservatism differently with respect to provisions. IFRS tend to place stricter requirements on the probability of an event occurring and on estimating the amount of the provision.

Provisions for pensions: In keeping with the Austrian Commercial Code, provisions for pensions are calculated without incorporating the effect of future wage and salary increases; this calculation is based on the Austrian method "Teilwertverfahren" and a discount rate that normally equals 5%. Under IFRS, provisions for pensions are calculated using the projected unit credit method; this calculation uses a current capital market interest rate and includes an expected compensation increase.

Marketable securities: Austrian accounting principles require securities to be recorded at the lower of acquisition cost or market value. Under IFRS marketable securities are valued at market price, and changes in market price are credited or charged to the income statement or directly disclosed in the equity section of the balance sheet under a hedging reserve.

Foreign currency valuation: These two accounting systems require different treatments for unrealized profits arising from the valuation of foreign exchange items as of the balance sheet date. According to Austrian law the principle of realizable value requires only unrealized losses to be recorded, where IFRS also require the recognition of unrealized profits. In keeping with IFRS, unrealized exchange rate gains or losses arising from inter-company loans are included under equity with no effect on the income statement.

Extraordinary results: In contrast to the Austrian Commercial Code, IFRS do not permit the disclosure of extraordinary results.

Stock options: IFRS 2 requires stock options to be reported under personnel expenses at the value on the day they were granted, whereby this value must be distributed over the years up to the earliest exercise date. Under the Austrian Commercial Code, the recording method depends on how the options will be serviced.

Audit Report and Opinion

To the Managing Board and Supervisory Board of Wienerberger AG

We have audited the accompanying consolidated financial statements of Wienerberger AG as of December 31, 2004 prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing (ISA) issued by IFAC. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2004, and of the results of its operations and its cash flows for the years then ended in accordance with IFRS.

Austrian Commercial Code regulations require the compilation of a review of operations and the fulfilment of the legal conditions for the exemption from the obligation to prepare consolidated financial statements following local law.

We certify that the review of operations is in compliance with the consolidated financial statements and that the legal requirements for the exemption from the obligation to prepare consolidated financial statements in accordance with the Austrian Commercial Code are met.

Vienna, March 8, 2005

KPMG Alpen-Treuhand GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

KPMG Alpen-Treuhand GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Rainer Hassler Martin Wagner

Austrian Certified Public Accountants

Group Companies

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
Wienerberger International NV	**Zaltbommel**	**50,000**	**EUR**	**100.00%**	**VK**	
Wienerberger Ziegelindustrie GmbH	Hennersdorf	300,000,000	ATS	100.00%	VK	
Wienerberger Ziegelindustrie Entwicklungs GmbH	Wien	35,000	EUR	100.00%	OK	1)
Wienerberger Teglaipari Rt	Budapest	2,140,000,000	HUF	100.00%	VK	
Magyar Téglaipari RT	Törökbalint	20,000,000	HUF	40.00%	EQ	
Wienerberger Management Service Szolgáltató és Tanácsadó Kft	Budapest	3,000,000	HUF	100.00%	OK	1)
Wienerberger cihlarsky prumysl a.s.	Ceske Budejovice	961,543,960	CZK	86.83%	VK	
Wienerberger service spol. s r.o.	Ceske Budejovice	200,000	CZK	100.00%	OK	1)
Cihelna Kinsky spol. s r.o.	Kostelec nad Orlici	2,000,000	CZK	73.20%	VK	
Wienerberger eurostroj spol. s r.o.	Ceske Budejovice	100,000	CZK	86.83%	VK	
Wienerberger euroform spol. s r.o.	Ceske Budejovice	44,550,000	CZK	86.83%	VK	
Wienerberger cihelna Jezernice spol, s r.o.	Ceske Budejovice	200,000,00	CZK	100.00%	VKE	
Wienerberger Slovenske Tehelne spol. s.r.o.	Zlate Moravce	100,000,000	SKK	100.00%	VK	
Wienerberger Cegielnie Lebork Sp. z o.o.	Warszawa	116,334,660	PLN	100.00%	VK	
Handel Ceramika Budowlana Sp. z o.o.	Warszawa	50,000	PLN	40.00%	OK	1)
Wienerberger Honoratka Ceramika Budowlana S.A.	Konin	20,187,000	PLN	77.79%	VK	
Wienerberger Karbud S.A.	Warszawa	17,081,200	PLN	100.00%	VK	
Wienerberger Ceramika Budowlana Sp. z o.o.	Warszawa	1,000,000	PLN	93.22%	VK	
Moreva Sp. z o.o.	Warszawa	50,000	PLN	40.00%	OK	1)
Zaklady Ceramiki Zlocieniec Sp. z o.o.	Warszawa	2,000,000	PLN	100.00%	VK	
Wienerberger Osiek Sp. z o.o.	Osiek Nad Notecia	10,008,000	PLN	100.00%	VKE	
Wienerberger Kupno Sp. z o.o.	Kolbuszowa	8,110,000	PLN	100.00%	VKE	
Glina Dobre Sp. z o.o.	Warszawa	50,000	PLN	0.00%	VK	
Glina Sp. z o.o.	Warszawa	50,000	PLN	0.00%	VK	
Glina Nowa Sp. z o.o.	Warszawa	50,000	PLN	0.00%	VK	
Koramic Pokrycia Dachowe Sp. z o.o.	Kunice	233,458,290	PLN	100.00%	VK	
Polskie Przedsiebiorstowo Obrotu Gruntami Sp. z o.o.	Kunice	5,000	PLN	69.40%	VK	
Wienerberger Ilovac d.d.	Karlovac	8,988,040	HRK	99.92%	VK	
Wienerberger Cetera IGM d.d.	Karlovac	359,240	HRK	99.70%	VK	
Wienerberger Industrija opeke d.j.l.	Sarajevo	2,000	KM	100.00%	VK	
Wienerberger Opekarna Ormoz d.d.	Ormoz	228,130,000	SIT	87.06%	VK	
Opekarna Pragersko d.d.	Pragersko	245,262,000	SIT	41.15%	VK	
Wienerberger Opecni Sistemi d.o.o.	Zalec	1,500,000	SIT	100.00%	OK	1)
Wienerberger Sisteme de Caramizi S.R.L.	Bucaresti	227,168,000,000	ROL	64.77%	VKE	
OOO Wienerberger Kirpitsch	Luchowitsy	25,310,000	RUR	100.00%	OK	1)
Wienerberger EOOD	Sofia	100,000	BGL	100.00%	OK	1)
WZI-Finanz S.A.	Luxembourg	500,065	EUR	100.00%	VK	
Wienerberger Poland B.V.	Zaltbommel	400,000	EUR	100.00%	VKE	
Semmelrock Baustoffindustrie GmbH	**Klagenfurt**	**3,000,000**	**EUR**	**75.00%**	**VK**	
Wienerberger-Alpha Umwelttechnik GmbH	Klagenfurt	75,000	EUR	75.00%	VK	
Semmelrock Stein & Design Burkolatkö Kft.	Ocsa	983,000,000	HUF	75.00%	VK	
Semmelrock Stein & Design Dlazby s.r.o.	Sered	91,200,000	SKK	75.00%	VK	
Semmelrock Stein & Design Kostka Brukowa Sp. z o.o.	Kolbiel	21,478,000	PLN	75.00%	VK	
Semmelrock Stein & Design Sp. z o.o.	Gliwice	11,800,000	PLN	75.00%	VKE	
Semmelrock Stein & Design d.o.o.	Ogulin	15,520,000	HRK	75.00%	VK	
Semmelrock Industriebeteiligungsverwaltung GmbH	Wien	35,000	EUR	75.00%	VKE	
Semmelrock Stein & Design Kombet Sp. z o.o.	Gdynia	2,890,000	PLN	52.50%	VKE	

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
Bramac Dachsysteme International GmbH	**Pöchlarn**	**40,000,000**	**ATS**	**50.00%**	**QU**	
Bramac pokrivni sistemi EOOD	Silistra	846,200	BGL	50.00%	QU	
Bramac stresni systemy spol. s r.o.	Prag	160,000,000	CZK	50.00%	QU	
Bramac Krovni Sistemi d.o.o.	Sarajevo	2,000	DEM	50.00%	QU	
Bramac Pokrovni Sistemi d.o.o.	Novi Zagreb	7,778,000	HRK	50.00%	QU	
Bramac Dachsteinproduktion und Baustoffindustrie Kft.	Veszprem	1,831,880,000	HUF	50.00%	QU	
Bramac Sisteme de Invelitori s.r.l.	Sibiu	86,580,042,600	ROL	50.00%	QU	
Bramac stresni sistemi d.o.o.	Skocjan	910,000,000	SIT	50.00%	QU	
Bramac Stresne Systemy spol. s r.o.	Ivanka pri Nitre	173,835,000	SKK	50.00%	QU	
Bramac Krovni Sistemi d.o.o.	Beograd	5,000	USD	50.00%	QUE	
Wienerberger Ziegelindustrie GmbH	**Hannover**	**9,500,000**	**EUR**	**100.00%**	**VK**	
Schlagmann Beteiligungs GmbH	Lanhofen	26,000	EUR	50.00%	OK	1)
Schlagmann Baustoffwerke GmbH & Co KG	Lanhofen	10,300,000	EUR	50.00%	QU	
Pro Massivhaus Service und Training GmbH	Lanhofen	25,000	EUR	50.00%	OK	1)
Wienerberger Vermögensgesellschaft mbH	Hannover	25,000	EUR	100.00%	VK	
Megalith Bausteinwerk Verwaltungs GmbH	Miltitz	26,000	EUR	100.00%	OK	1)
Megalith Bausteinwerk GmbH Nebelschütz KG	Miltitz	6,000,000	DEM	100.00%	VK	
Megalith Bausteinwerk Beteiligungen GmbH	Wipperoda	26,000	EUR	100.00%	OK	1)
Megalith Bausteinwerk GmbH & Co. Schönau KG	Wipperoda	6,000,000	DEM	100.00%	VK	
Wienerberger Systemschornstein GmbH & Co. KG	Hannover	130,000	DEM	100.00%	OK	1)
Krauss Kaminwerke Verwaltungs-GmbH	Hannover	26,000	EUR	100.00%	OK	1)
Krauss Kaminwerke GmbH & Co.KG	Hannover	500,000	DEM	100.00%	OK	1)
Ziegelwerk B GmbH	Hannover	26,000	EUR	100.00%	OK	1)
Tongruben Verwaltungs GmbH	Hannover	26,000	EUR	100.00%	OK	1)
Tagebau Burgwall Sand und Kies GmbH	Burgwall	130,000	EUR	100.00%	OK	1)
TZ Tonabbau + Ziegelproduktion GmbH	Hannover	26,000	EUR	94.23%	VK	
Wienerberger Verkaufs GmbH	Hannover	28,500	EUR	100.00%	OK	1)
Eisenberg Verwaltungs GmbH	Hannover	26,000	EUR	100.00%	OK	1)
Trost Dachprodukte GmbH & Co. KG	Malsch	100	EUR	50.00%	OK	1)
Trost Dachprodukte Beteiligungen GmbH	Malsch	25,000	EUR	50.00%	OK	1)
ReRo Reststoff Rohstoff Handelsgesellschaft m.b.H.	Hannover	26,000	EUR	100.00%	OK	1)
Megalith Bohemia s r.o.	Slany, okr. Kladno	2,000,000	CZK	100.00%	OK	1)
Koramic Verwaltungs-GmbH	Hannover	26,000	EUR	100.00%	OK	1)
Koramic Dachprodukte GmbH & Co. KG	Hannover	5,000,000	EUR	100.00%	VK	
ZZ Wancor	**Regensdorf**	**1,000,000**	**CHF**	**100.00%**	**VK**	
Swissbrick AG	Zürich	1,000,000	CHF	39.20%	OK	1)
Wienerberger Brunori SRL	**Bubano**	**4,056,000**	**EUR**	**100.00%**	**VK**	
Wienerberger Tacconi SRL	Roma	1,187,952	EUR	59.99%	VK	
Alaudae Srl	Bubano	51,130	EUR	100.00%	VK	
Fornaci Giuliane S.p.A.	Cormons	1,900,000	EUR	30.00%	EQ	

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
Wienerberger NV	**Kortrijk**	**102,736,086**	**EUR**	**100.00%**	**VK**	
Syndikaat Machiensteen II NV	Rumst	1,484,400	EUR	100.00%	VK	
Terca Beerse NV	Beerse	13,379,600	EUR	100.00%	VK	
Terca Tessenderlo NV	Tessenderlo	3,297,000	EUR	100.00%	VK	
Terca Quirijnen NV	Malle West	4,624,000	EUR	100.00%	VK	
Terca Zonnebeke NV	Zonnebeke	8,040,500	EUR	100.00%	VK	
Terca Schouterden NV	Maaseik	645,000	EUR	100.00%	VK	
Terca Nova NV	Beerse	5,950,000	EUR	100.00%	VK	
Desimpel NV	Kortemark	16,294,047	EUR	99.99%	VK	
Deva-Kort NV	Kortemark	247,894	EUR	100.00%	VK	
Steenfabrieken Desimpel NV	Kortrijk	12,102,410	EUR	100.00%	VK	
Briqueterie de Peruwelz SA	Kortemark	22,483,943	EUR	100.00%	VK	
Desimpel Facing Bricks NV	Kortemark	16,394,700	EUR	100.00%	VK	
Desimpel Kortemark Industries NV	Kortemark	17,352,547	EUR	100.00%	VK	
Wienerberger Coordination Center NV	Kortrijk	75,831,000	EUR	100.00%	VK	
Koramic Roofing Products NV	Kortrijk	4,500,000	EUR	100.00%	VK	
Tuileries du Hainaut SA	Mouscron	4,090,243	EUR	100.00%	VK	
Wienerberger B.V.	**Zaltbommel**	**25,457,070**	**EUR**	**100.00%**	**VK**	
Terca B.V.	Zaltbommel	13,613	EUR	100.00%	VK	
Van Hesteren & Janssens B.V.	Zaltbommel	363,027	EUR	100.00%	VK	
Desimpel AK1 B.V.	Amsterdam	70,000	EUR	100.00%	VK	
Wienerberger Trading Holland B.V.	Zaltbommel	18,000	EUR	100.00%	VKE	
German Bricks Trading B.V.	Wijchen	249,579	EUR	100.00%	VK	
Steenhandel Oost Nederland B.V.	Rijssen	3,630	EUR	100.00%	VK	
Aberson Bouwmaterialen B.V.	Zwolle	59,899	EUR	100.00%	VK	
Koramic Dachziegel Handels GmbH	Brüggen-Niederrhein	50,000	DEM	100.00%	EQ	
Steencentrale Neerbosch B.V.	Wijchen	45,378	EUR	100.00%	VK	
Leeuwis B.V.	Wijchen	91,210	EUR	100.00%	VK	
Handelsmaatschappij Rellingen B.V.	Wijchen	136,134	EUR	100.00%	VK	
Steinzentrale Nord GmbH	Rellingen	100,000	DEM	100.00%	VK	
Desimpel Klinker GmbH	Emmerich	25,000	EUR	100.00%	VK	
Desimpel Klinker GmbH & Co. KG	Emmerich	50,000	EUR	100.00%	VK	
Desimpel Ziegel GmbH	Emmerich	25,000	EUR	100.00%	VK	
Galileo Brick Limited	**Cheadle**	**2,000,000**	**GBP**	**100.00%**	**VKE**	
Wienerberger Limited	Manchester	780,646	GBP	100.00%	VK	
Wienerberger UK Limited	Cheadle	2	GBP	100.00%	OK	1)
Galileo Block Limited	Cheadle	104,002	GBP	100.00%	VKE	
Galileo Block 2 Limited	Cheadle	2	GBP	100.00%	VKE	
Chelwood Group Unlimited	Cheadle	5,975,506	GBP	100.00%	VKE	
The Brick Business Limited	Cheadle	900,002	GBP	100.00%	VKE	
The Ockley Brick Company Limited	Cheadle	700	GBP	100.00%	VKE	
Chelwood Brick Limited	Cheadle	890,850	GBP	100.00%	VKE	
Ambion Brick Company Limited	Cheadle	6,698,797	GBP	100.00%	VKE	
Ockley Building Products Limited	Cheadle	500,000	GBP	100.00%	VKE	
Irlam Brick Limited	Cheadle	15,100	GBP	100.00%	VKE	
Galileo Trustee Limited	Cheadle	1	GBP	100.00%	VKE	

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
DMWSL 320 Limited	Cheadle	1	GBP	100.00%	VKE	
Somersbury Developments Limited	Cheadle	2,000	GBP	50.00%	QUE	
WH Collier Limited	Cheadle	25,000	GBP	100.00%	VKE	
Wienerberger Participations SAS	**Achenheim**	**56,984,180**	**EUR**	**100.00%**	**VK**	
Wienerberger SAS	Achenheim	10,000,000	EUR	100.00%	VK	
Wienerberger France SAS	Massy Cedex	29,222,235	EUR	100.00%	VK	
Pacema SAS	Achenheim	50,000	EUR	100.00%	VK	
Société du Terril d'Hulluch (S.T.F.) S.N.C.	Lens	686,020	EUR	50.00%	OK	1)
Desimpel Briques SAS	Cauchy à la Tour	3,821,410	EUR	100.00%	VK	
Wienerberger France Nord SAS	Cauchy à la Tour	6,300,000	EUR	100.00%	VK	
Koramic Tuiles Participations SA	Franois	13,496,250	EUR	100.00%	VK	
Koramic Tuiles SAS	Recologne	10,000,000	EUR	100.00%	VK	
Wienerberger A/S	**Varde/Nordenskov**	**107,953,064**	**DKK**	**100.00%**	**VK**	
Wienerberger AS	Lunde i Telemark	43,546,575	NOK	100.00%	VK	
Wienerberger AB	Bjärred	17,550,000	SEK	100.00%	VK	
Wienerberger OY AB	Helsinki	1,000,000	EUR	100.00%	VK	
Wienerberger AS	Aseri	24,074,000	EEK	100.00%	VK	
General Shale Brick, Inc.	**Johnson City**	**1,000**	**USD**	**100.00%**	**VK**	
General Shale Building Materials, Inc.	Johnson City	1,000	USD	100.00%	VK	
Building Specialties, LLC	Louisville	1,000	USD	35.00%	EQ	
Pipelife International GmbH	**Wr. Neudorf**	**29,000,000**	**EUR**	**50.00%**	**EQ**	**2)**
Wienerberger Dach Beteiligungs GmbH	**Wien**	**500,000**	**ATS**	**100.00%**	**VK**	
WIBRA Tondachziegel Beteiligungs-GmbH	Wien	500,000	ATS	50.00%	QU	
Tondach Gleinstätten AG	Gleinstätten	500,000	EUR	25.00%	EQ	3)
Wienerberger Beteiligungs GmbH	**Wien**	**1,000,000**	**ATS**	**100.00%**	**VK**	
Wienerberger Finance Service B.V.	Zaltbommel	18,000	EUR	100.00%	VKE	
Wienerberger Versicherungs-Service Gesellschaft m.b.H.	Wien	500,000	ATS	60.00%	EQ	
Wienerberger Finanz Service GmbH	Wien	25,435,492	EUR	100.00%	VK	
Wienerberger Ofenkachel GmbH & Co. KG	Mattersburg	363,364	EUR	100.00%	VK	
Wienerberger Ofenkachel Verwaltungs GmbH	Wien	35,000	EUR	100.00%	OK	1)
VVT Vermögensverwaltung GmbH	Wien	36,000	EUR	100.00%	VK	
WK Services NV	Kortrijk	32,226,158	EUR	100.00%	VK	
Wienerberger Beteiligungs GmbH	Hannover	26,000	EUR	100.00%	OK	1)
Wienerberger Anteilsverwaltung GmbH	Wien	35,000	EUR	100.00%	VKE	
Wienerberger beta Asset Management GmbH	Wien	35,000	EUR	100.00%	OK	1)
Wienerberger Industriebeteiligungsverwaltung GmbH	Wien	35,000	EUR	100.00%	OK	1)
Wienerberger France Holding GmbH	Wien	35,000	EUR	100.00%	VKE	
Wienerberger ZZ Holding GmbH	Wien	35,000	EUR	100.00%	VKE	
Keramo Wienerberger Steinzeugwerk Zwickau GmbH	Zwickau	4,000,000	DEM	100.00%	EQ	

VK...... Full consolidation
VKE.... First time full consolidation
QU..... Proportional consolidation
QUE... First time proportional consolidation

EQ..... Equity accounting
EQE... First time equity accounting
OK .... No consolidation

1) Immaterial
2) Holding company of Pipelife Group
3) Holding company of Tondach Gleinstätten Group

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