wienerberger

Building the Future

Report on the First Six Months of 2018

Earnings Data		1-6/2017	1-6/2018	Chg. in %	Year-end 2017
Revenues	*in MEUR*	1,528.7	**1,606.9**	+5	3,119.7
EBITDA LFL [1)]	*in MEUR*	182.1	**214.2**	+18	-
EBITDA	*in MEUR*	190.1	**198.9**	+5	415.0
Operating EBIT	*in MEUR*	96.3	**104.2**	+8	194.2
Profit before tax	*in MEUR*	72.1	**86.6**	+20	144.9
Net result	*in MEUR*	41.7	**53.2**	+28	123.2
Earnings per share	*in EUR*	0.36	**0.46**	+28	1.05
Free cash flow [2)]	*in MEUR*	-137.7	**-47.4**	+66	152.5
Normal capex	*in MEUR*	57.9	**60.7**	+5	147.5
Growth capex	*in MEUR*	0.4	**60.9**	>100	58.8
Ø Employees	*in FTE*	16,156	**16,652**	+3	16,297

Balance Sheet Data		31/12/2017	30/6/2018	Chg. in %
Equity [3)]	*in MEUR*	1,911.2	**1,855.9**	-3
Net debt	*in MEUR*	566.4	**778.7**	+37
Capital employed	*in MEUR*	2,459.2	**2,612.1**	+6
Total assets	*in MEUR*	3,659.9	**3,951.0**	+8
Gearing	*in %*	29.6	**42.0**	-

Stock Exchange Data		1-12/2017	1-6/2018	Chg. in %
Share price high	*in EUR*	22.45	**23.60**	+5
Share price low	*in EUR*	16.85	**19.19**	+14
Share price at end of period	*in EUR*	20.17	**21.38**	+6
Shares outstanding (weighted) [4)]	*in 1,000*	116,956	**116,617**	0
Market capitalization at end of period	*in MEUR*	2,370.5	**2,512.7**	+6

Divisions 1-6/2018 *in MEUR and %* [5)]	Clay Building Materials Europe		Pipes & Pavers Europe		North America		Holding & Others		Reconciliation
External revenues	918.7	*(+6%)*	534.1	*(+7%)*	149.3	*(-3%)*	4.0	*(-13%)*	
Inter-company revenues	0.9	*(+11%)*	0.1	*(-25%)*	0.0	*(-98%)*	8.1	*(+17%)*	-8.4
Revenues	919.7	*(+6%)*	534.2	*(+7%)*	149.3	*(-4%)*	12.1	*(+5%)*	-8.4
EBITDA	158.7	*(+7%)*	28.4	*(-25%)*	23.6	*(+79%)*	-11.8	*(-31%)*	
Operating EBIT	103.7	*(+14%)*	2.3	*(-85%)*	11.4	*(>100%)*	-13.1	*(-30%)*	
Total investments	91.8	*(>100%)*	23.7	*(+43%)*	4.7	*(+4%)*	1.5	*(+12%)*	
Capital employed	1,609.1	*(-1%)*	606.3	*(-6%)*	387.8	*(+17%)*	8.9	*(+67%)*	
Ø Employees (in FTE)	10,817	*(+4%)*	4,230	*(+1%)*	1,383	*(+6%)*	222	*(+7%)*	

1) Adjusted for effects from consolidation, FX, sale of non-operating assets and operating assets as well as structural adjustments // 2) Cash flow from operating activities less cash flow from investing activities plus growth capex excluding changes in non-controlling interests // 3) Equity including non-controlling interests and hybrid capital // 4) Adjusted for treasury stock // 5) Changes in % to the comparable prior year period are shown in brackets

Explanatory notes to the report: Operating EBIT are adjusted for impairment charges to goodwill and assets as well as the reversal of impairment charges to assets. // Rounding differences may arise from the automatic processing of data.

Contents

Chief Executive Officer's Review 1
Interim Management Report 2
  Financial Review 2
  Operating Segments 7
Condensed Interim Financial Statements (IFRS) 13
  Consolidated Income Statement 13
  Consolidated Statement of Comprehensive Income 13
  Consolidated Balance Sheet 14
  Consolidated Statement of Cash flows 15
  Consolidated Statement of Changes in Equity 16
  Operating Segments 17
Condensed Notes to the Interim Financial Statements 18
Statement by the Managing Board 33

Chief Executive's Review

Ladies and Gentlemen:

The performance of the Wienerberger Group during the first six months of the year was extremely satisfactory. This clearly shows that we are gaining momentum as we pursue our growth ambitions.

We increased our revenues by 5% to more than € 1.6 billion and recorded a positive development in earnings. We succeeded in further improving the profitability of all our businesses and generated organic earnings growth in all Divisions. The significant rise in adjusted EBITDA was particularly satisfying, increasing by some 18% to € 214 million. We closed the first half of the year with a net profit of € 53 million.

Not only did we experience very strong operational improvements; we also implemented a number of strategic projects in recent months.

Within the framework of our growth strategy, we took over a brick producer in the Netherlands, a pipe specialist in Norway and a paver plant in Romania. Our acquisition targets are high-margin companies that contribute to the development of our existing platforms. With a view to further attractive possibilities, we have earmarked approximately € 200 million for growth investments over the course of this year.

The optimization of our business portfolio is also making good progress. Until 2020, we plan to generate a total value of up to € 150 million through the realization of assets, including both operational entities as well as non-core assets. We have already taken an important step in this direction by selling our Austrian concrete paver activities. In this product group, we are now concentrating fully on our profitable business in the Eastern European markets, which performed very well during the first six months of the year.

One of the essential pillars of our strategy is the continuous optimization of our organization with a view to further profitability gains. The measures initiated in the brick business and within the framework of the reorientation of our pipe activities are on track; they are increasingly taking effect and contributing to the improvement of earnings. In recent months, and in conjunction with external parties, we have thoroughly analyzed all the measures we have adopted, focusing on both the implementation plans as well as identifying potential areas of further improvement. The results show that Wienerberger is taking the right steps to optimize its current business. As we move forward, we will implement these plans with additional resources and an even greater determination. Our objective is to realize EBITDA improvements of around € 120 million by 2020, relative to 2017. This figure of € 120 million already includes all measures communicated and implemented during the course of this year. This means that we are aiming significantly beyond the ambitious current target of our Operational Excellence program.

The continuous growth of the Wienerberger Group is the result of the consistent implementation of our corporate strategy. The significant increase in revenues and the boost in profitability in the first half of the year testify to our strength in execution. We are well on track and I am extremely satisfied with our performance. I am therefore confident that we will be able to increase our adjusted EBITDA for the full year to the guided range of € 450 to 470 million.

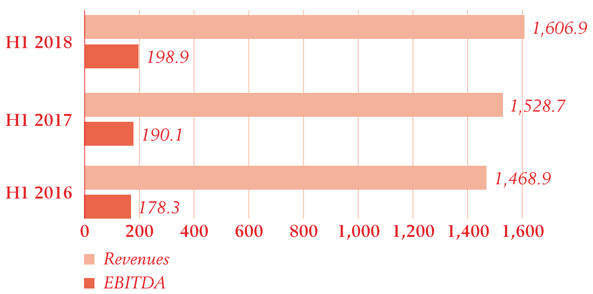
Yours

Interim Management Report Financial Review

Earnings

During the first six months of the year, Wienerberger increased its revenues at Group level by 5% to € 1,606.9 million (2017: € 1,528.7 million). Foreign-exchange effects burdened revenues by € 34.3 million, with the most significant negative effects resulting from the US dollar, the Turkish lira and the British pound; these were partly offset by the appreciation of the Czech crown.

H1 Revenues and EBITDA
in MEUR

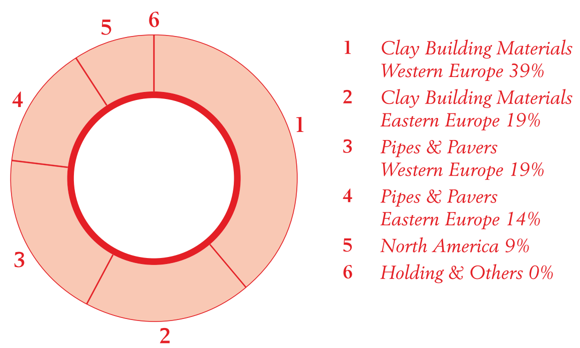


In the Clay Building Materials Europe Division, the positive market environment was reflected in higher sales volumes and improved average prices. In Eastern Europe, business resulted in significant growth in external revenues and earnings, despite expenses for structural adjustments. In Western Europe, external revenues were slightly above the comparable period of the previous year, while the operating result was burdened by the costs of structural adjustments and therefore fell short of the prior period's level. Overall, external revenues in the first two quarters increased by 6% to € 918.7 million (2017: € 868.7 million) and EBITDA grew by 7% to € 158.7 million (2017: € 148.1 million).

The Pipes & Pavers Europe Division generated external revenues of € 534.1 million in the reporting period, up by 7% from the previous year (2017: € 500.1 million), with diverging developments seen in the individual segments of the Division. The plastic pipe business delivered growth in both revenues and earnings. This satisfactory development was due, above all, to significantly improved earnings of the restructured French pipe business and to our plastic pipe activities in Eastern Europe. Moreover, we saw a growing number of incoming orders in our international project business and recorded a substantial contribution to earnings from our activities in prewired electro conduits. Owing to costs incurred for the closure of a production site, EBITDA in our business with ceramic sewage pipes declined significantly. In the field of concrete pavers, higher sales volumes and improved prices, as well as the contribution to earnings from the divestment of the segment's Austrian activities, led to an improved operating result. Taken together, these effects resulted in a drop in EBITDA of the Pipe & Pavers Europe Division to € 28.4 million (2017: € 37.8 million), which was primarily due to the costs of structural adjustments in the amount of € 16.1 million.

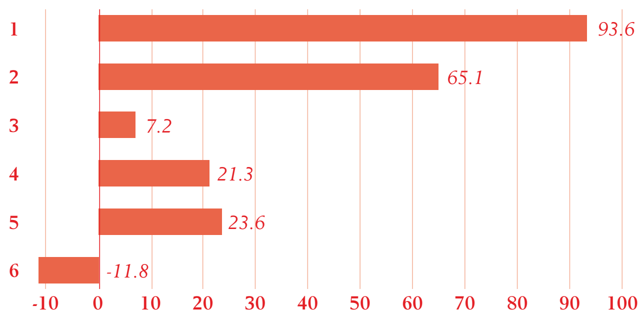
In North America, wet weather conditions at the beginning of the year were reflected in a drop in volumes, which was, however, offset by improved prices. Together with consolidation effects and proceeds from the sale of two distribution outlets, EBITDA increased substantially. In the plastic pipe business, higher average prices and lower raw material costs resulted in revenue and earnings growth. Overall, significant negative foreign-exchange effects in the segment North America led to a slight drop in revenues year on year to € 149.3 million (2017: € 154.6 million), while EBITDA improved significantly to € 23.6 million (2017: € 13.2 million).

H1 External Revenues by Segment



At Group level, Wienerberger's organic EBITDA increased by 18% to € 214.2 million. The costs of structural adjustments in the ceramic pipe business and the European brick business totaling € 25.3 million as well as negative foreign-exchange effects of € 5.0 million are not included in this amount. Income from the sale of real estate and two distribution outlets in the USA as well as the divestment of the Austrian paver business came to a total of € 9.3 million. In addition, consolidation effects had a positive impact of € 5.7 million. Taking these effects into account, EBITDA of the Wienerberger Group increased by 5% over the previous year's level from € 190.1 million to € 198.9 million.

H1 EBITDA by Segment
in MEUR



1 *Clay Building Materials Western Europe*
2 *Clay Building Materials Eastern Europe*
3 *Pipes & Pavers Western Europe*
4 *Pipes & Pavers Eastern Europe*
5 *North America*
6 *Holding & Others*

Operating earnings before interest and tax (operating EBIT) improved substantially to € 104.2 million (2017: € 96.3 million). Taking into account the reversal of asset impairments of € 3.5 million, earnings before interest and tax (EBIT) amounted to € 107.7 million (2017: € 88.9 million).

The financial result of € -21.1 million (2017: € -16.8 million), essentially comprising net interest expenses of € -18.9 million (2017: € -17.6 million), remained below the prior period's level due to higher costs of foreign-currency financing. Income from investments in associates and joint ventures came to € 0.5 million (2017: € 1.2 million); the other financial result amounted to € -2.7 million (2017: € -0.3 million) and primarily included valuation effects and bank charges.

Profit before tax increased to € 86.6 million (2017: € 72.1 million). On account of the positive development of earnings, the tax expense increased to € 27.1 million, as compared to € 22.8 million in the prior period. Despite the costs of structural adjustments, Wienerberger recorded a significant increase of its net profit by 28% to € 53.2 million (2017: € 41.7 million), which in turn led to notably improved earnings per share of € 0.46 (2017: € 0.36).

Cash Flow

Gross cash flow increased from € 122.3 million in the prior period to € 132.6 million in the first six months of 2018, which was primarily due to higher earnings before tax. As a result of changes in other net current assets, cash flow from operating activities improved from € -94.0 million in the previous year to € -60.9 million in the reporting period.

During the first half of the year, a total amount of € 69.5 million (2017: € 58.3 million) was spent on maintenance and technological improvements of production processes as well as plant extensions. At the same time, Wienerberger invested € 22.0 million on acquisitions in its European brick business. Proceeds from real estate sales and the realization of other non-current assets came to € 29.8 million (2017: € 17.0 million). The divestment of our Austrian paving activities generated € 20.9 million. In total, cash flow from investing activities amounted to € -17.3 million (2017: € -44.1 million).

Cash flow from financing activities came to € 217.6 million in the reporting period (2017: € 73.1 million). It resulted primarily from the inflow of cash from the issuance of a € 247.5 million bond and net inflows from short-term liabilities in the amount of € 71.3 million. This inflow of cash stood against the payment of € 34.8 million in dividends and the hybrid coupon of € 13.6 million. Moreover, € 30.1 million were spent for the acquisition of the non-controlling interests in our

Eastern European roof tile business and € 22.4 million for the buyback of own shares.

Assets and Financial Position

As at 30/6/2018, the Group's equity was € 55.3 million below the 2017 year-end value. Comprehensive income after tax, minus changes in reserves, led to an increase in equity by a total of € 43.5 million. At the same time, payment of the dividend and the hybrid coupon in a total of € 48.5 million, the buy-out of non-controlling interests of € 30.1 million and the buyback of own shares worth € 22.4 million resulted in a reduction in equity. For seasonal reasons, the Group's net debt, amounting to € 778.7 million, was above the value reported as at 31/12/2017.

Financing and Treasury

As at 30/6/2018, the Group's gearing increased to 42% (30% as at 31/12/2017), which was due not only to seasonal reasons, but also to growth investments and the buyback of own shares. With a debt repayment period of 1.8 years and an interest coverage ratio (EBITDA / interest result) of 11.3 years, the treasury ratios, calculated on a 12-month basis, were well below the limits set by our bank covenants. The Group uses its net cash to repay short-term seasonal debt and to fund maturing issues.

Treasury ratios [1]	30/6/2017	31/12/2017	30/6/2018	Covenant
Net debt / EBITDA	1.9	1.4	**1.8**	<3.50
EBITDA / interest result	11.9	11.5	**11.3**	>3.75

1) calculated on the basis of 12-month EBITDA and a 12-month interest result

Second Quarter of 2018

In the second quarter of 2018, Wienerberger increased its revenues at Group level by 7% to € 931.5 million (2017: € 868.6 million); over the same period, EBITDA improved year on year from € 144.1 million to € 154.8 million.

Clay Building Materials Europe

In the Clay Building Materials Europe Division, second-quarter revenues increased by 7% to € 530.5 million. EBITDA came to € 111.2 million, its moderate 4% increase over the comparable period of the previous year being due to the costs of progressive structural adjustments of € 5.8 million.

In terms of construction activity, diverging trends were observed in our Western European core markets. In Great Britain, the continuation of the positive development in new residential construction enabled us to gain additional market shares and generate growth in earnings. In the Netherlands and Belgium, where construction activity was no longer delayed by a shortage of insulating materials, we also recorded an increase in demand. This contrasted with the situation in France, where changes in the legal framework and the resultant cuts in state aid for residential construction had a stronger impact than expected at the beginning of the year and led to a cooling-off of market dynamics. In Germany, measures aimed at streamlining and optimizing our organization are being implemented on schedule. Overall, we recorded a notable increase in earnings and profitability in a stable German market for single- and two-family homes before restructuring costs.

In Eastern Europe, construction activity continued to grow and demand for building materials remained high, which led to significant growth in revenues and earnings.

Pipes & Pavers Europe

In the Pipes & Pavers Europe Division, revenues increased by 9% to € 315.0 million and EBITDA improved substantially by 20% to € 37.4 million.

In the Pipes & Pavers Western Europe segment, we generated earnings growth in the healthy Nordic markets and the Netherlands. Additionally, we benefited from a highly satisfactory contribution to earnings from the acquired business in prewired electro conduits. The reorientation of our ceramic pipe business is progressing and the implementation of measures in production, administration and distribution is nearing completion. In our operating business, price increases stood against a slight reduction in sales, which was primarily due to measures aimed at streamlining the product portfolio.

A substantial increase in EBITDA marked the first half year of the Pipes & Pavers Eastern Europe segment. In our plastic pipe business, earnings growth was particularly strong in Poland and Hungary, where EU-funded infrastructure projects increased the volume of public-sector investments. In Austria, too, profitability was highly satisfactory. Our concrete paver activities benefited from strong demand, and organic earnings growth was seen in all core markets. Moreover, the profitable divestment of the Austrian concrete paver business was concluded in the second quarter.

North America

The North America Division reported a 5% increase in revenues to € 84.1 million; EBITDA grew by 47% to € 13.7 million.

In our US brick business, construction activity in the second quarter fell short of market projections. While demand remained high in structural terms, shortages of skilled labor and transport capacities limited the consumption of building materials. As expected, Columbus Brick, the facing brick producer acquired in the previous year, delivered a positive contribution to earnings. In Canada, sales continued to increase at improved average prices, as for the time being the backlog of construction projects for which permits have already been issued is still sufficient to offset the dampening effect of stricter regulation of the real estate market. In the plastic pipe business, rising demand and optimization measures in production, procurement, distribution and administration led to significant earnings growth.

External revenues
in MEUR

	4-6/2017	4-6/2018	Chg. in %
Clay Building Materials Europe	496.5	530.5	+7
Clay Building Materials Eastern Europe	155.0	179.9	+16
Clay Building Materials Western Europe	341.4	350.7	+3
Pipes & Pavers Europe	289.6	315.0	+9
Pipes & Pavers Eastern Europe	137.1	150.3	+10
Pipes & Pavers Western Europe	152.5	164.7	+8
North America	80.3	84.1	+5
Holding & Others	2.2	1.9	-15
Wienerberger Group	**868.6**	**931.5**	**+7**

EBITDA
in MEUR

	4-6/2017	4-6/2018	Chg. in %
Clay Building Materials Europe	107.0	111.2	+4
Clay Building Materials Eastern Europe	39.4	47.2	+20
Clay Building Materials Western Europe	67.6	64.0	-5
Pipes & Pavers Europe	31.1	37.4	+20
Pipes & Pavers Eastern Europe	17.8	22.7	+28
Pipes & Pavers Western Europe	13.4	14.8	+10
North America	9.3	13.7	+47
Holding & Others	-3.4	-7.6	<-100
Wienerberger Group	**144.1**	**154.8**	**+7**

Operating Segments

Clay Building Materials Europe

The Clay Building Materials Europe Division delivered a satisfactory performance in the first half of 2018:

- Positive market environment led to higher sales and improved average prices
- Restructuring of the organization in Germany on track
- Market position strengthened and product range enlarged through the takeover of a Dutch facing brick producer
- Revenues up by 6% to € 918.7 million (2017: € 868.7 million)
- Significant rise in organic EBITDA

Outlook

For the business year 2018, we foresee a continuation of slight growth in our core markets. We expect to see a significant increase in demand in almost all countries of Eastern Europe with a resultant further improvement of earnings. In contrast, the Western European region is still marked by diverging market trends. In Great Britain, we expect demand to remain high in our relevant regions. In Belgium and the Netherlands, we also anticipate higher numbers of new housing starts, whereas demand is projected to remain stable in Germany, Italy and Switzerland. In France, the impact of cuts in government-subsidized programs is stronger than expected; residential construction activity in the second half year will therefore fall short of the comparable period of the previous year. The renovation market, an important driver of our roof tile business in Western Europe, is still characterized by investment restraint.

Overall, we expect to see higher sales volumes and improved average prices in the Clay Building Materials Europe Division, which should result in a notable increase in revenues and earnings in 2018.

Clay Building Materials Europe		1-6/2017	1-6/2018	Chg. in %
External revenues	*in MEUR*	868.7	**918.7**	+6
EBITDA	*in MEUR*	148.1	**158.7**	+7
Operating EBIT	*in MEUR*	90.6	**103.7**	+14
Total investments	*in MEUR*	36.0	**91.8**	>100
Capital employed	*in MEUR*	1,626.5	**1,609.1**	-1
Ø Employees	*in FTE*	10,439	**10,817**	+4

Clay Building Materials Western Europe

Revenues in the Western European region remained stable at € 619.6 million, while EBITDA declined slightly from the previous year's level to € 93.6 million. This reduction is due to unfavorable weather conditions in the first quarter and the implementation of restructuring measures. Corrected for the costs of reorganization in Germany, we succeeded in increasing our operating result. In Great Britain, the ongoing Brexit negotiations have not yet had any negative impact on the strong demand seen in our core regions. Taking advantage of the high level of construction activity, we sold significantly higher volumes at improved prices and gained additional market shares. In Belgium, the supply of PUR/PIR insulating materials no longer causes delays in construction activities. Benefiting from a sound market environment, we succeeded in generating earnings growth. In Germany, residential construction activity in the single-family home segment remained stable; thanks to the consistent implementation of the initiated restructuring measures, we are well on track to realize the targeted earnings potential. In the Netherlands, strong demand enabled us to generate earnings growth. The acquisition of a Dutch facing brick producer strengthens our position in this growing market and adds innovative products to our product mix. In France, cuts in government-subsidized housing programs had a dampening effect on Wienerberger's business activity. The weakness of the Western European renovation market depressed demand in our roof tile business.

Clay Building Materials Western Europe		1-6/2017	1-6/2018	Chg. in %
External revenues	*in MEUR*	613.3	**619.6**	+1
EBITDA	*in MEUR*	96.6	**93.6**	-3
Operating EBIT	*in MEUR*	61.7	**61.1**	-1
Total investments	*in MEUR*	19.7	**44.1**	>100
Capital employed	*in MEUR*	1,131.1	**1,134.8**	0
Ø Employees	*in FTE*	6,026	**6,265**	+4
Sales volumes clay blocks	*in mill. NF*	1,035	**1,030**	0
Sales volumes facing bricks	*in mill. WF*	728	**762**	+5
Sales volumes roof tiles	*in mill. m^2*	11.17	**10.27**	-8

Clay Building Materials Eastern Europe

As in the previous quarters, construction activities in Eastern Europe were stimulated by strong economic growth, a high level of employment and rising incomes. The positive development of business therefore continued in the first half of the year in almost all of Wienerberger's core markets. Taking advantage of this market environment, we were able to significantly increase our operating result through improved average prices and substantially higher sales volumes. Overall, we achieved an increase in revenues by 17% to € 299.1 million and EBITDA by 26% to € 65.1 million in the first half of the year.

Clay Building Materials Eastern Europe		1-6/2017	1-6/2018	Chg. in %
External revenues	*in MEUR*	255.3	**299.1**	+17
EBITDA	*in MEUR*	51.5	**65.1**	+26
Operating EBIT	*in MEUR*	28.9	**42.5**	+47
Total investments	*in MEUR*	16.3	**47.7**	>100
Capital employed	*in MEUR*	495.5	**474.3**	-4
Ø Employees	*in FTE*	4,413	**4,552**	+3
Sales volumes clay blocks	*in mill. NF*	1,749	**1,968**	+13
Sales volumes roof tiles	*in mill. m^2*	7.78	**8.11**	+4

Pipes & Pavers Europe

After the weather-related delays in construction activities at the beginning of the year, the persistently positive momentum observed in the market was reflected in growth in revenues and earnings in the second quarter of the year:

- Positive development of demand in the most important end markets
- Cost inflation offset by price increases
- Positive contribution to earnings growth from acquired business in prewired electro conduits
- Reorientation of French plastic pipe business and ceramic pipe activities on schedule
- Divestment of Austrian concrete paver business successfully concluded
- Revenues up by 7% to € 534.1 million in the first six months of the year (2017: € 500.1 million)
- Restructuring costs of € 16.1 million in ceramic pipe business result in EBITDA drop to € 28.4 million (2017: € 37.8 million)
- Substantial organic EBITDA improvement year-on-year

Pipes & Pavers Europe		1-6/2017	1-6/2018	Chg. in %
External revenues	*in MEUR*	500.1	**534.1**	+7
EBITDA	*in MEUR*	37.8	**28.4**	-25
Operating EBIT	*in MEUR*	14.6	**2.3**	-85
Total investments	*in MEUR*	16.5	**23.7**	+43
Capital employed	*in MEUR*	644.6	**606.3**	-6
Ø Employees	*in FTE*	4,199	**4,230**	+1

Outlook

For the second half of 2018, we expect to see a continuation of the positive market trend and further growth in earnings in the Pipes & Pavers Europe Division.

In the Pipes & Pavers Western Europe segment, we project a stable to slightly positive development of demand and expect to benefit, in particular, from a notable improvement of the cost structure in our ceramic pipe business as well as our plastic pipe activities in France. Moreover, the acquired business in prewired conduits generates the expected contribution to earnings. In our international project business, newly won contracts will lead to an increase in earnings over the previous year's level.

In Eastern Europe, our business in plastic pipes and pavers benefits from rising demand for infrastructure solutions. In Poland and Hungary, in particular, an increasing number of infrastructure projects are being implemented with EU funding, while other countries of the region are still far from taking full advantage of the funds available. In Austria, profitability remains high in a sound market environment; in Turkey, the strong operational performance is being absorbed by the significant devaluation of the local currency.

Altogether, we expect to see substantial increases in revenues and adjusted EBITDA in both segments.

Pipes & Pavers Western Europe

In the Pipes & Pavers Western Europe segment, with revenues up by 6% to € 303.7 million in the first six months of the year (2017: € 285.3 million), we generated an organic increase in earnings. Owing to restructuring costs incurred through the reorganization of the ceramic pipe business initiated in the first quarter, EBITDA dropped to € 7.2 million (2017: € 20.2 million).

In our Western European plastic pipe business, we closed the first half of 2018 with a significant increase in earnings. Besides price increases to cover cost inflation, we benefited, in particular, from a boost in earnings power achieved through the consistent implementation of restructuring measures in our French business and the contribution to earnings from our acquired activities in prewired electro conduits. In the international project business, we recorded the expected increase in the volume of incoming orders, which translated into year-on-year growth in earnings. Demand in the Nordic core markets was at a satisfactory level, and we broadened our product range by diversifying into innovative applications through the takeover of a specialist in frost-resistant, pre-insulated pipes. A further increase in demand was seen in Ireland and the Netherlands.

The satisfactory development of our ceramic pipe business continued. With demand for ceramic pipes remaining stable overall, we succeeded in increasing our average prices. The slight decline in sales volume is primarily due to the closure of one production site and the related streamlining of our product range. The structural adjustment measures initiated in the first quarter also aim to streamline our distribution and administrative structures. As a result of these optimization steps, we expect a significant boost in earnings in the medium term. The corresponding restructuring costs in the amount of € 16.1 million were recognized in their entirety in the first quarter.

Pipes & Pavers Western Europe		1-6/2017	1-6/2018	Chg. in %
External revenues	*in MEUR*	285.3	**303.7**	+6
EBITDA	*in MEUR*	20.2	**7.2**	-65
Operating EBIT	*in MEUR*	8.3	**-8.7**	<-100
Total investments	*in MEUR*	7.1	**10.6**	+50
Capital employed	*in MEUR*	330.3	**326.2**	-1
Ø Employees	*in FTE*	1,866	**1,925**	+3

Pipes & Pavers Eastern Europe

In Eastern Europe, the first half of the year brought the expected increase in demand for infrastructure solutions. As a result, revenues in the Pipes & Pavers Eastern Europe segment went up by 7% to € 230.4 million and EBITDA rose by 21% to € 21.3 million.

In Poland and Hungary, in particular, our expectations regarding the execution of EU-funded infrastructure projects proved to be correct, and we therefore recorded significant growth in earnings in our Eastern European plastic pipe business. In the other countries of the region for which EU-funding is available, increased public-sector activities have not yet produced the desired increase in sales. In Austria, demand and profitability remained at a highly satisfactory level. The drop in earnings from our activities in Turkey was entirely due to the drastic devaluation of the local currency, which even a very strong operational performance was not able to compensate.

In our business with concrete pavers, we recorded an increase in demand and generated substantially improved earnings in our Eastern European core markets. Alongside satisfactory organic growth, we implemented major strategic development steps. Having divested our Austrian activities and realized a gain from the sale, our main focus was on growth investments in the markets of Central and Eastern Europe. We are now strengthening our position as a supplier of high-quality products for outdoor surfaces by increasing our production capacities at existing sites and rolling out innovative products in the premium segment. Moreover, we acquired a plant in Western Romania, which will enable us to extend our geographic footprint in this growth region as well as in regions bordering on Serbia and Hungary.

Pipes & Pavers Eastern Europe		1-6/2017	1-6/2018	Chg. in %
External revenues	*in MEUR*	214.8	**230.4**	+7
EBITDA	*in MEUR*	17.6	**21.3**	+21
Operating EBIT	*in MEUR*	6.3	**11.0**	+75
Total investments	*in MEUR*	9.5	**13.1**	+38
Capital employed	*in MEUR*	314.3	**280.1**	-11
Ø Employees	*in FTE*	2,333	**2,305**	-1

North America

In the first half of 2018, the North America Division delivered significantly improved earnings:

- Growth in earnings and higher margins in all business areas
- Very strong performance of the North American pipe business
- Facing brick producer taken over in the previous year delivers the expected contribution to earnings
- EBITDA up by 79% to € 23.6 million (2017: € 13.2 million)

Despite unfavorable weather conditions, the US brick business delivered a satisfactory performance in the first half of the year. A slight decline in volumes sold during the first six months was due to cold and wet weather. However, thanks to our efficient organizational structure, our proximity to customers and the strong contribution to earnings from Columbus Brick, the facing brick producer taken over in the previous year, we succeeded in generating significant earnings growth. In Canada, we took advantage of consistently high demand to achieve a moderate increase in volumes sold and a notable improvement of our average prices. The North American plastic pipe business performed particularly well in the first half of the year. A positive market environment and the successful implementation of optimization measures in production, distribution, administration and procurement enabled us to significantly improve our earnings, as compared to the corresponding period of the previous year.

Overall, the North America Division reported a 79% increase of its EBITDA to € 23.6 million (2017: € 13.2 million), despite a currency-related drop in revenues.

Outlook

Given the favorable economic environment and the persistently high need for investments in infrastructure and housing, we expect to see increasing demand for building materials. For the US brick business we project an improvement in earnings based on slight volume growth, efficient cost structures and a further strong contribution from the consolidation of the company taken over last year. In our plastic pipe business we anticipate continued growth of earnings supported by a positive market environment and the impact of our optimization measures. While the Canadian brick market benefited from high demand in our relevant regions during the first half of the year, we expect the government's measures aimed at stricter regulation of the real estate market to have a dampening effect on our business performance in the second half of the year. In the North America Division as a whole, we expect to see a substantial increase in earnings in 2018.

North America		1-6/2017	1-6/2018	Chg. in %
External revenues	*in MEUR*	154.6	**149.3**	-3
EBITDA	*in MEUR*	13.2	**23.6**	+79
Operating EBIT	*in MEUR*	1.2	**11.4**	>100
Total investments	*in MEUR*	4.5	**4.7**	+4
Capital employed	*in MEUR*	330.5	**387.8**	+17
Ø Employees	*in FTE*	1,310	**1,383**	+6
Sales volumes facing bricks	*in mill. WF*	219	**258**	+18

Holding & Others

Besides the holding company of the Group, the Holding & Others Division includes our brick business in India, which we manage from a clay block production site in the Bangalore region.

The results in India, which remained below last year's level, and increased administrative costs stood against income from the sale of non-core assets by the holding company.

Holding & Others		1-6/2017	1-6/2018	Chg. in %
External revenues	*in MEUR*	4.6	**4.0**	-13
EBITDA	*in MEUR*	-9.0	**-11.8**	-31
Operating EBIT	*in MEUR*	-10.0	**-13.1**	-30
Total investments	*in MEUR*	1.3	**1.5**	+12
Capital employed	*in MEUR*	5.3	**8.9**	+67
Ø Employees	*in FTE*	208	**222**	+7

Condensed Interim Financial Statements (IFRS) Wienerberger Group

Consolidated Income Statement

in TEUR	4-6/2018	4-6/2017	1-6/2018	1-6/2017
Revenues	**931,815**	869,050	**1,606,874**	1,528,675
Cost of goods sold	**-594,578**	-570,681	**-1,056,036**	-1,034,856
Gross profit	**337,237**	**298,369**	**550,838**	**493,819**
Selling expenses	**-169,908**	-157,365	**-313,651**	-296,947
Administrative expenses	**-53,033**	-48,732	**-105,732**	-98,303
Other operating income:				
Reversal of impairment charges to assets	**286**	0	**3,500**	0
Other	**11,396**	16,155	**21,677**	20,431
Other operating expenses:				
Impairment charges to assets	**0**	251	**0**	-1,012
Impairment charges to goodwill	**0**	-6,339	**0**	-6,339
Other	**-19,610**	-10,791	**-48,922**	-22,741
Operating profit/loss (EBIT)	**106,368**	**91,548**	**107,710**	**88,908**
Income from investments in associates and joint ventures	**1,323**	1,750	**470**	1,184
Interest and similar income	**1,370**	1,458	**2,710**	2,898
Interest and similar expenses	**-11,308**	-10,358	**-21,571**	-20,543
Other financial result	**-1,824**	-1,561	**-2,719**	-337
Financial result	**-10,439**	**-8,711**	**-21,110**	**-16,798**
Profit/loss before tax	**95,929**	**82,837**	**86,600**	**72,110**
Income taxes	**-19,724**	-19,268	**-27,103**	-22,766
Profit/loss after tax	**76,205**	**63,569**	**59,497**	**49,344**
Thereof attributable to non-controlling interests	**56**	997	**-421**	494
Thereof attributable to hybrid capital holders	**3,393**	3,393	**6,749**	7,196
Thereof attributable to equity holders of the parent company	**72,756**	**59,179**	**53,169**	**41,654**
Earnings per share (in EUR)	**0.63**	**0.51**	**0.46**	**0.36**
Diluted earnings per share (in EUR)	**0.63**	**0.51**	**0.46**	**0.36**

Consolidated Statement of Comprehensive Income

in TEUR	4-6/2018	4-6/2017	1-6/2018	1-6/2017
Profit/loss after tax	**76,205**	**63,569**	**59,497**	**49,344**
Foreign exchange adjustments	**-129**	-35,971	**-13,556**	-26,506
Foreign exchange adjustments to investments in associates and joint ventures	**-28**	0	**-23**	0
Changes in the fair value of available-for-sale financial instruments 1)	**0**	-164	**0**	-132
Changes in hedging reserves	**-4,276**	10,952	**-2,428**	10,101
Other comprehensive income 2)	**-4,433**	**-25,183**	**-16,007**	**-16,537**
Total comprehensive income after tax	**71,772**	**38,386**	**43,490**	**32,807**
Thereof comprehensive income attributable to non-controlling interests	**46**	1,282	**-351**	780
Thereof attributable to hybrid capital holders	**3,393**	3,393	**6,749**	7,196
Thereof comprehensive income attributable to equity holders of the parent company	**68,333**	**33,711**	**37,092**	**24,831**

1) "Available-for-sale financial instruments" refers to the classification of financial instruments according to IAS 39, which no longer applies in the reporting year due to the initial application of IFRS 9. // 2) The components of other comprehensive income are reported net of tax and will be recycled in future periods.

Consolidated Balance Sheet

in TEUR	30/6/2018	31/12/2017
Assets		
Intangible assets and goodwill	692,674	690,897
Property, plant and equipment	1,501,017	1,521,572
Investment property	69,398	65,918
Investments in associates and joint ventures	8,780	11,371
Other financial investments and non-current receivables	22,811	16,708
Deferred tax assets	43,653	44,049
Non-current assets	**2,338,333**	**2,350,515**
Inventories	784,140	741,597
Trade receivables	365,996	214,277
Receivables from current taxes	10,207	2,297
Other current receivables	93,987	98,934
Securities and other financial assets	48,540	79,008
Cash and cash equivalents	308,555	169,259
Current assets	**1,611,425**	**1,305,372**
Non-current assets held for sale	**1,265**	**3,977**
Total assets	**3,951,023**	**3,659,864**
Equity and liabilities		
Issued capital	117,527	117,527
Share premium	1,075,422	1,086,017
Hybrid capital	265,985	265,985
Retained earnings	690,746	674,923
Other reserves	-266,945	-251,842
Treasury stock	-27,212	-4,862
Controlling interests	**1,855,523**	**1,887,748**
Non-controlling interests	398	23,491
Equity	**1,855,921**	**1,911,239**
Deferred taxes	73,368	71,630
Employee-related provisions	153,261	154,992
Other non-current provisions	78,787	76,453
Long-term financial liabilities	733,318	493,948
Other non-current liabilities	5,860	6,023
Non-current provisions and liabilities	**1,044,594**	**803,046**
Current provisions	46,347	39,114
Payables for current taxes	11,602	11,399
Short-term financial liabilities	402,453	320,724
Trade payables	281,599	321,533
Other current liabilities	308,507	252,809
Current provisions and liabilities	**1,050,508**	**945,579**
Total equity and liabilities	**3,951,023**	**3,659,864**

Consolidated Statement of Cash Flows

in TEUR	1-6/2018	1-6/2017
Profit/loss before tax	86,600	72,110
Depreciation and amortization	90,699	92,700
Impairment charges to goodwill	0	6,339
Impairment charges to assets and other valuation effects	12,251	2,130
Reversal of impairment charges to assets	-3,500	0
Increase/decrease in non-current provisions	-5,656	-3,518
Income from investments in associates and joint ventures	-470	-1,184
Gains/losses from the disposal of fixed and financial assets	-11,416	-9,003
Interest result	18,861	17,645
Interest paid	-22,276	-23,249
Interest received	452	645
Income taxes paid	-32,928	-32,342
Gross cash flow	**132,617**	**122,273**
Increase/decrease in inventories	-49,819	-58,920
Increase/decrease in trade receivables	-153,987	-157,653
Increase/decrease in trade payables	-40,587	-28,406
Increase/decrease in other net current assets	50,854	28,673
Cash flow from operating activities	**-60,922**	**-94,033**
Proceeds from the sale of assets (including financial assets)	29,785	17,047
Payments made for property, plant and equipment and intangible assets	-69,490	-58,346
Dividend payments from associates and joint ventures	3,039	6,596
Increase/decrease in securities and other financial assets	20,469	-9,399
Net payments made for the acquisition of companies	-21,995	0
Net proceeds from the sale of companies	20,929	0
Cash flow from investing activities	**-17,263**	**-44,102**
Cash inflows from the increase in short-term financial liabilities	215,533	519,877
Cash outflows from the repayment of short-term financial liabilities	-144,232	-595,443
Cash inflows from the increase in long-term financial liabilities	247,451	210,298
Cash outflows from the repayment of long-term financial liabilities	-122	-70
Dividends paid by Wienerberger AG	-34,812	-31,578
Hybrid coupon paid	-13,609	-29,898
Dividends paid to non-controlling interests	-120	-79
Purchase of non-controlling interests	-30,100	0
Purchase of treasury stock	-22,350	0
Cash flow from financing activities	**217,639**	**73,107**
Change in cash and cash equivalents	**139,454**	**-65,028**
Effects of exchange rate fluctuations on cash held	-158	-702
Cash and cash equivalents at the beginning of the year	169,259	197,016
Cash and cash equivalents at the end of the period	**308,555**	**131,286**

Consolidated Statement of Changes in Equity

in TEUR	Issued capital	Share premium/ treasury stock	Hybrid capital	Retained earnings	Other reserves	Controlling interests	Non-controlling interests	Total
Balance on 1/1/2018	**117,527**	**1,081,155**	**265,985**	**674,923**	**-251,842**	**1,887,748**	**23,491**	**1,911,239**
Adjustments [1)]				**4,326**	**974**	**5,300**		**5,300**
Balance on 1/1/2018 adjusted	**117,527**	**1,081,155**	**265,985**	**679,249**	**-250,868**	**1,893,048**	**23,491**	**1,916,539**
Total comprehensive income				59,918	-16,077	**43,841**	-351	**43,490**
Dividend payment/ hybrid coupon				-48,421		**-48,421**	-120	**-48,541**
Decrease in non-controlling interests		-10,595				**-10,595**	-22,622	**-33,217**
Changes in treasury stock		-22,350				**-22,350**		**-22,350**
Balance on 30/6/2018	**117,527**	**1,048,210**	**265,985**	**690,746**	**-266,945**	**1,855,523**	**398**	**1,855,921**

1) The balance on January 1 was restated due to the initial application of IFRS 9 and IFRS 15.

in TEUR	Issued capital	Share premium/ treasury stock	Hybrid capital	Retained earnings	Other reserves	Controlling interests	Non-controlling interests	Total
Balance on 1/1/2017	**117,527**	**1,081,155**	**265,985**	**586,961**	**-222,503**	**1,829,125**	**19,831**	**1,848,956**
Total comprehensive income				48,850	-16,823	**32,027**	780	**32,807**
Dividend payment/ hybrid coupon				-49,270		**-49,270**	-79	**-49,349**
Balance on 30/6/2017	**117,527**	**1,081,155**	**265,985**	**586,541**	**-239,326**	**1,811,882**	**20,532**	**1,832,414**

Operating Segments

1-6/2018 *in TEUR*	Clay Building Materials Eastern Europe	Clay Building Materials Western Europe	Pipes & Pavers Eastern Europe	Pipes & Pavers Western Europe	North America	Holding & Others [1]	Reconciliation [2]	Wienerberger Group
External revenues	299,131	619,614	230,408	303,705	149,334	4,037		**1,606,229**
Inter-company revenues	4,205	11,756	6,985	2,033	8	8,096	-32,438	**645**
Total revenues	303,336	631,370	237,393	305,738	149,342	12,133	-32,438	**1,606,874**
EBITDA	65,060	93,601	21,263	7,156	23,596	-11,783		**198,893**
Operating EBIT	42,541	61,112	10,999	-8,744	11,406	-13,104		**104,210**
Impairment charges/ Reversal of impairment charges	0	0	0	0	0	3,500		**3,500**
EBIT	42,541	61,112	10,999	-8,744	11,406	-9,604		**107,710**
Profit/loss after tax	31,453	39,321	2,851	-7,755	6,769	17,087	-30,229	**59,497**
Total investments	47,666	44,097	13,050	10,616	4,661	1,495		**121,585**
Capital employed	474,322	1,134,752	280,115	326,208	387,841	8,866		**2,612,104**
Ø Employees	4,552	6,265	2,305	1,925	1,383	222		**16,652**

1-6/2017 *in TEUR*	Clay Building Materials Eastern Europe	Clay Building Materials Western Europe	Pipes & Pavers Eastern Europe	Pipes & Pavers Western Europe	North America	Holding & Others [1]	Reconciliation [2]	Wienerberger Group
External revenues	255,347	613,347	214,763	285,306	154,646	4,619		**1,528,028**
Inter-company revenues	3,503	4,881	5,992	3,869	328	6,930	-24,856	**647**
Total revenues	258,850	618,228	220,755	289,175	154,974	11,549	-24,856	**1,528,675**
EBITDA	51,532	96,592	17,567	20,240	13,190	-8,978		**190,143**
Operating EBIT	28,879	61,710	6,295	8,255	1,162	-10,042		**96,259**
Impairment charges/ Reversal of impairment charges	0	0	0	-6,339	0	-1,012		**-7,351**
EBIT	28,879	61,710	6,295	1,916	1,162	-11,054		**88,908**
Profit/loss after tax	19,238	35,291	1,063	357	-3,547	27,416	-30,474	**49,344**
Total investments	16,315	19,717	9,450	7,069	4,461	1,334		**58,346**
Capital employed	495,450	1,131,075	314,277	330,295	330,506	5,304		**2,606,907**
Ø Employees	4,413	6,026	2,333	1,866	1,310	208		**16,156**

1) The Holding & Others segment includes the business activities in India and the costs of the corporate headquarters. // 2) The reconciliation column includes eliminations between Group companies.

Condensed Notes to the Interim Financial Statements

Basis of preparation

The interim financial report as of June 30, 2018 was prepared in accordance with the principles set forth in the International Financial Reporting Standards, Interim Financial Reporting (IAS 34). The major judgements and estimates used to prepare the consolidated financial statements for 2017 as well as the accounting and valuation methods in effect on December 31, 2017 remain un-changed, with the exception of the IFRSs that require mandatory application as of January 1, 2018.

The following table provides an overview of the new standards and interpretations published by the IASB as of the balance sheet date:

Standards/Interpretations		Published by IASB	Mandatory first-time adoption	
	Annual Improvements to IFRSs 2014 - 2016 Cycle	December 2016	1/1/2017 / 1/1/2018	1)
IFRS 9	Financial Instruments	July 2014	1/1/2018	1)
IFRS 15	Revenue from Contracts with Customers	May 2014/ September 2015	1/1/2018	1)
IFRS 15	Revenue from Contracts with Customers – Clarification	April 2016	1/1/2018	1)
IFRS 2	Share-based Payments – Amendments	June 2016	1/1/2018	1)
IFRS 4	Insurance Contracts – Amendments	September 2016	1/1/2018	1)
IAS 40	Investment Property: Amendments	December 2016	1/1/2018	1)
IFRIC 22	Foreign Currency Transactions and Advance Consideration	December 2016	1/1/2018	1)
IFRS 16	Leases	January 2016	1/1/2019	1)
IFRS 9	Financial Instruments – Amendments	October 2017	1/1/2019	1)
IFRIC 23	Uncertainty over Income Tax Treatments	June 2017	1/1/2019	
IAS 28	Long-term Interests in Associates and Joint Ventures – Amendments	October 2017	1/1/2019	
	Annual Improvements to IFRSs 2015 - 2017 Cycle	December 2017	1/1/2019	
IAS 19	Employee Benefits – Amendments	February 2018	1/1/2019	
Framework	Framework – Amendments	March 2018	1/1/2020	
IFRS 17	Insurance Contracts	May 2017	1/1/2021	
IFRS 10, IAS 28	Sale of Assets between an Investor and its Associate or Joint Venture – Amendments	September 2014/ December 2015	-	

1) Mandatory effective date according to European Union directive.

New and amended standards and interpretations published that were adopted by the EU

The 2014 - 2016 improvements cycle comprises clarifications in connection with investments in other entities and in associates according to IFRS 12 and IAS 28. In addition, certain exemptions under IFRS 1 for first-time adopters, which are not relevant for Wienerberger, were deleted. The amendments to IFRS 12 are effective for annual periods beginning on or after January 1, 2017; amendments to IFRS 1 and IAS 28 are effective for annual periods beginning on or after January 1, 2018.

The new standards IFRS 15 Revenue from Contracts with Customers and the clarifications on IFRS 15 as well as IFRS 9 Financial Instruments have to be applied for the first time for reporting periods beginning on or after January 1, 2018. Details on the effects of these standards are contained in the chapters "First-time adoption of IFRS 15 Revenue from Contracts with Customers" and "First-time adoption of IFRS 9 Financial Instruments".

The amendments to IFRS 2 Share-based Payment concern the consideration of settlement conditions within the framework of the measurement of share-based payments with cash settlement. Share-based payments providing for net settlement of taxes to be withheld are classified as equity-settled share-based payments. Moreover, the amendments clarify the recognition of a change in conditions, if it changes the classification from cashsettled payment to equity-settled payment.

The amendments to IFRS 4 Insurance Contracts, addressing issues arising from the implementation of IFRS 9 Financial Instruments in insurance contracts, were published in September 2016. These amendments are of no relevance to Wienerberger.

In December 2016, amendments to IAS 40 were published, which clarify the requirements on transfers to, or from, investment property so that now an investment property under construction may also fall under the rules of IAS 40. These amendments are effective for periods beginning on or after January 1, 2018.

Moreover, IFRIC 22 Foreign Currency Transactions and Advance Consideration was issued in December 2016. This interpretation clarifies that the date of transaction, for the purpose of determining the exchange rate of a non-monetary asset, is the date of initial recognition. This interpretation is effective for annual reporting periods beginning on or after January 1, 2018.

IFRS 16 Leases was published in January 2016 and will replace IAS 17 Leases, IFRIC 4 Determining whether an Arrangement Contains a Lease, SIC 15 Operating Leases – Incentives, and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. Wienerberger will adopt the new standard as of January 1, 2019 and elect to apply the modified retrospective approach as a transitional method. The cumulative impact of applying the new standard is recognized in retained earnings in the opening balance and a restatement of the comparative period 2018 is not required. The objective of the new standard is to ensure that all leases and the related contractual rights and obligations are recognized on the lessee's balance sheet, which will eliminate the need to distinguish between operating leases and financing leases in the future. A first assessment of the impact on the consolidated annual statements showed, as expected, an increase in non-current assets and financial liabilities due to existing operating leases. The main non-current asset item concerned by the change will be land and buildings on account of longer-term rental and lease contracts for office premises, warehouses and production sites. However, the actual extent of the impact at the time of transition will depend on various factors, such as rental and lease contracts in force at that time, the exercise of elective rights, the assessment of options and the prevailing interest landscape.

The amendments to IFRS 9 Financial Instruments were published in October 2017 and provide for adjustments to the assessment criteria for the classification of financial assets. Under certain conditions, financial assets with prepayment features with negative compensation may be accounted for at amortized cost or at fair value in other comprehensive income. Moreover, the amendment clarifies that the amortized cost of modified financial liabilities, which do not lead to derecognition, have to be adjusted directly in profit or loss. The amendments are to be applied retroactively as of January 1, 2019.

New and amended standards and interpretations published, but not yet adopted by the EU

IFRIC 23 Uncertainty over Income Tax Treatments, containing additional provisions on IAS 12 Income Taxes, was published in June 2017. This interpretation clarifies uncertainties over the treatment of income taxes in financial statements prepared according to IFRS.

The amendments to IAS 28 clarify that IFRS 9 has to be applied to long-term investments in associates or joint ventures not accounted for at equity. Subject to adoption by the EU, these amendments also have to be applied as of January 1, 2019.

The 2015 - 2017 improvements cycle contains clarifications regarding business combinations according to IFRS 3 and joint arrangements according to IFRS 11. In detail, the clarifications relate to the remeasurement of previously held interests upon transfer of control or joint management of a business in which an interest was previously held within the framework of a joint activity. Moreover, the improvements cycle contains clarifications on IAS 12 Income Taxes regarding the fiscal consequences of dividend payments and on IAS 23 Borrowing Costs regarding the determination of borrowing rates. Subject to adoption by the EU, these amendments will be effective as of January 1, 2019.

The amendments to IAS 19 Employee Benefits, published in February 2018, clarify that after plan amendments, curtailments or settlements the current service cost and the net interest for the rest of the period are to be recognized on the basis of updated assumptions. Subject to adoption by the EU, the amendments are to be applied as of January 1, 2019.

A revised Conceptual Framework for Financial Reporting was published in March 2018. It is intended to help preparers of financial statements to develop accounting methods for transactions not covered by IFRS standards and interpretations. Moreover, it is to assist the IASB in developing standards and interpretations that are based on consistent concepts.

In May 2017 the IASB published IFRS 17 Insurance Contracts, a new standard which replaces IFRS 4 and clarifies the accounting treatment of insurance and reinsurance contracts. Given that Wienerberger holds neither insurance nor reinsurance contracts, the new standard is of no relevance to the financial statements of the Group.

The amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates, entitled Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, provide for the effect on the result to depend on whether or not a business operation is transferred. In the event of loss of control of a business operation, the result is to be recognized in its entirety. The date of first adoption has been deferred indefinitely by the IASB.

First-time adoption of IFRS 15 Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers defines the timing and the amount of revenue recognition, regardless of different types of contracts and performance obligations. Revenue is determined on the basis of a five-step process, starting with the identification of the contract and the performance obligations contained therein. After the determination of the transaction price and its allocation to the separate performance obligations, the time of satisfaction of the performance obligation must be determined in order to recognize the revenue.

Wienerberger applied IFRS 15 Revenue from Contracts with Customers for the first time on the basis of the cumulative method. The cumulative effect of first-time adoption as of January 1, 2018 was recognized in retained earnings and concerned contracts not yet concluded at the balance sheet date of December 31, 2017. Therefore, the comparative period of 2017 was not restated. The equity-increasing effect recognized in retained earnings amounted to TEUR 315 after tax. It resulted entirely from earlier revenue recognition from products without alternative use according to IFRS 15.35 lit. c).

The following table shows the effects of first-time adoption of IFRS 15 Revenue from Contracts with Customers on the opening balance as at January 1, 2018.

in TEUR	31/12/2017	Adjustments IFRS 15	1/1/2018
Assets			
Inventories	741,597	-739	**740,858**
Trade receivables	214,277	1,161	**215,438**
Deferred tax assets	44,049	-39	**44,010**
Equity and liabilities			
Retained earnings	674,923	315	**675,238**
Deferred taxes	71,630	68	**71,698**

According to the new standard, revenue is recognized at the time of transfer of control of the goods or services to the customer. For production contracts according to IFRS 15.35 lit. c), the transfer of control occurs upon production, as the customer acquires control of the unfinished goods already during the production process. According to IFRS 15, revenue from such contracts is recognized over a period of time, as the products manufactured are customer-specific and have no alternative use, and Wienerberger has an enforceable right to payment against the customer. In brick and ceramic pipe business as well as in concrete paver business, the production period of such construction contracts usually extends over a few days to several weeks.

In plastic pipe operations, revenue and costs resulting from contracts for the production of LLLD (long-length-large-diameter) pipes were recognized according to IAS 11 up to December 31, 2017, depending on the percentage of completion. According to IFRS 15 as well, revenue from such production contracts is to be recognized over a period of time, which means that the adoption of the new standard has not entailed a change in accounting.

Apart from the sale of products, Wienerberger also provides services for customers. Within the framework of Building Information Modeling, for instance, 3D models for building design are generated. Wienerberger receives an all-in service fee for services provided within the framework of Building Information Modeling projects, such as noise measurement or landscape valuation. According to IFRS 15, revenue from Building Information Modelling projects is to be recognized over a period of time, as Wienerberger has no alternative use for the asset produced and has an enforceable right to payment for services already provided.

Up to December 31, 2017, a provision was set up at the end of the year for returnable pallets in the amount of the profit contribution of the expected returns through a revenue adjustment. According to IFRS 15, variable consideration, such as expected returns, is allowed to be recognized in revenue only to the extent to which it is highly probable that no significant reversal of such revenue will occur in the future. Returns therefore have to be estimated and revenue has to be reduced by a refund liability in the amount of the expected payments to the customer. At the same time, a return asset is recognized from expected returns at the former book value less expected costs to recover the goods and potential impairments. Compared to the accounting logic previously applied, this results in a higher reduction in revenue, which is, however, offset by an adjustment of the cost of goods sold. Recognition in gross amounts results in an increase in total assets. The refund liability is shown under other current liabilities, whereas the asset for the right to recover products from customers is reported under other current receivables.

In contracts with wholesalers, above all, contributions to advertising costs were identified which, according to IFRS 15, have to be recognized as revenue reductions, unless they concern distinct goods or services. This results in a shift between selling expenses and revenues and therefore in a change in presentation in the consolidated income statement, as compared to the previously applied rules.

The following tables show the effects of these changes on the interim financial statements as at June 30, 2018. The effects on the consolidated statement of cash flows as at June 30, 2018 are immaterial.

1-6/2018 *in TEUR*	As reported	Adjustments IFRS 15	Without adoption of IFRS 15
Revenues	1,606,874	4,013	**1,610,887**
Cost of goods sold	-1,056,036	-3,307	**-1,059,343**
Gross profit	550,838	706	**551,544**
Selling expenses	-313,651	-963	**-314,614**
Operating profit/loss (EBIT)	107,710	-257	**107,453**
Profit/loss before tax	86,600	-257	**86,343**
Profit/loss after tax	59,497	-257	**59,240**
Total comprehensive income after tax	43,490	-257	**43,233**

30/6/2018 *in TEUR*	As reported	Adjustments IFRS 15	Without adoption of IFRS 15
Deferred tax assets	43,653	39	**43,692**
Non-current assets	**2,338,333**	**39**	**2,338,372**
Inventories	784,140	1,463	**785,603**
Trade receivables	365,996	-2,142	**363,854**
Other current receivables	93,987	-7,667	**86,320**
Current assets	**1,611,425**	**-8,346**	**1,603,079**
Total assets	**3,951,023**	**-8,307**	**3,942,716**
Retained earnings	690,746	-571	**690,175**
Equity	**1,855,921**	**-571**	**1,855,350**
Deferred taxes	73,368	-69	**73,299**
Non-current provisions and liabilities	**1,044,594**	**-69**	**1,044,525**
Current provisions	46,347	2,401	**48,748**
Other current liabilities	308,507	-10,068	**298,439**
Current provisions and liabilities	**1,050,508**	**-7,667**	**1,042,841**
Total equity and liabilities	**3,951,023**	**-8,307**	**3,942,716**

External revenues, broken down by the most important product groups – after reconciliation to the reporting segments – are as follows:

1-6/2018 *in TEUR*	Clay Building Materials Eastern Europe	Clay Building Materials Western Europe	Pipes & Pavers Eastern Europe	Pipes & Pavers Western Europe	North America	Holding & Others [1)]	Wienerberger Group
Wall	211,579	166,994	764	0	8,477	3,669	**391,483**
Facade	8,654	281,522	226	0	103,403	94	**393,899**
Roof	78,766	171,098	0	0	0	219	**250,083**
Pavers	4	0	54,671	0	278	0	**54,953**
Pipes	128	0	174,747	303,705	37,176	0	**515,756**
Other	0	0	0	0	0	55	**55**
Total	**299,131**	**619,614**	**230,408**	**303,705**	**149,334**	**4,037**	**1,606,229**

1-6/2017 *in TEUR*	Clay Building Materials Eastern Europe	Clay Building Materials Western Europe	Pipes & Pavers Eastern Europe	Pipes & Pavers Western Europe	North America	Holding & Others [1)]	Wienerberger Group
Wall	172,136	166,305	1,529	0	9,172	3,867	**353,009**
Facade	10,403	262,490	303	0	106,091	507	**379,794**
Roof	72,714	184,552	0	0	0	150	**257,416**
Pavers	2	0	52,428	0	323	0	**52,753**
Pipes	92	0	160,503	285,306	39,060	0	**484,961**
Other	0	0	0	0	0	95	**95**
Total	**255,347**	**613,347**	**214,763**	**285,306**	**154,646**	**4,619**	**1,528,028**

1) The Holding & Others segment includes the business activities in India.

First-time adoption of IFRS 9 Financial Instruments

In November 2009, the project of replacing IAS 39 Financial Instruments by IFRS 9 Financial instruments resulted in a first publication dealing with the recognition and measurement of financial instruments. Further IFRS 9 rules followed in 2010 and 2013, and the final version was published in July 2014. After the adoption of IFRS 9 by the EU at the end of 2016, the new standard is to be applied for the first time to reporting periods starting on or after January 1, 2018. Wienerberger applies the changes resulting from IFRS 9 prospectively, with changes in the value of financial assets recognized in retained earnings in the opening balance as at January 1, 2018.

The following table shows the effects of first-time adoption of IFRS 9 Financial Instruments on the opening balance as at January 1, 2018:

in TEUR	31/12/2017	Adjustments IFRS 9	1/1/2018
Assets			
Other financial investments and non-current receivables	16,708	6,687	**23,395**
Trade receivables	214,277	-1,724	**212,553**
Securities and other financial assets	79,008	-108	**78,900**
Equity and liabilities			
Retained earnings	674,923	4,011	**678,934**
Other reserves	-251,842	974	**-250,868**
Deferred taxes	71,630	-130	**71,500**

The most important changes concern the classification and subsequent measurement of financial assets. According to the new allocation criteria, the characteristics of the financial instrument are of primary importance, as they determine the method of measurement of debt and equity instruments as well as derivatives. Another criterion is the business model underlying the financial instrument: a distinction is to be made between financial instruments held for trading and those held to maturity. The following methods of classification and measurement are applied, depending on the characteristics of the financial instrument: measurement at fair value through profit or loss (FVTPL), measurement at fair value through other comprehensive income (FVTOCI), and measurement at amortized cost (AC).

The classification and measurement of financial instruments according to IAS 39 and IFRS 9 are presented in the table below:

Financial instrument *in TEUR*	Classification and measurement according to IAS 39	Classification and measurement according to IFRS 9	Carrying amount IAS 39 31/12/2017	Revaluation	Carrying amount IFRS 9 1/1/2018
Investments in subsidiaries and other investments	Available-for-sale financial instruments at AC	FVTPL	7,026	6,688	**13,714**
Other non-current receivables	Loans and receivables at AC	AC	3,250	-1	**3,249**
Loans granted	Loans and receivables at AC	AC	25,328	-108	**25,220**
Trade receivables	Loans and receivables at AC	AC	214,277	-1,724	**212,553**
Shares in funds	Available-for-sale financial instruments at FVTOCI	FVTPL	28,370	0	**28,370**
Corporate bonds	Available-for-sale financial instruments at FVTOCI	FVTOCI - with recycling	42	0	**42**
Stock	Available-for-sale financial instruments at FVTOCI	FVTPL	13	0	**13**
Other	Available-for-sale financial instruments at FVTOCI	FVTPL	790	0	**790**

Non-current, non-consolidated investments as well as strategic investments are recognized in 'Investments in subsidiaries and other investments'. Under IAS 39, such financial instruments were allocated to the available-for-sale category and measured at amortized cost. According to IFRS 9, equity instruments must be measured at fair value through profit or loss, which resulted in an upward adjustment by TEUR 6,688. According to IFRS 9 an entity may make an election to present in other comprehensive income the changes in the fair value of an investment in an equity instrument that is not held for trading. Wienerberger did not elect to make use of this option.

Securities and other financial assets recognized in current assets comprise shares in investment funds, corporate bonds, stocks and other financial instruments held for short-term investment of liquidity and to cover pension and severance obligations. Under IAS 39, such financial instruments were classified at fair value as available for sale; changes in value, except for permanent impairments, were recognized in other comprehensive income. Under IFRS 9, stocks, shares in funds and other financial instruments are measured at fair value through profit or loss and recognized in the financial result. Corporate bonds are usually measured in accordance with IFRS 9 at fair value through other comprehensive income, as under IAS 39. However, if a debt instrument is held for trading, the changes in the fair value are recognized through profit or loss and reported in the financial result. As at 31/12/2017, no financial instrument held for trading was identified at Wienerberger.

Trade receivables and loans granted are measured at amortized cost and are subject to the new and extended IFRS 9 impairment rules, according to which current as well as future-oriented information on expected credit loss is to be taken into account for recognition and measurement. The adjustment of trade receivables by expected credit loss over the entire term of these financial instruments was performed through application of an impairment matrix, in which the expected defaults, depending on payment arrears, were weighted with the probability of occurrence of economic scenarios. Overall, the extended calculation led to an adjustment of trade receivables by TEUR -1,724. As regards loans granted, the general impairment rules apply, according to which an expected default initially has to be calculated for the coming 12 months. If the debtor's credit risk increases significantly, an expected default has to be determined over the entire term of the financial instrument. For the portfolio of loans granted and other non-current receivables as at December 31, 2017, an additional impairment charge of TEUR -109 was recognized, which exclusively refers to the coming 12 months.

Another major change resulting from IFRS 9 concerns the revised hedge accounting rules. Proof of effectiveness is no longer subject to the range of 80% to 125% as specified by the standard setter according to IAS 39, but can be justified by the entity in qualitative terms. Wienerberger initially applied the hedge accounting rules according to IFRS 9 together with the rules on classification and measurement as well as the impairment rules of IFRS 9. The change had no impact on the opening balance as at January 1, 2018.

Consolidated companies

The consolidated financial statements include all major Austrian and foreign companies in which Wienerberger AG directly or indirectly holds the majority of shares. In accordance with IFRS 11, Schlagmann Group, Silike keramika, spol. s.r.o. and TV Vanheede-Wienerberger are classified as joint ventures, because they are managed jointly with an equal partner. Consequently, these companies are accounted for at equity (50%).

In January 2018, Wienerberger acquired the Austrian clay block plant Brenner. In the course of a preliminary purchase price allocation, goodwill of TEUR 1,853 was identified and recognized in the Clay Building Materials Eastern Europe reporting segment.

Effective as of February 15, 2018, the option for the acquisition of the non-controlling interests in Tondach Gleinstätten AG was exercised. The purchase price for the remaining 17.81% of the shares amounted to TEUR 30,100 and was recognized in equity as the disposal of non-controlling interests in the amount of TEUR 22,622. The derecognition of the positively valued derivative via the purchase option for the non-controlling interests totaling TEUR 10,595 was booked against the capital reserve.

In mid-June 2018, Wienerberger acquired Daas Baksteen, a producer of facing bricks in the Netherlands. The badwill of TEUR 1,679 established in the course of preliminary purchase price allocation was immediately recognized through profit or loss in the Clay Building Materials Western Europe segment.

The purchase contract for the operations of Semmelrock Stein + Design GmbH & CoKG, a company based in Austria, was concluded on May 2, 2018. The divestment of the company's assets and liabilities was recognized as of that date, resulting in a gain of TEUR 2,457.

Seasonality

Due to the impact of weather conditions on construction activity, the sales volumes reported by Wienerberger for the first and last months of the year are lower than at mid-year. These seasonal fluctuations are reflected in the figures reported for the first and fourth quarters of the year, which generally are lower than those reported for the second and third quarters.

Wienerberger Hybrid Capital

The hybrid capital is reported as a component of equity, while the coupon payment is shown as part of the use of earnings in the Statement of Changes in Equity.

As part of an exchange offer, the 2014 hybrid bond replaced the 2007 bond to the extent of TEUR 272,188; it is a perpetual bond subordinated to all other creditors with a coupon of 6.5% until 9/2/2017 and a coupon of 5% until 9/2/2021, the year in which the issuer for the first time has the right to call the bond.

For the first six months of 2018, accrued pro-rata coupon payments of TEUR 6,749 were taken into account in the calculation of earnings per share. As a result, earnings per share declined by EUR 0.06.

Notes to the Consolidated Income Statement

Group revenues amounted to TEUR 1,606,874 for the first six months of 2018 (2017: TEUR 1,528,675), which is 5% higher than the comparable period of the previous year. EBITDA amounted to TEUR 198,893, which is higher than the comparable prior year value of TEUR 190,143. EBIT amounted to TEUR 107,710 for the reporting period, compared with TEUR 88,908 in 2017.

As at June 30, 2018, Wienerberger held 1,610,989 treasury shares, which were deducted for the calculation of earnings per share. The weighted number of shares outstanding from January 1, 2018 to June 30, 2018 was 116,616,889. The number of shares issued remained unchanged at 117,526,764 as at June 30, 2018. In the first half year of 2018, 1,040,700 Wienerberger shares were bought back at a price of TEUR 22,350 within the framework of the authorization granted by the Annual General Meeting.

Notes to the Consolidated Statement of Comprehensive Income

Currency translation differences of TEUR -14,208 (2017: TEUR -26,506) resulted, above all, from the Polish zloty, the Swedish crown and the Hungarian forint, which were partially offset by the positive development of the US dollar. After consideration of deferred taxes of TEUR 629, a net amount of TEUR -13,579 is shown in other comprehensive income. The hedging reserve changed equity by TEUR -2,428 (2017: TEUR 10,101) after tax. This amount includes deferred taxes of TEUR 809.

Profit after tax reported for the first six months of 2018 increased equity by TEUR 59,497 (2017: TEUR 49,344). Total comprehensive income after tax increased equity by TEUR 43,490 for the reporting period (2017: TEUR 32,807).

Notes to the Consolidated Statement of Cash Flows

Cash flow from operating activities of TEUR -60,922 was TEUR 33,111 higher than in the prior period (2017: TEUR -94,033), which was primarily due to the higher profit before tax. Other valuation effects include impairments of inventories of TEUR -4,541 (2017: TEUR -3,391) and the valuation of financial assets of TEUR -3,725 (2017: TEUR 3,456). Reversals of impairment charges to assets in the amount of TEUR 3,500 resulted from the valuation of the portfolio of purchased CO_2 certificates.

Cash outflows of TEUR 91,485 (2017: TEUR 58,346) for investments in non-current assets (incl. financial assets) and acquisitions included TEUR 60,661 (2017: TEUR 57,937) of normal capex for maintenance and investments in technical upgrades as well as TEUR 30,824 (2017: TEUR 409) of growth capex for acquisitions and plant expansions. Another TEUR 30,100 was accounted for by the purchase of the remaining 17.81% of the interests in Tondach Gleinstätten AG. This cash outflow was reported under cash flow from financing activities.

Proceeds from the disposal of non-current assets totaled TEUR 29,785 (2017: TEUR 17,047) and were generated primarily by the sale of investment property. Net proceeds from the sale of the Semmelrock Stein + Design GmbH & CoKG business amounted to TEUR 20,929.

On June 20, 2018, a dividend of EUR 0.30 per share was paid out on 116,041,475 shares in issue, i.e. a total of EUR 34,812,442.50.

Notes to the Consolidated Balance Sheet

Normal and growth capex for the first six months of 2018 (excl. acquisitions) increased non-current assets by TEUR 69,490 (2017: TEUR 58,346). Net debt rose by TEUR 212,271 over the level of December 31, 2017 to TEUR 778,676 due to the seasonal increase in working capital. On April 23, 2018, a bond with a volume of TEUR 250,000 and a coupon of 2% annually was issued. The bond has a six-year maturity.

Commitments for the purchase of property, plant and equipment totaled TEUR 37,259 as at the balance sheet date (31/12/2017: TEUR 19,505).

Disclosures on Financial Instruments

The following table shows the financial assets and liabilities carried at fair value or at amortized cost by Wienerberger and their classification under the three hierarchy levels defined by IFRS 13. No items were reclassified between hierarchy levels during the reporting period.

in TEUR	Accounting method [1)]	Fair Value Level 1	Level 2	Level 3	Carrying amount as at 30/6/2018
Assets					
Investments in subsidiaries and other investments	FV			13,714	13,714
Stock	FV	13			13
Shares in funds	FV	5,580			5,580
Other	FV		13	736	749
Financial instruments at fair value through profit or loss [2)]		**5,593**	**13**	**14,450**	**20,056**
Corporate bonds	FV	30			30
Financial instruments at fair value through other comprehensive income [2)]		**30**			**30**
Other receivables	**AC**		**4,920**		**4,920**
Derivatives from cash flow hedges	FV		1,270		1,270
Derivatives from net investment hedges	FV		13,333		13,333
Other derivatives	FV		644		644
Derivatives with positive market value			**15,247**		**15,247**
Liabilities					
Derivatives from cash flow hedges	FV		224		224
Derivatives from net investment hedges	FV		3,156		3,156
Other derivatives	FV		5,446		5,446
Derivatives with negative market value			**8,826**		**8,826**
Long-term loans	AC		190,043		186,286
Roll-over	AC		81,773		81,988
Short-term loans	AC		156,484		157,025
Financial liabilities owed to financial institutions			**428,300**		**425,299**
Bonds – long-term	AC	593,519			546,130
Bonds – short-term	AC	108,110			108,434
Long-term loans	AC		209		206
Commercial paper – short-term	AC		45,909		45,929
Short-term loans	AC		6		6
Finance leases – long-term	AC		718		696
Finance leases – short-term	AC		266		245
Financial liabilities owed to non-banks		**701,629**	**47,108**		**701,646**
Other liabilities	**AC**		**1,966**		**1,966**

1) FV (Fair Value): financial assets and financial liabilities carried at fair value
AC (Amortized Cost): financial assets and financial liabilities carried at amortized cost
2) Due to the initial application of IFRS 9, the classification of financial instruments was restated.

in TEUR	Accounting method [1)]	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Carrying amount as at 31/12/2017
Assets					
Shares in funds	FV	28,370			**28,370**
Corporate bonds	FV	42			**42**
Stock	FV	13			**13**
Other	FV		13	777	**790**
Available-for-sale financial instruments		**28,425**	**13**	**777**	**29,215**
Other receivables	**AC**		**4,948**		**4,948**
Derivatives from cash flow hedges	FV		2,000		**2,000**
Derivatives from net investment hedges	FV		18,354		**18,354**
Other derivatives	FV		1,022	3,089	**4,111**
Derivatives with positive market value			**21,376**	**3,089**	**24,465**
Liabilities					
Derivatives from cash flow hedges	FV		354		**354**
Derivatives from net investment hedges	FV		3,065		**3,065**
Other derivatives	FV		5,184		**5,184**
Derivatives with negative market value			**8,603**		**8,603**
Long-term loans	AC		199,520		**194,486**
Roll-over	AC		83,360		**83,449**
Short-term loans	AC		106,543		**106,435**
Financial liabilities owed to financial institutions			**389,423**		**384,370**
Bonds – long-term	AC	326,516			**298,700**
Bonds – short-term	AC	113,619			**110,957**
Long-term loans	AC		10		**11**
Commercial paper – short-term	AC		11,010		**10,962**
Finance leases – long-term	AC		751		**751**
Finance leases – short-term	AC		302		**302**
Financial liabilities owed to subsidiaries	AC		16		**16**
Financial liabilities owed to non-banks		**440,135**	**12,089**		**421,699**
Other liabilities	**AC**		**1,966**		**1,966**

1) FV (Fair Value): financial assets and financial liabilities carried at fair value
AC (Amortized Cost): financial assets and financial liabilities carried at amortized cost

Investments in subsidiaries and other investments constitute financial instruments to be held in the long term. According to IFRS 9, equity instruments are recognized at their fair value. As the measurement of these financial instruments is based on measurement parameters not observable in the market, they are allocated to level 3 of the fair value hierarchy. The fair values are determined by a procedure based on the income approach as the present values of the total of future cash inflows, with the weighted average cost of capital after tax derived from external sources in accordance with recognized mathematical procedures.

The fair value of shares in funds, corporate bonds, stocks and the bonds issued by Wienerberger was determined on the basis of market prices (level 1). Other securities recognized at fair value are classified mainly in level 3 of the valuation hierarchy. They serve as reinsurance for pension obligations and netting against the provision is not permitted.

Derivatives were valued with net present value methods based on input factors observable in the market, e.g. yield curves and foreign exchange parities (level 2).

The fair value of other non-current receivables and non-quoted financial liabilities carried at amortized cost was also determined with net present value methods based on current yield curves (level 2). Fair value adjustments to financial liabilities are made by modifying the counterparty risk.

Risk Report

Throughout the Group, Wienerberger focuses on the early identification and active management of risks in its operating environment. To this end, regular surveys are being performed among the Managing Board as well as the Business Unit managers and Corporate Function heads in charge in order to update the existing risk catalogue and to identify new risks. In this process, strategic and operational risks along the entire value chain are being identified and their impact on cash flow is differentiated based on a medium-term (up to five years) and a long-term (six to ten years) time horizon. The major risks identified include competition from substitution products, such as concrete, steel, wood, limestone, glass or aluminum, and the related pressure on prices. Management sees further relevant risks in higher input costs and volatile raw material prices for plastics. Wienerberger regularly monitors the risks in its operating environment as part of its corporate risk management program and takes appropriate actions to counter these risks. The development of the construction industry and major indicators of the demand for building materials are watched closely to permit the timely adjustment of capacity in the plant network to reflect changing market conditions. The price levels on local markets are also monitored regularly, and pricing strategies are adjusted, if necessary. Wienerberger counters the risk of rising input costs by establishing fixed procurement prices at an early point in time and by concluding long-term supply contracts. The risks associated with rising energy costs are reduced through the Group's hedging strategy. The risks expected by Wienerberger during the remaining months of this year are linked to higher input costs, uncertainty over further developments in the construction industry and continued pressure on prices in individual markets.

The plastic pipe business is substantially influenced by the development of raw material prices. Synthetic polymers account for a major part of the production costs for plastic pipes. The volatility of raw material prices has increased considerably in recent years. Strong fluctuations within individual months require flexible pricing to limit the effects of these price changes and/or pass them on to the market. Fast price management is also a decisive factor for the sustainable protection of earnings. In addition to the price risk, this business is exposed to a raw material supply risk. Any interruption in supplies would invariably disrupt production. Possible shortages on the raw materials market are countered by extensive measures in procurement, production and sales as well as price management.

Wienerberger is exposed to legal risks in connection with increasingly strict environmental, health and safety regulations, which could result in the Group being liable for penalties or claims to compensation for damages in the event of non-compliance.

Related party transactions

The following companies and persons are considered to be related parties of Wienerberger: the members of the Supervisory and Managing Boards as well as their close relatives, associated companies, joint ventures and non-consolidated subsidiaries of Wienerberger AG as well as the ANC Private Foundation and its subsidiaries. Transactions with companies in which members of the Supervisory Board of Wienerberger AG are active are generally conducted on arm's length conditions.

The ANC Private Foundation operates landfill activities in Austria that were transferred by Wienerberger AG in 2001 and owns a limited amount of assets (in particular real estate and securities). The managing board of the ANC Private Foundation consists of three members, two of whom are part of the Wienerberger top management. This allows Wienerberger to exercise control over the foundation. In accordance with IFRS 10, the ANC Private Foundation cannot be consolidated because the shareholders of Wienerberger AG, and not the company itself, are entitled to the variable cash flows from the foundation. The total assets of ANC Private Foundation amounted to TEUR 24,791 as of June 30, 2018 (31/12/2017: TEUR 36,878) and consist primarily of land and buildings totaling TEUR 8,405 (31/12/2017: TEUR 8,346) and securities and liquid funds of TEUR 14,363 (31/12/2017: TEUR 25,955). The foundation had provisions of TEUR 9,319 (31/12/2017: TEUR 8,009) and no financial liabilities as of June 30, 2018. On June 20, 2018, the dividend resolved by the managing board of ANC Private Foundation of EUR 0.10 per share of Wienerberger AG, i.e. EUR 11,752,676.40, was paid out.

Wienerberger AG and its subsidiaries finance associates, joint ventures and non-consolidated subsidiaries through loans granted at ordinary market conditions. The outstanding loan receivables due from joint ventures amounted to TEUR 15,690 as of June 30, 2018 (31/12/2017: TEUR 13,236), while the comparable amount for non-consolidated subsidiaries was TEUR 6,890 (31/12/2017: TEUR 7,249). Moreover, trade receivables from joint ventures in the amount of TEUR 695 (31/12/2017: TEUR 638) were outstanding as of the balance sheet date. Revenues in the amount of TEUR 645 (2017: TEUR 649) were recognized with joint ventures during the first six months of the year.

During the first half of 2018, products in the amount of TEUR 416 (2017: TEUR 0) were sold to a related party.

Significant events after the balance sheet date

At the beginning of July, the acquisition of Isoterm AS, a Norwegian producer of frost-resistant and pre-insulated plastic pipes, was signed. A paver plant in Romania was taken over at the end of July.

Waiver of Audit Review

This interim report by Wienerberger AG was neither audited nor reviewed by a certified public accountant.

Statement by the Managing Board

We confirm to the best of our knowledge that these interim financial statements (interim financial report according to IFRS) present a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group management report presents a true and fair view of the important events that occurred during the first six months of the financial year and their impact on the interim financial statements, of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed.

Vienna, August 16, 2018

The Managing Board of Wienerberger AG

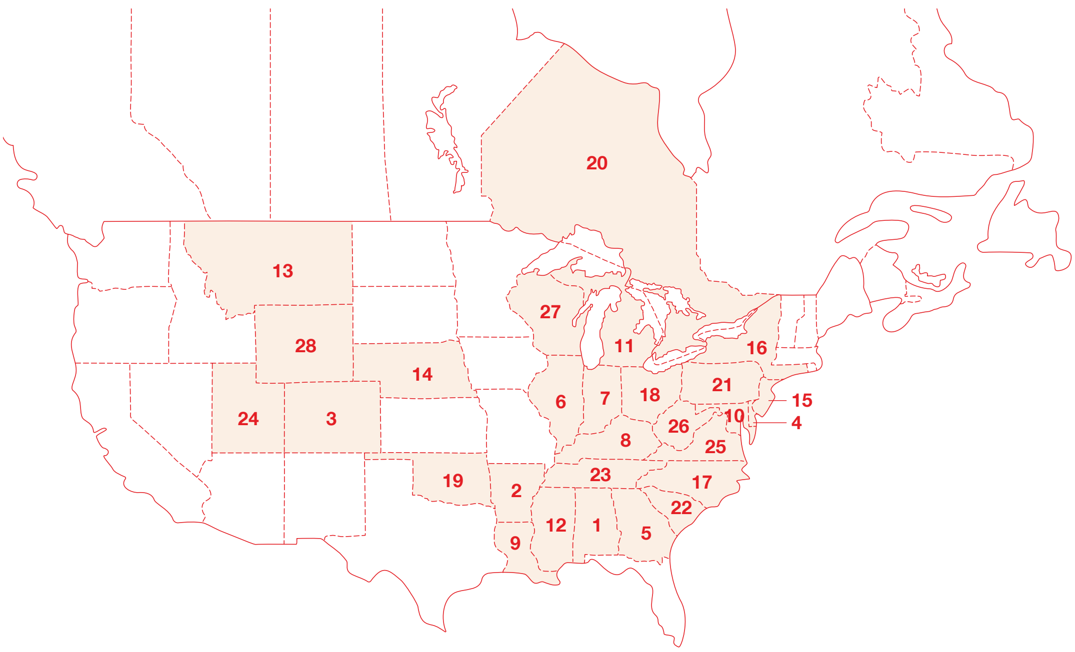
Heimo Scheuch
Chief Executive Officer

Willy Van Riet
Chief Financial Officer

Production Sites and Market Positions

Wienerberger is the only multinational producer of bricks, roof tiles, concrete pavers and pipe systems with a total of 193 production sites in 30 countries and activities in international export markets. We are the world's largest producer of bricks and number one on the clay roof tile market in Europe. Furthermore we hold leading positions in pipe systems in Europe and concrete pavers in Central-East Europe.

Wienerberger Markets in North America



Market positions

1 *Facing Bricks*

Number of sites

1 *Facing Bricks*
1 *Concrete Products*
1 *Distribution Outlets*
1 *Plastic Pipes*
1 *Calcium Silicate*

1	*Alabama*	3			1		
2	*Arkansas**	4				1	
3	*Colorado*	1	1		1		
4	*Delaware**	5					
5	*Georgia*	1	1				1
6	*Illinois*	3			2		
7	*Indiana*	1	1		2		
8	*Kentucky**	1					
9	*Louisiana**	2					
10	*Maryland**	2					
11	*Michigan*	2			2		
12	*Mississippi*	1	1				
13	*Montana*	1			1		
14	*Nebraska**	6					
15	*New Jersey**	3					
16	*New York**	3					
17	*North Carolina*	1	2		4		
18	*Ohio**	2					
19	*Oklahoma**	6					
20	*Ontario*						1
21	*Pennsylvania**	3					
22	*South Carolina*	4			1		
23	*Tennessee*	1	1	1	6		
24	*Utah**	2					
25	*Virginia*	1	1		1		
26	*West Virginia**	1					
27	*Wisconsin**	5					
28	*Wyoming*	1			1		

** Markets are served through exports from neighboring states.*

Status June 2018

Wienerberger in India

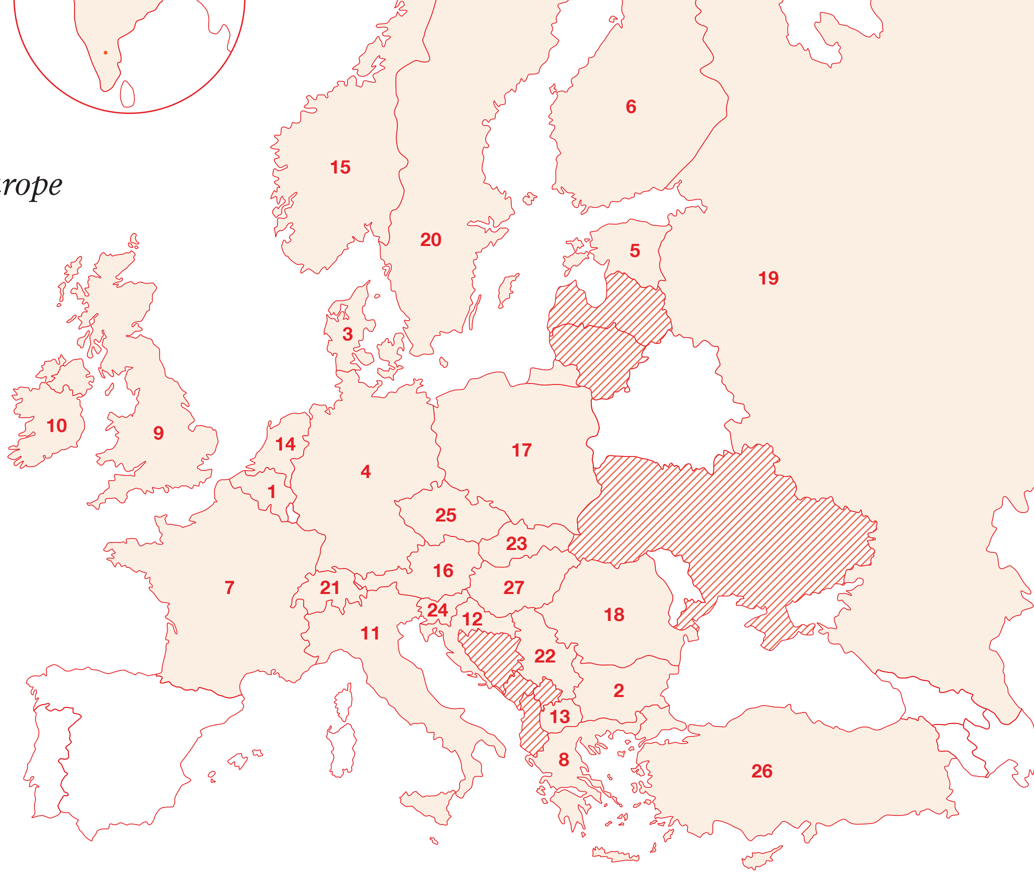
Number of sites

1 Clay Blocks

Wienerberger Markets in Europe

Markets with production sites

Export markets



Market positions

1 Clay Blocks and/or Facing Bricks

1 Clay Roof Tiles

Number of sites

1 Clay Blocks

1 Facing Bricks

1 Roofing Systems

1 Pavers

1 Plastic Pipes

1 Ceramic Pipes

No.	Country	Market position: Clay Blocks and/or Facing Bricks	Market position: Clay Roof Tiles	Clay Blocks	Facing Bricks	Roofing Systems	Pavers	Plastic Pipes	Ceramic Pipes
1	Belgium	1	1	3	6	2		2	1
2	Bulgaria	1	2	1			1	1	
3	Denmark*				2				
4	Germany	1	4	14	3	4	1	1	2
5	Estonia	1			1			1	
6	Finland*				1			4	
7	France	2	4	4	1	3		2	
8	Greece							1	
9	Great Britain	2	1		9	5			
10	Ireland							1	
11	Italy	1		4					
12	Croatia	1	1	1		1	1		
13	Macedonia		1			1			
14	Netherlands	1	1	1	9	3	5	2	
15	Norway*							2	
16	Austria	1	1	7		2		1	
17	Poland	1	2	7	1	1	5	2	
18	Romania	1	1	4			2		
19	Russia	1		2				1	
20	Sweden*				2			2	
21	Switzerland	3	1	1		2			
22	Serbia		1			1			
23	Slovakia	1	1	2			1		
24	Slovenia	1	1	1		1			
25	Czech Republic	1	1	7		3	1	2	
26	Turkey							1	
27	Hungary	1	1	6		2	2	1	

* *In the clay business the Nordic markets (Denmark, Finland, Norway and Sweden), in which we hold a Nr. 2 market position, are managed by a regional management.*

Status June 2018

Financial Calendar

July 30, 2018	*Start of the quiet period*
August 16, 2018	Results for the First Half-Year of 2018: Presentation of the Results in Vienna
October 22, 2018	*Start of the quiet period*
November 8, 2018	Results for the First Three Quarters of 2018
January 28, 2019	*Start of the quiet period*
February 27, 2019	Results of 2018: Presentation of the Results in Vienna
March 28, 2019	Publication of the 2018 Annual Report on the Wienerberger website
April 23, 2019	Start of the quiet period
May 6, 2019	150th Annual General Meeting
May 8, 2019	Deduction of dividends for 2018 (ex-day)
May 9, 2019	Record date for 2018 dividends
May 10 ,2019	Payment day for 2018 dividends
May 16, 2019	Results for the First Quarter of 2019
June 2019	Publication of the Sustainability Report 2018
July 22, 2019	*Start of the quiet period*
August 13, 2019	Results for the First Half-Year of 2019: Presentation of the Results in Vienna
October 21, 2019	*Start of the quiet period*
November 7, 2019	Results for the First Three Quarters of 2019

Information on the Company and the Wienerberger Share

Head of Investor Relations	Klaus Ofner
Shareholders' Telephone	+43 1 601 92 10221
E-Mail	investor@wienerberger.com
Internet	www.wienerberger.com
Vienna Stock Exchange	WIE
Thomson Reuters	WBSV.VI; WIE-VI
Bloomberg	WIE AV
Datastream	O: WNBA
ADR Level 1	WBRBY
ISIN	AT0000831706

Wienerberger Online Annual Report 2017:
http://annualreport.wienerberger.com

Imprint

Publisher
Wienerberger AG
A-1100 Vienna, Wienerberg City,
Wienerbergstraße 11
T +43 1 601 92 0
F +43 1 601 92 10159

Inquiries may be addressed to
The Managing Board:
Heimo Scheuch, CEO;
Willy Van Riet, CFO
Investor Relations: Klaus Ofner

Concept and Design
Brainds, Marken und Design GmbH

Text pages
Produced in-house using firesys

Generative Design
Process – Studio for Art and Design OG,
www.process.studio

Illustrations
Blagovesta Bakardjieva

Print production
Lindenau Productions
Print: Gerin Druck

Translation
Eva Fürthauer
Claudia Fischer-Ballia

The Report on the First Six Months of 2018, released on August 16, 2018 is also available for download under www.wienerberger.com.

Available in German and English.


75
Mitarbeiter