wienerberger

Smart Solutions

Report on the First Quarter of 2017

Earnings Data		1-3/2016	1-3/2017	Chg. in %	Year-end 2016
Revenues	*in MEUR*	610.8	**659.6**	+8	2,973.8
EBITDA	*in MEUR*	40.1	**46.1**	+15	404.3
Operating EBIT	*in MEUR*	-7.4	**-1.4**	+81	197.7
Profit before tax	*in MEUR*	-15.8	**-10.7**	+32	158.5
Net result	*in MEUR*	-23.9	**-17.5**	+27	82.0
Earnings per share	*in EUR*	-0.20	**-0.15**	+25	0.70
Free cash flow [1)]	*in MEUR*	-211.1	**-219.7**	-4	246.5
Normal capex	*in MEUR*	27.2	**28.5**	+5	137.3
Growth capex	*in MEUR*	12.5	**0.0**	-100	43.8
Ø Employees	*in FTE*	15,769	**16,038**	+2	15,990

Balance Sheet Data		31/12/2016	31/3/2017	Chg. in %
Equity [2)]	*in MEUR*	1,849.0	**1,825.7**	-1
Net debt	*in MEUR*	631.6	**863.0**	+37
Capital employed	*in MEUR*	2,460.0	**2,675.2**	+9
Total assets	*in MEUR*	3,637.2	**3,756.7**	+3
Gearing	*in %*	34.2	**47.3**	-

Stock Exchange Data		1-12/2016	1-3/2017	Chg. in %
Share price high	*in EUR*	17.54	**19.88**	+13
Share price low	*in EUR*	11.94	**16.85**	+41
Share price at end of period	*in EUR*	16.50	**19.88**	+21
Shares outstanding (weighted) [3)]	*in 1,000*	116,956	**116,956**	0
Market capitalization at end of period	*in MEUR*	1,938.6	**2,336.4**	+21

Divisions 1-3/2017 *in MEUR and %* [4)]	Clay Building Materials Europe		Pipes & Pavers Europe		North America		Holding & Others		Reconciliation
External revenues	372.2	*(+9%)*	210.5	*(+4%)*	74.3	*(+18%)*	2.4	*(+10%)*	
Inter-company revenues	0.2	*(-46%)*	0.0	*(-88%)*	0.0	*(-100%)*	3.2	*(+9%)*	-3.3
Revenues	372.4	*(+9%)*	210.5	*(+3%)*	74.3	*(+18%)*	5.6	*(+9%)*	-3.3
EBITDA	41.1	*(+39%)*	6.7	*(-52%)*	3.8	*(+68%)*	-5.6	*(+2%)*	
Operating EBIT	11.9	*(>100%)*	-4.9	*(<-100%)*	-2.2	*(+43%)*	-6.2	*(+1%)*	
Total investments	16.5	*(-15%)*	9.3	*(-42%)*	2.0	*(-44%)*	0.7	*(-3%)*	
Capital employed	1,688.7	*(-4%)*	627.5	*(-2%)*	358.2	*(-1%)*	0.7	*(>100%)*	
Ø Employees (in FTE)	10,358	*(+1%)*	4,155	*(+1%)*	1,318	*(+6%)*	207	*(+1%)*	

1) Cash flow from operating activities less cash flow from investing activities plus growth capex // 2) Equity including non-controlling interests and hybrid capital // 3) Adjusted for treasury stock // 4) 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.

Chief Executive's Review

Ladies and Gentlemen,

During the first quarter of 2017, Wienerberger succeeded in increasing its revenues at Group level by a satisfactory 8% to € 660 million, despite a slow start due to weather conditions. Between January and March, EBITDA rose significantly by 15% to € 46 million. Our predictions at the beginning of the year were supported by the developments seen in the individual business segments. It goes to show, that due to our consistent focus on innovation and operational excellence as well as our targeted policy of diversification, we are strategically well-positioned for value-creating growth.

In both Western and Eastern Europe, residential construction showed a slight upward trend in the first quarter. Against this background, the Clay Building Materials Europe Division generated revenues of € 372 million, corresponding to a 9% increase over the first quarter of 2016. The segment's EBITDA rose significantly compared to the same period of 2016, growing from € 30 million to € 41 million. This was due, alongside market growth, to our intensive activities in marketing and sales as well as our strong focus on innovative products and system solutions.

The Pipes & Pavers Europe Division continued to be marked by highly diverging developments in its various segments. A slight recovery of our Eastern European and the sound development of our Nordic core markets had positive impacts. However, they were not enough to compensate for weak demand in our international business with long-length-large-diameter and fiber-reinforced plastic pipes and the absence of exports of ceramic pipes to the Middle East. While revenues increased by 4% to € 211 million, EBITDA declined to € 7 million.

Our brick business in the USA benefited from more favorable weather conditions than in the previous year. This resulted in livelier activities in the single- and two-family home segment. The positive development of demand also continued in Canada. Our North American plastic pipe business recovered and produced satisfactory results. Overall, the North America Division generated revenues of € 74 million, which corresponds to an 18% increase compared to the first quarter of the previous year. During the same period, earnings rose significantly by 68% to € 4 million.

Our target for this year is to achieve an organic 9% increase in EBITDA. This is an ambitious goal, especially in view of the volatility of our markets and forthcoming events in the political arena, which will continue to influence economic developments in Europe and have an impact on our business. Moreover, we expect rising raw material prices for our plastic pipes activity, which means that we will concentrate our efforts on cushioning the resulting effects.

The satisfactory results of the first quarter confirm the success of the company's strategic orientation. We will continue to advance the forward-looking development of the Wienerberger Group and strengthen our position as the innovation and technology leader in our industry. Our focus here is on new products and services as well as on digital marketing channels and direct interaction with our customers. On this basis, we are confident of reaching our targets for 2017.

Yours

Interim Management Report Financial Review

Earnings

During the first three months of 2017, Wienerberger succeeded in increasing its revenues at Group level significantly by 8% to € 659.6 million (2016: € 610.8 million). Foreign exchange effects depressed revenues by € 4.3 million; the most substantial negative effects resulted from the British pound and the Turkish lira, offset in part by positive differences against the US dollar, the Russian ruble and the Norwegian crown.

In the Clay Building Materials Europe Division, the first quarter was marked by a notable increase in sales volumes at nearly stable prices. Satisfactory growth was generated in the Group's Western and Eastern European business. Overall, external revenues grew by 9% to € 372.2 million in the first three months of the year (2016: € 341.8 million) and EBITDA rose by 39% to € 41.1 million (2016: € 29.5 million).

The Pipes & Pavers Europe Division reported moderate growth of its first-quarter external revenues to € 210.5 million (2016: 203.3 million), with diverging developments seen within the Division. In its plastic pipe business, the Division generated revenue growth through higher sales volumes, but EBITDA declined primarily as a result of a notable downturn in international project business and the unsatisfactory development of earnings in France. A substantial drop in the volumes of ceramic waste-water pipe sales was reflected in significantly reduced external revenues and EBITDA. Although concrete paver sales remained slightly below the previous year's level due to unfavorable weather conditions, improved cost structures led to a higher operating result. Overall, the Pipes & Pavers Europe Division reported a reduction of its EBITDA to € 6.7 million (2016: € 13.9 million).

Against the background of an increasing number of new housing starts in the single- and two-family home segment, brick sales in North America increased significantly. Sales of plastic pipes also rose at stable prices. Altogether, the Division's EBITDA improved significantly to € 3.8 million (2016: € 2.3 million).

The Wienerberger Group's EBITDA rose by 15% from € 40.1 million to € 46.1 million in the first three months of the year. This was primarily due to the positive development of the brick business in Eastern Europe and a number of Western European core markets as well as in North America. In contrast, the Pipes & Pavers Western Europe segment experienced declining earnings in its plastic pipe business and its ceramic pipe activities. Foreign exchange effects depressed the Group's EBITDA by € 1.9 million, as compared with the first quarter of 2016.

Operating earnings before interest and tax (operating EBIT) improved to € -1.4 million in the first three months of the year (2016: € -7.4 million).

The financial result of € -8.1 million (2016: € -8.4 million) mainly comprises net interest expenses of € -8.7 million (2016: € -8.2 million), income from investments in associates and joint ventures in the amount of € -0.6 million (2016: € +1.2 million), and the other financial result of € +1.2 million (2016: € -1.4 million).

The first-quarter result before tax improved notably to € -10.7 million (2016: € -15.8 million). Compared with the previous year, Wienerberger was able to reduce its seasonally related loss to € 14.2 million (2016: € -16.7 million). Earnings per share amounted to € -0.15, up from € -0.20 in the reporting period of the previous year. Accrued interest on hybrid capital was taken into account in the calculation of earnings per share on a pro-rata basis.

Cash flow

Gross cash flow was positive in the reporting period at € 30.8 million, which corresponds to a slight reduction of € 1.6 million year on year. Owing to the seasonal increase in working capital, cash flow from operating activities was negative at € -194.8 million, after € -177.3 million in the reporting period of the previous year. This development was primarily due to the build-up of receivables resulting from higher sales and a higher level of inventories.

During the first three months of the year, a total amount of € 28.5 million (2016: € 39.7 million) was spent on maintenance and technological improvements of production processes as well as on growth investments. Proceeds from real estate sales and the realization of other non-current assets amounted to € 1.5 million (2016: € 4.0 million).

Cash flow from financing activities came to € 185.7 million in the first three months of the year, mainly due to the utilization of a credit line. In February, the hybrid coupon was paid out in the amount of € 29.9 million. After Wienerberger had exercised its right to call the hybrid bond from 2007 in December 2016, the nominal amount of € 221.8 million was redeemed in the first quarter of 2017.

Assets and financial position

As at 31/3/2017, the Group's equity was € 23.3 million lower than at the end of 2016, the main contributing factors being the slightly negative total comprehensive income after tax and the distribution of the hybrid coupon. For seasonal reasons, the Group's net debt increased by € 231.4 million to € 863.0 million, thus corresponding to a gearing of 47.3%.

Operating Segments

Clay Building Materials Europe

Residential construction in Europe showed a slight increase in the first three months. After a subdued start into the year due to unfavorable weather conditions, residential activity gained momentum, especially in March. In this environment, we succeeded in significantly increasing our sales volumes in all product groups at nearly stable average prices. Altogether, the Clay Building Materials Europe Division generated a 9% increase in revenues to € 372.2 million and a significant improvement of its EBITDA to € 41.1 million, as compared with € 29.5 million in the first quarter of 2016.

Outlook

For the business year 2017 we are maintaining our projections of a continued, slight increase in European residential construction. While we expect a positive market environment in almost all countries of Eastern Europe with increasing clay block and roof tile sales, we foresee regionally diverging market trends in Western Europe. We are currently observing a positive development of demand in Great Britain, supported by government aid programs for new housing construction. Although a reliable forecast of developments in the second half of the year is hardly possible, from today's perspective we anticipate that residential construction will be slightly above the previous year's level. We expect to see an increase in the number of new housing starts in Germany and France and a slight upward trend of demand in the Netherlands from its sound current level. While we assume stable market developments in Belgium and Switzerland, there is evidence of a slight downturn in Italy that will probably continue throughout the year. The renovation market, which is particularly important for our roof tile business, will continue to be marked by spending restraint in Western Europe.

Overall, we expect higher sales volumes in all product groups of the Clay Building Materials Europe Division and consequently project a significant increase in revenues and earnings for 2017.

Clay Building Materials Europe		1-3/2016	1-3/2017	Chg. in %
External revenues	*in MEUR*	341.8	**372.2**	+9
EBITDA	*in MEUR*	29.5	**41.1**	+39
Operating EBIT	*in MEUR*	0.0	**11.9**	>100
Total investments	*in MEUR*	19.5	**16.5**	-15
Capital Employed	*in MEUR*	1,751.8	**1,688.7**	-4
Ø Employees	*in FTE*	10,213	**10,358**	+1

Clay Building Materials Western Europe

During the first three months of the year, we achieved higher sales volumes in all product groups in Western Europe, which translated into a 7% increase in revenues to € 271.9 million. Over the same period, EBITDA improved substantially by 23% to € 29.0 million. In Great Britain, we benefited from rising demand and were able to sell higher volumes at slightly higher prices. Despite the substantial weakening of the British pound year-on-year, growing sales volumes were reflected in an increase in revenues and earnings in the reporting currency. The positive development of new housing construction in Germany and France continued throughout the first quarter. Slight market growth in the Netherlands resulted in improved earnings, and revenues remained stable in Belgium. Alongside continuous measures aimed at efficiency enhancements and cost optimization, our focus in Western Europe continues to be on introducing innovative products and system solutions and on stepping up our distribution and sales activities.

Clay Building Materials Western Europe		1-3/2016	1-3/2017	Chg. in %
External revenues	in MEUR	255.0	271.9	+7
EBITDA	in MEUR	23.6	29.0	+23
Operating EBIT	in MEUR	5.5	10.9	+99
Total investments	in MEUR	12.7	8.7	-31
Capital Employed	in MEUR	1,225.4	1,171.6	-4
Ø Employees	in FTE	5,969	5,956	0

Clay Building Materials Eastern Europe

In the Eastern European region, the positive developments of markets and business continued in almost all our core markets in the first quarter of 2017. We were able to increase our clay block and roof tile sales at slightly improved average prices and further strengthened our market position in individual regions. Altogether, the Clay Building Materials Eastern Europe segment reported a 16% increase in revenues to € 100.3 million for the first three months of the year. At the same time, EBITDA more than doubled from € 5.9 million to € 12.2 million.

Clay Building Materials Eastern Europe		1-3/2016	1-3/2017	Chg. in %
External revenues	in MEUR	86.8	100.3	+16
EBITDA	in MEUR	5.9	12.2	>100
Operating EBIT	in MEUR	-5.5	1.0	>100
Total investments	in MEUR	6.8	7.8	+15
Capital Employed	in MEUR	526.4	517.1	-2
Ø Employees	in FTE	4,244	4,402	+4

Pipes & Pavers Europe

The Pipes & Pavers Europe Division reported a 4% increase of its revenues to € 210.5 million in the first three months of 2017. In contrast, the EBITDA declined from the previous year's level of € 13.9 million to € 6.7 million. This steep drop in earnings was primarily due to a notable slowdown of activities and a low order intake in international project business.

Pipes & Pavers Europe		1-3/2016	1-3/2017	Chg. in %
External revenues	*in MEUR*	203.3	**210.5**	+4
EBITDA	*in MEUR*	13.9	**6.7**	-52
Operating EBIT	*in MEUR*	2.7	**-4.9**	<-100
Total investments	*in MEUR*	16.0	**9.3**	-42
Capital employed	*in MEUR*	641.8	**627.5**	-2
Ø Employees	*in FTE*	4,108	**4,155**	+1

Outlook

For 2017, we expect to see stable development or a slight upward trend in revenues and EBITDA in the Pipes & Pavers Europe Division. Besides solid growth in our Western European markets, we anticipate, above all, higher earnings in Eastern Europe, where we expect markets to recover from their current low level. As an essential prerequisite for the attainment of our targets, we will have to successfully cushion the impact of rising raw material prices for plastic granulates.

As regards our Western European plastic pipe activities, we foresee continued stability in the sound environment of our Nordic core markets. In addition to organic growth in Norway and Sweden, we are benefiting from the progressive integration of the Finnish specialist in plastic containers for waste-water applications that was taken over by Wienerberger last year. Moreover, we expect to generate growth in our Dutch and Irish markets. However, in France, a market characterized by low demand and high competitive pressure, earnings have continued to fall short of our expectations to a significant degree. In international project business, order intake has not yet increased to a noteworthy extent, despite intensive efforts made to win contracts in ongoing tendering procedures. Nevertheless, we still think that, from today's perspective, stable development of earnings in this segment should be feasible. In our ceramic pipe business, we expect to see EBITDA growth. While our results have been affected by the absence of exports to the Middle East, which contributed to revenues in the first six months of the previous year, we target to sell higher volumes in the European markets at continuously increasing average prices. Moreover, we have implemented cost optimization measures that will contribute toward offsetting the overall decline in sales through improved profitability.

In the Pipes & Pavers Eastern Europe segment, we see growing evidence of a slight recovery of public-sector demand, after the extremely difficult market conditions of the previous year. Consequently, we anticipate a notable increase in the segment's EBITDA for the full year.

Pipes & Pavers Western Europe

The Pipes & Pavers Western Europe segment reported stable revenues of € 132.9 million. However, its EBITDA, at € 6.9 million, remained far below the previous year's value of € 14.8 million.

Our Western European plastic pipe business was characterized by major regional differences in the first quarter of the year. In our Nordic core markets, we benefited from a persistently sound market environment, achieving growth in sales and earnings in Norway, Sweden and Finland. We also generated growth in the Netherlands and Ireland. At the same time, the contribution to earnings from our international project business in long-length-large-diameter and fiber-reinforced pipes declined significantly from the previous year's level. While the first quarter of 2016 was favorably influenced by the completion of orders from the record year 2015, the order backlog has been shrinking since that time. As a result, first-quarter activities in this high-margin field of business clearly fell short of the level achieved in the comparable period of the previous year. Moreover, weak demand in France, and the resulting competitive pressure, caused a drop in earnings. Overall, we recorded a slight increase in revenues in this field of business, while the operating result was substantially below that of the comparable period in 2016.

In our ceramic pipe business, we experienced the expected steep reduction in sales volumes as a result of the discontinuation of our exports to the Middle East. While public-sector investments in Germany remained subdued, we were able to sell higher volumes in the other markets, where we also obtained higher average prices through price increases and improvements of the product mix. Nevertheless, given the high percentage of fixed costs, we did not succeed in fully compensating the steep drop in volumes in the first quarter. However, the measures introduced to optimize our cost structure produced the intended positive impact on earnings and will contribute towards an improvement of our full-year operating result.

Pipes & Pavers Western Europe		1-3/2016	1-3/2017	Chg. in %
External revenues	in MEUR	131.1	**132.9**	+1
EBITDA	in MEUR	14.8	**6.9**	-54
Operating EBIT	in MEUR	8.7	**0.8**	-91
Total investments	in MEUR	9.1	**3.4**	-63
Capital employed	in MEUR	354.3	**334.0**	-6
Ø Employees	in FTE	1,833	**1,837**	0

Pipes & Pavers Eastern Europe

In the Pipes & Pavers Eastern Europe segment, market conditions improved slightly in the first quarter of 2017, as compared with the low level of demand in 2016. Consequently, revenues grew by 8% to € 77.6 million and EBITDA improved from € -0.9 million in the previous year to € -0.2 million. While comparatively harsh weather conditions led to delays in project implementation in some regions, we observed a slight acceleration of public-sector tendering activities for infrastructure projects co-financed by the EU.

Pipes & Pavers Eastern Europe		1-3/2016	1-3/2017	Chg. in %
External revenues	in MEUR	72.1	**77.6**	+8
EBITDA	in MEUR	-0.9	**-0.2**	+76
Operating EBIT	in MEUR	-6.0	**-5.7**	+6
Total investments	in MEUR	6.9	**6.0**	-13
Capital employed	in MEUR	287.5	**293.5**	+2
Ø Employees	in FTE	2,275	**2,318**	+2

North America

As in the first quarter of the previous year, weather conditions in the first three months of 2017 were favorable for residential construction in North America. Against the background of rising numbers of new housing starts in the single- and two-family home segment, we took advantage of this market environment to increase our facing brick sales, which resulted in significantly improved revenues and earnings. In Canada, the continuing upward trend of demand was reflected in price and volume increases. Our North American plastic pipe business also performed well during the first three months of the year, with sales increasing at stable average prices. Altogether, the North America Division reported revenues of € 74.3 million, an increase of 18% compared to the first quarter of 2016. In the same period, the Division's EBITDA rose steeply to € 3.8 million, which corresponds to a 68% increase over the comparable period in 2016.

Outlook

For the rest of the year, we expect a continuation of the positive trend in the construction of new single- and two-family houses in the USA and, consequently, growing demand for facing bricks. However, given the persistently high level of excess capacity and the structural changes in the American brick industry, the price situation remains challenging. As regards our Canadian activities, we cannot exclude the possibility of a slowdown of market momentum in the second half of the year and therefore foresee stable development year on year. Overall, we expect the North America Division to generate significant organic growth of revenues and earnings in 2017.

North America		1-3/2016	1-3/2017	Chg. in %
External revenues	in MEUR	63.2	**74.3**	+18
EBITDA	in MEUR	2.3	**3.8**	+68
Operating EBIT	in MEUR	-3.9	**-2.2**	+43
Total investments	in MEUR	3.6	**2.0**	-44
Capital employed	in MEUR	362.5	**358.2**	-1
Ø Employees	in FTE	1,243	**1,318**	+6

Holding & Others

Besides the holding company of the Group, the Holding & Others Division also includes our brick activities in India located at a production site for clay blocks in the Bangalore region. Thanks to the satisfactory development of our Indian business, first-quarter revenues increased by 10% to € 2.4 million.

Holding & Others		1-3/2016	1-3/2017	Chg. in %
External revenues	in MEUR	2.2	**2.4**	+10
EBITDA	in MEUR	-5.7	**-5.6**	+2
Operating EBIT	in MEUR	-6.2	**-6.2**	+1
Total investments	in MEUR	0.7	**0.7**	-3
Capital employed	in MEUR	-4.4	**0.7**	>100
Ø Employees	in FTE	205	**207**	+1

Condensed Interim Financial Statements (IFRS) Wienerberger Group

Consolidated Income Statement

in TEUR	1-3/2017	1-3/2016
Revenues	659,625	610,765
Cost of goods sold	-464,175	-434,922
Gross profit	**195,450**	**175,843**
Selling expenses	-139,582	-131,364
Administrative expenses	-49,571	-48,394
Other operating income	4,276	8,015
Other operating expenses:		
Impairment charges to assets	-1,263	0
Other	-11,950	-11,500
Operating profit/loss (EBIT)	**-2,640**	**-7,400**
Income from investments in associates and joint ventures	-566	1,173
Interest and similar income	1,440	1,312
Interest and similar expenses	-10,185	-9,509
Other financial result	1,224	-1,379
Financial result	**-8,087**	**-8,403**
Profit/loss before tax	**-10,727**	**-15,803**
Income taxes	-3,498	-899
Profit/loss after tax	**-14,225**	**-16,702**
Thereof attributable to non-controlling interests	-503	-888
Thereof attributable to hybrid capital holders	3,803	8,046
Thereof attributable to equity holders of the parent company	**-17,525**	**-23,860**
Earnings per share (in EUR)	**-0.15**	**-0.20**
Diluted earnings per share (in EUR)	**-0.15**	**-0.20**

Consolidated Statement of Comprehensive Income

in TEUR	1-3/2017	1-3/2016
Profit/loss after tax	**-14,225**	**-16,702**
Foreign exchange adjustments	9,465	-30,478
Foreign exchange adjustments to investments in associates and joint ventures	0	-1
Changes in the fair value of available-for-sale financial instruments	32	125
Changes in hedging reserves	-851	12,266
Other comprehensive income [1)]	**8,646**	**-18,088**
Total comprehensive income after tax	**-5,579**	**-34,790**
Thereof comprehensive income attributable to non-controlling interests	-502	-911
Thereof attributable to hybrid capital holders	3,803	8,046
Thereof comprehensive income attributable to equity holders of the parent company	**-8,880**	**-41,925**

1) The components of other comprehensive income are reported net of tax and will be recycled in future periods.

Consolidated Balance Sheet

in TEUR	31/3/2017	31/12/2016
Assets		
Intangible assets and goodwill	685,200	690,440
Property, plant and equipment	1,555,762	1,564,727
Investment property	86,209	85,733
Investments in associates and joint ventures	6,454	13,542
Other financial investments and non-current receivables	13,973	13,918
Deferred tax assets	18,252	17,367
Non-current assets	**2,365,850**	**2,385,727**
Inventories	775,913	718,359
Trade receivables	308,372	201,809
Receivables from current taxes	10,768	9,868
Other current receivables	67,896	66,278
Securities and other financial assets	59,108	52,740
Cash and cash equivalents	163,393	197,016
Non-current assets held for sale	5,390	5,380
Current assets	**1,390,840**	**1,251,450**
Total assets	**3,756,690**	**3,637,177**
Equity and liabilities		
Issued capital	117,527	117,527
Share premium	1,086,017	1,086,017
Hybrid capital	265,985	265,985
Retained earnings	555,547	586,961
Other reserves	-213,858	-222,503
Treasury stock	-4,862	-4,862
Controlling interests	**1,806,356**	**1,829,125**
Non-controlling interests	19,329	19,831
Equity	**1,825,685**	**1,848,956**
Deferred taxes	78,526	80,759
Employee-related provisions	171,129	171,488
Other non-current provisions	71,309	71,197
Long-term financial liabilities	628,432	481,434
Other non-current liabilities	3,923	3,991
Non-current provisions and liabilities	**953,319**	**808,869**
Current provisions	33,627	35,287
Payables for current taxes	13,994	15,912
Short-term financial liabilities	457,034	399,924
Trade payables	264,712	302,718
Other current liabilities	208,319	225,511
Current provisions and liabilities	**977,686**	**979,352**
Total equity and liabilities	**3,756,690**	**3,637,177**

Consolidated Statement of Cash Flows

in TEUR	1-3/2017	1-3/2016
Profit/loss before tax	-10,727	-15,803
Depreciation and amortization	46,290	47,430
Impairment charges to assets and other valuation effects	1,367	5,517
Increase/decrease in non-current provisions	-1,799	-3,220
Income from investments in associates and joint ventures	566	-1,173
Gains/losses from the disposal of fixed and financial assets	-83	-940
Interest result	8,745	8,197
Interest paid	-5,484	-2,412
Interest received	399	225
Income taxes paid	-8,482	-5,386
Gross cash flow	**30,792**	**32,435**
Increase/decrease in inventories	-58,371	-43,522
Increase/decrease in trade receivables	-107,116	-85,352
Increase/decrease in trade payables	-38,788	-39,828
Increase/decrease in other net current assets	-21,357	-41,026
Cash flow from operating activities	**-194,840**	**-177,293**
Proceeds from the sale of assets (including financial assets)	1,474	3,960
Payments made for property, plant and equipment and intangible assets	-28,474	-31,709
Dividend payments from associates and joint ventures	6,521	4,191
Increase/decrease in securities and other financial assets	-4,406	-14,705
Net payments made for the acquisition of companies	0	-7,990
Cash flow from investing activities	**-24,885**	**-46,253**
Cash inflows from the increase in short-term financial liabilities	398,981	240,421
Cash outflows from the repayment of short-term financial liabilities	-333,620	-37,244
Cash inflows from the increase in long-term financial liabilities	150,295	3,121
Cash outflows from the repayment of long-term financial liabilities	-26	-33
Hybrid coupon paid	-29,898	-32,520
Buyback hybrid capital	0	-5,968
Cash flow from financing activities	**185,732**	**167,777**
Change in cash and cash equivalents	**-33,993**	**-55,769**
Effects of exchange rate fluctuations on cash held	370	-1,448
Cash and cash equivalents at the beginning of the year	197,016	154,878
Cash and cash equivalents at the end of the period	**163,393**	**97,661**

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 1/1/2017	**117,527**	**1,081,155**	**265,985**	**586,961**	**-222,503**	**1,829,125**	**19,831**	**1,848,956**
Total comprehensive income				-13,722	8,645	**-5,077**	-502	**-5,579**
Hybrid coupon				-17,692		**-17,692**		**-17,692**
Balance on 31/3/2017	**117,527**	**1,081,155**	**265,985**	**555,547**	**-213,858**	**1,806,356**	**19,329**	**1,825,685**

in TEUR	Issued capital	Share premium/ treasury stock	Hybrid capital	Retained earnings	Other reserves	Controlling interests	Non-controlling interests	Total
Balance on 1/1/2016	**117,527**	**1,081,164**	**490,560**	**546,754**	**-199,889**	**2,036,116**	**18,103**	**2,054,219**
Total comprehensive income				-15,814	-18,065	**-33,879**	-911	**-34,790**
Hybrid coupon				-32,520		**-32,520**		**-32,520**
Change in hybrid capital			-5,968			**-5,968**		**-5,968**
Balance on 31/3/2016	**117,527**	**1,081,164**	**484,592**	**498,420**	**-217,954**	**1,963,749**	**17,192**	**1,980,941**

Operating Segments

1-3/2017 *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	100,298	271,903	77,643	132,852	74,322	2,405		659,423
Inter-company revenues	1,846	1,924	2,458	1,862	0	3,237	-11,125	202
Total revenues	102,144	273,827	80,101	134,714	74,322	5,642	-11,125	659,625
EBITDA	12,169	28,962	-204	6,863	3,849	-5,559		46,080
Operating EBIT	1,026	10,912	-5,680	785	-2,223	-6,197		-1,377
Impairment charges to assets	0	0	0	0	0	-1,263		-1,263
EBIT	1,026	10,912	-5,680	785	-2,223	-7,460		-2,640
Profit/loss after tax	-1,797	-96	-7,081	-3,100	-4,602	1,603	848	-14,225
Total investments	7,778	8,693	5,965	3,378	1,995	665		28,474
Capital employed	517,067	1,171,612	293,530	333,997	358,239	715		2,675,160
Ø Employees	4,402	5,956	2,318	1,837	1,318	207		16,038

1-3/2016 *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	86,819	255,020	72,133	131,143	63,182	2,193		610,490
Inter-company revenues	1,804	1,421	2,548	2,084	31	2,981	-10,594	275
Total revenues	88,623	256,441	74,681	133,227	63,213	5,174	-10,594	610,765
EBITDA	5,915	23,612	-863	14,800	2,288	-5,660		40,092
Operating EBIT	-5,459	5,497	-6,030	8,709	-3,877	-6,240		-7,400
EBIT	-5,459	5,497	-6,030	8,709	-3,877	-6,240		-7,400
Profit/loss after tax	-7,753	-1,634	-7,071	5,955	-6,361	-495	657	-16,702
Total investments	6,788	12,670	6,873	9,103	3,576	689		39,699
Capital employed	526,449	1,225,354	287,509	354,266	362,477	-4,373		2,751,682
Ø Employees	4,244	5,969	2,275	1,833	1,243	205		15,769

1) The Holding & Others segment includes the costs of the corporate headquarters and business activities in India. // 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 March 31, 2017 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 2016 as well as the accounting and valuation methods in effect on December 31, 2016 remain unchanged, with the exception of the IFRSs that require mandatory application as of January 1, 2017.

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	
IFRS 14	Regulatory Deferral Accounts	January 2014	1/1/2016	
IAS 12	Income Taxes: Recognition of Deferred Tax Assets for Unrealized Losses – Amendments	January 2016	1/1/2017	
IAS 7	Statement of Cash Flows: Disclosure Initiative	January 2016	1/1/2017	
	Annual Improvements to IFRSs 2014 - 2016 Cycle	December 2016	1/1/2017 / 1/1/2018	
IFRS 9	Financial Instruments: Hedge Accounting – Amendments to IFRS 9, IFRS 7 and IAS 39	November 2013	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	
IFRS 2	Share-based Payments – Amendments	June 2016	1/1/2018	
IFRS 4	Insurance Contracts – Amendments	September 2016	1/1/2018	
IAS 40	Investment Property: Amendments	December 2016	1/1/2018	
IFRIC 22	Foreign Currency Transactions and Advance Consideration	December 2016	1/1/2018	
IFRS 16	Leases	January 2016	1/1/2019	
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

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. Major changes concern the classification and subsequent measurement of financial assets. According to the new criteria, the characteristics of the financial instrument are of primary relevance, determining the method of measurement of debt instruments, equity instruments as well as derivatives. Another criterion is the business model under which the financial instruments are administered. In this regard one must define whether a financial instrument is to be held for trading or to maturity. Depending on the characteristics of the financial instruments, the following methods are applied to the recognition and subsequent measurement: at fair value through profit or loss, at fair value through other comprehensive income and at amortized cost. Financial assets measured at amortized cost or at fair value through other comprehensive income are now subject to more extensive provisions regarding impairment under IFRS 9, according to which current and forward-looking information on expected credit losses must be incorporated into the recognition and measurement of the assets. Another significant change relates to the revised rules on hedge accounting. Proof of effectiveness is no longer subject to the range of 80% - 125%, specified by the standard-setter, but can be reasoned by the entity in qualitative terms.

The new IFRS will be effective for financial years beginning on or after January 1, 2018. After reclassification, certain financial assets in the consolidated balance sheet of the Wienerberger Group will no longer be recognized through other comprehensive income but through profit or loss. Previously, however, the fluctuations in the value of the financial instruments concerned were not material. Furthermore, the other financial result in the income statement will show minor fluctuations as a result of the new hedge accounting regulations. Wienerberger is currently investigating the quantitative effects on its consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers was published in May 2014 and will replace IAS 18 Revenue, IAS 11 Construction Contracts, IFRIC 13 Customer Loyalty Programs, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers, and SIC 31 Revenue – Barter Transactions Involving Advertising Services. The standard defines the timing and the amount of revenue realized, regardless of the type of contract and service. The standard provides for a five-step framework for the determination of revenue, according to which the contract and the performance obligations of the contract are to be identified first. After the determination of the transaction price and its allocation to the individual performance obligations, the time of performance to realize the revenue must be identified. The new standard is mandatory for financial years starting after January 1, 2018. Wienerberger is currently investigating the effects on its consolidated financial statements.

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

IFRS 14 Regulatory Deferral Accounts governing the accounting treatment of price-regulated business transactions only applies to first-time adopters of IFRS and has not yet been adopted by the European Union for the time being; therefore, the standard has no effect on the consolidated financial statements of the Wienerberger Group.

The amendments to IAS 12 clarify the accounting treatment of deferred tax assets for unrealized losses on acquired debt instruments. Write-downs to the lower market value of debt instruments measured at fair value, resulting from a change in the prevailing market interest rate, result in deductible temporary differences. These amendments have no effect on consolidated financial statements.

The amendments to IAS 7 Statements of Cash Flows are intended to improve the disclosures regarding the company's level of debt. Additional information is to be provided on changes in the company's liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, as well as the related financial assets. These disclosures can be presented in the form of reconciliation and should comprise cash changes, changes from the acquisition or sale of companies, changes resulting from foreign currency translation, changes in fair values, and other changes.

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. Subject to acceptance by the EU, 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 final amendments to IFRS 15 were published in April 2016. The clarifications concern the identification of the separate performance obligations of a contract, the assessment as to whether an entity is the principal or the agent of a transaction, and whether revenue from licenses granted is to be recognized over time or at a certain point in time. Further simplifications are provided for in connection with the transitional rules. The new standard as well as its amendments, subject to adoption by the European Union, are mandatory for financial years starting after January 1, 2018. Wienerberger is currently investigating the effects on its consolidated financial statements.

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 cash-settled 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. Subject to acceptance by the EU, 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. Subject to acceptance by the EU, 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. The new standard is to ensure that all leasing transactions and the related contractual rights and obligations are recognized on the balance sheet of the lessee. Thus, the classification of leases as either operating leases or finance leases will be eliminated. The lessee will recognize the liability arising under the lease and, at the same time, capitalize the right to use the underlying asset, which corresponds to the present value of the future lease payments plus directly allocated costs. For the lessor, the rules are similar to those of IAS 17. Wienerberger is currently investigating the impact on the consolidated financial statements, assuming that the new accounting rule will result in an extension of the balance sheet.

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.

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 Poroton GmbH & Co KG and Silike keramika, spol. s.r.o. are classified as joint ventures, because they are managed jointly with an equal partner. Consequently, these two companies are accounted for at equity (50%).

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.

Within the framework 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 three months of 2017, deferred pro-rata coupon payments of TEUR 3,803 were taken into account in the calculation of earnings per share. As a result, earnings per share declined by € 0.03.

After Wienerberger exercised its right to redeem the 2007 hybrid bond on 14/12/2016, the bond was reported at fair value to financial liabilities as at 31/12/2016. The nominal amount of TEUR 221,812 was redeemed in the first quarter of the reporting year. Interest payable on this amount is accounted for under interest expenses.

Notes to the Consolidated Income Statement

Group revenues amounted to TEUR 659,625 for the first three months of 2017 (2016: TEUR 610,765), which is 8% higher than the comparable period of the previous year. EBITDA amounted to TEUR 46,080, which is higher than the comparable prior year value of TEUR 40,092. EBIT amounted to TEUR -2,640 for the reporting period, compared with TEUR -7,400 in 2016.

As at March 31, 2017, Wienerberger held 570,289 treasury shares, which were deducted for the calculation of earnings per share. The weighted number of shares outstanding from January 1, 2017 to March 31, 2017 was 116,956,475. The number of shares issued remained unchanged at 117,526,764 as at March 31, 2017.

Notes to the Consolidated Statement of Comprehensive Income

Positive income from foreign exchange differences of TEUR 9,465 (2016: TEUR -30,479) resulted, above all, from the Polish zloty. The hedging reserve decreased equity by TEUR -851 (2016: TEUR 12,266) after tax. Positive changes in the fair value of available-for-sale financial instruments totaled TEUR 32 (2016: TEUR 125). Profit after tax reported for the first three months of 2017 decreased equity by TEUR -14,225 (2016: TEUR -16,702). Total comprehensive income after tax decreased equity by TEUR -5,579 for the reporting period (2016: TEUR -34,790).

Notes to the Consolidated Statement of Cash Flows

Cash flow from operating activities of TEUR -194,840 was TEUR 17,547 lower than in the prior period (2016: TEUR -177,293). Of the impairments of assets and other valuation effects reported, an amount of TEUR -2,430 (2016: TEUR -62) was accounted for by property, plant and equipment and intangibles. These resulted primarily from the valuation of the portfolio of purchased CO_2 certificates. Other measurement effects include the valuation of inventories in the amount of TEUR -2,406 (2016: TEUR -3,198), the impairment of trade receivables in the amount of TEUR -372 (2016: TEUR -367) and the valuation of financial assets in the amount of TEUR 3,841 (2016: TEUR -1,890). Interest paid includes the interest expense for the 2007 hybrid bond, which was reclassified to financial liabilities as of 15/12/2016 and redeemed on 9/2/2017. Cash outflows of

TEUR 28,474 (2016: TEUR 39,699) for investments in non-current assets (incl. financial assets) and acquisitions included TEUR 28,474 (2016: TEUR 27,207) of normal capex for maintenance and investments in technical upgrades as well as TEUR 0 (2016: TEUR 12,492) of growth capex for acquisitions and plant expansion.

Notes to the Consolidated Balance Sheet

Normal and growth capex for the first three months of 2017 increased non-current assets by TEUR 28,474 (2016: TEUR 31,709). Net debt rose by TEUR 231,363 over the level of December 31, 2016 to TEUR 862,965 due to the seasonal increase in working capital. Commitments for the purchase of property, plant and equipment totaled TEUR 22,234 as at the balance sheet date (31/12/2016: TEUR 24,583).

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)]	Level 1	Level 2	Level 3	Carrying amount as at 31/3/2017
Assets					
Shares in funds	FV	6,643			6,643
Corporate Bonds	FV	5,035			5,035
Stock	FV	18			18
Other	FV		43	793	836
Available-for-sale financial instruments		**11,696**	**43**	**793**	**12,532**
Other non-current receivables	**AC**		**6,937**		**6,937**
Derivatives from cash flow hedges	FV		168		168
Derivatives from net investment hedges	FV		7,463		7,463
Other derivatives	FV		4,375	1,751	6,126
Derivatives with positive market value			**12,006**	**1,751**	**13,757**
Liabilities					
Derivatives from cash flow hedges	FV		1,326		1,326
Derivatives from net investment hedges	FV		3,675		3,675
Other derivatives	FV		5,934		5,934
Derivatives with negative market value			**10,935**		**10,935**
Long-term loans	AC		235,486		230,272
Roll-over	AC		347,748		347,198
Short-term loans	AC		23,145		24,077
Financial liabilities owed to financial institutions			**606,379**		**601,547**
Bonds – long-term	AC	442,265			398,008
Bonds – short-term	AC	15,325			15,325
Long-term loans	AC		16		16
Commercial paper – short-term	AC		54,076		59,399
Short-term loans	AC		51		52
Finance leases	AC		170		170
Financial liabilities owed to subsidiaries	AC		14		14
Financial liabilities owed to non-banks		**457,590**	**54,327**		**472,984**

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

in TEUR	Accounting method [1]	Level 1	Level 2	Level 3	Carrying amount as at 31/12/2016
Assets					
Shares in funds	FV	6,679			6,679
Corporate bonds	FV	9,195			9,195
Stock	FV	18			18
Other	FV		42	812	854
Available-for-sale financial instruments		**15,892**	**42**	**812**	**16,746**
Other non-current receivables	**AC**		**6,883**		**6,883**
Derivatives from cash flow hedges	FV		358		358
Derivatives from net investment hedges	FV		9,051		9,051
Other derivatives	FV		3,610		3,610
Derivatives with positive market value			**13,019**		**13,019**
Liabilities					
Derivatives from cash flow hedges	FV		589		589
Derivatives from net investment hedges	FV		4,241		4,241
Other derivatives	FV		7,166		7,166
Derivatives with negative market value			**11,996**		**11,996**
Long-term loans	AC		85,941		83,471
Roll-over	AC		80,817		81,588
Short-term loans	AC		25,277		25,261
Financial liabilities owed to financial institutions			**192,035**		**190,320**
Bonds – long-term	AC	428,265			397,822
Bonds – short-term	AC	244,264			246,649
Long-term loans	AC		89		89
Commercial paper – short-term	AC		34,103		34,416
Finance leases	AC		51		51
Financial liabilities owed to subsidiaries	AC		15		15
Financial liabilities owed to non-banks		**672,529**	**34,258**		**679,042**

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

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 as available-for-sale financial instruments 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 the financial liabilities reported in the above table are made by modifying the counterparty risk.

Risk Report

Wienerberger focuses on the early identification and active management of risks in its operating environment within the context of the principles defined by the Managing Board. The major risks identified by the Group were the slow recovery of the construction industry in individual markets and the resulting pressure on prices as well as competition from substitution products, such as concrete, steel, wood, limestone, glass or aluminum. 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, 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 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 two members of Wienerberger top management, which 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 29,283 as of March 31, 2017

(31/12/2016: TEUR 28,754) and consist primarily of land and buildings totaling TEUR 11,726 (31/12/2016: TEUR 11,826) and securities and liquid funds of TEUR 14,854 (31/12/2016: TEUR 14,727). The foundation had provisions of TEUR 8,974 (31/12/2016: TEUR 8,904) and no financial liabilities as of March 31, 2017.

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 15,946 as of March 31, 2017 (31/12/2016: TEUR 11,012), while the comparable amount for non-consolidated subsidiaries was TEUR 7,573 (31/12/2016: TEUR 7,268). In addition, trade receivables due from joint ventures amounted to TEUR 68 (31/12/2016: TEUR 452), while the comparable amount for non-consolidated subsidiaries was TEUR 327 (31/12/2016: TEUR 721) as of the balance sheet date. Revenues of TEUR 202 were recognized with joint ventures in the first three months of 2017 (2016: TEUR 195) and TEUR 0 (2016: TEUR 79) with non-consolidated subsidiaries.

Significant events after the balance sheet date

Between the balance sheet date March 31, 2017 and the publication of the report on May 10, 2017 there were no events subject to disclosure.

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 three months of the financial year and their impact on the interim financial statements, of the principal risks and uncertainties for the remaining nine months of the financial year and of the major related party transactions to be disclosed.

Vienna, May 10, 2017

The Managing Board of Wienerberger AG

Heimo Scheuch
Chief Executive Officer

Willy Van Riet
Chief Financial Officer

Financial Calendar

January 30, 2017	*Start of the quiet period*
February 22, 2017	Results of 2016: Press and Analysts Conference in Vienna
March 29, 2017	Publication of the 2016 Annual Report on the Wienerberger website
April 24, 2017	*Start of the quiet period*
May 9, 2017	Record date 148th Annual General Meeting
May 10, 2017	Results for the First Quarter of 2017
May 19, 2017	148th Annual General Meeting in the Austria Center Vienna
May 23, 2017	Deduction of dividends for 2016 (ex-day)
May 24, 2017	Record date for 2016 dividends
May 26, 2017	Payment day for 2016 dividends
June 29, 2017	Publication of the Sustainability Report 2016
July 31, 2017	*Start of the quiet period*
August 17, 2017	Results for the First Half-Year 2017: Press and Analysts Conference
September 13-14, 2017	Capital Markets Day 2017
October 23, 2017	*Start of the quiet period*
November 8, 2017	Results for the First Three Quarters of 2017

Information on the Company and the Wienerberger Share

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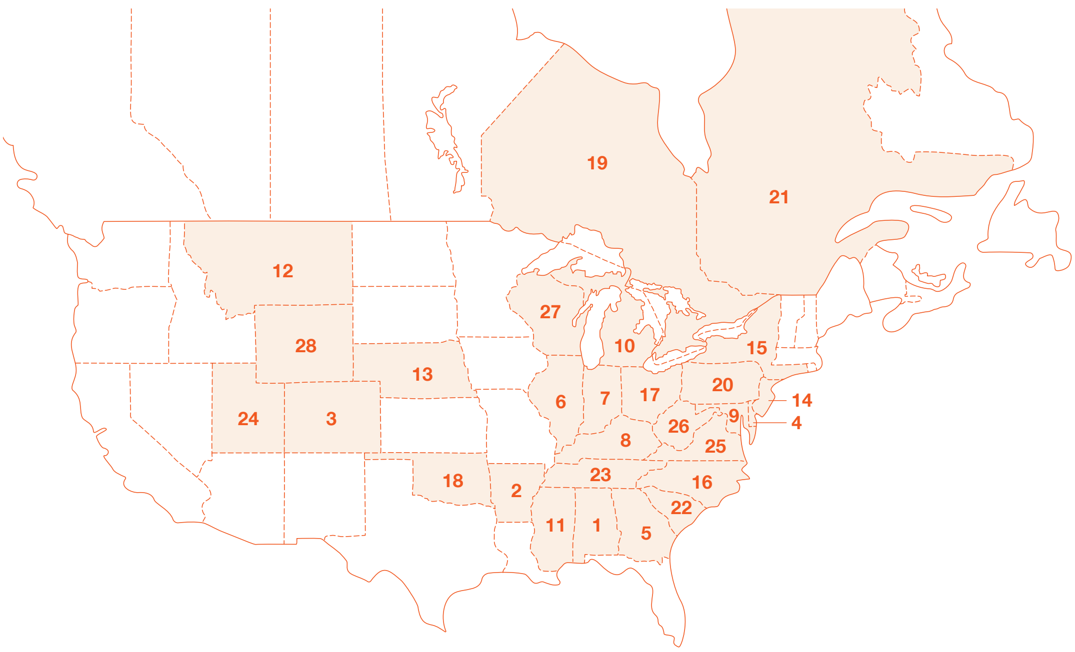
Shareholders' Telephone	+43 1 601 92 10221
E-Mail	investor@wienerberger.com
Internet	www.wienerberger.com
Vienna Stock Exchange	WIE
Thomson Reuters	WBSV.VI; WIE-VI
Bloomberg	WIE AV
Datastream	O: WNBA
ADR Level 1	WBRBY
ISIN	AT0000831706

Wienerberger Online Annual Report 2016:
http://annualreport.wienerberger.com

Production Sites and Market Positions

Wienerberger is the only multinational producer of bricks, roof tiles, concrete pavers and pipe systems with a total of 198 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*	4			1		
2	*Arkansas**	5				1	
3	*Colorado*	1	1		1		
4	*Delaware**	5					
5	*Georgia*	1	2				
6	*Illinois*	3			2		
7	*Indiana*	1	1		2		
8	*Kentucky*	1			2		
9	*Maryland**	2					
10	*Michigan*	2			2		
11	*Mississippi**	6					
12	*Montana*	1			1		
13	*Nebraska**	6					
14	*New Jersey**	3					
15	*New York**	3					
16	*North Carolina*	1	2	1	4		
17	*Ohio**	2					
18	*Oklahoma**	6					
19	*Ontario*						1
20	*Pennsylvania**	3					
21	*Quebec*						1
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.*

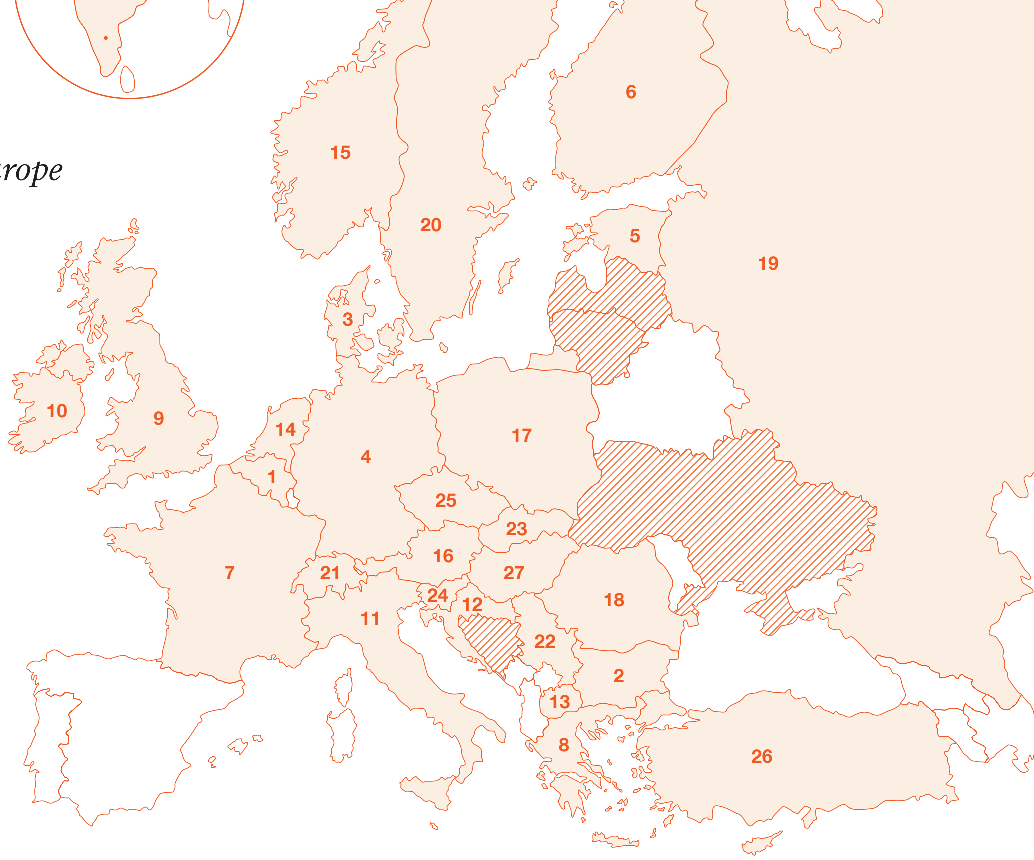
Status March 2017

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

1	Belgium	1	1	3	6	2		1	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	5	1	3		1	
8	Greece							1	
9	Great Britain	2	1		9	4			
10	Ireland							1	
11	Italy	1		4					
12	Croatia	1	1	1		2	1		
13	Macedonia		1			1			
14	Netherlands	1	1	1	7	3	5	2	
15	Norway*							2	
16	Austria	1	1	7	1	2	4	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	2		2			
22	Serbia		1			1			
23	Slovakia	1	1	2			1		
24	Slovenia	1	1	1		1			
25	Czech Republic	1	1	7		4	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 March 2017

No more flash flooding

Climate change is progressing and its impact is being felt all over the world. Extreme rainfall events have become more and more frequent over the past forty years. This is a particular problem for urban agglomerations, where large sealed surfaces are unable to absorb infiltration water and the sewer systems are not designed for such huge quantities of water. As a result, flash flooding occurs. With its Raineo system, Pipelife, the plastic pipe specialist, offers a forward-looking smart solution.

Rainwater harvesting and treatment

Raineo is simple and effective: Rainwater is collected, purified through filtering, stored underground in so-called Stormboxes and reused for various purposes. On the one hand, water can thus be harvested for irrigation or sanitary facilities. On the other hand, rainwater returns to the water cycle through infiltration and maintains the natural function of the soil.

The Stormbox is the core of this patented system. With about 95% of its volume available for storage, it can take up to 206 liters of water. For temporary rainwater storage, several Stormboxes are stacked and connected with one another. They take high loads and can handle any volume of collected water – from parking lots to airport runways. Pipelife supports its customers throughout the project by offering advice and software solutions from the planning phase to completion. Raineo is already in use in 25 markets served by Pipelife.

Interior view: One Stormbox can hold up to 206 liters of water.

More Success Stories in the Annual Report 2016
and on annualreport.wienerberger.com

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Available in German and English.