Wienerberger
Building Material Solutions

Wait and see what the future brings ...

Annual Report 2012

The Year 2012 in Review

Wienerberger increased revenues by 23% and operating EBITDA by 2% during 2012 in a difficult market environment. The Group's results were influenced by three major developments: an earnings decline in the European brick business due to weaker residential construction across Europe, a substantial positive contribution from the acquisition of Pipelife in May 2012 and moderate recovery on the US new residential construction market with a resulting improvement in revenues and earnings in the North America Division. The Bricks & Tiles Europe Division recorded a decline in revenues and earnings for the year because the European construction industry was again faced with the negative effects of the euro and sovereign debt crisis and new residential construction subsequently fell below the 2009 crisis year in a number of key markets. These developments were met with a restructuring program that involves non-recurring costs of approx. € 43 million, but will bring sustainable costs savings of € 50 million by year-end 2014. The costs for the restructuring program and other non-recurring cash effects resulted in a loss of € 40.5 million for the year.

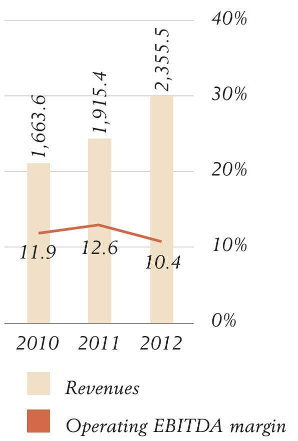
Wienerberger again demonstrated its cash flow-generating strength in 2012 despite the difficult market environment and increased free cash flow by 21% to € 164 million. That represents a free cash flow yield of 20% at year-end. The Group's strong capital structure was underscored by a ratio of net debt to operating EBITDA that equaled 2.2 years at year-end 2012. The Managing Board will therefore recommend a € 0.12 dividend per share for the 2012 financial year to the annual general meeting. With the takeover of Pipelife, Wienerberger developed a second major business that provides additional growth potential for the coming years and completed the transformation from a brick producer to an international supplier of application-oriented building material solutions.

Market Positions

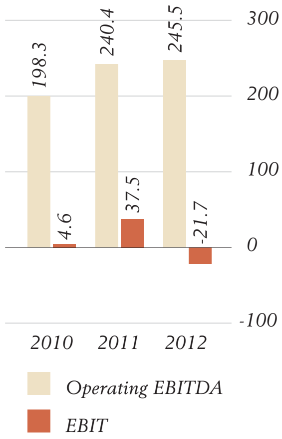
Wienerberger is the world's largest producer of clay blocks and number one in facing bricks in Europe and the USA as well as the market leader for clay roof tiles in Europe. The Group is also one of the leading suppliers of plastic pipes and ceramic pipes in Europe and concrete pavers in Central-East Europe.

Clay blocks:	**Nr. 1 worldwide**
Facing bricks:	**Nr. 1 in Europe, co-leader in the USA**
Clay roof tiles:	**Nr. 1 in Europe**
Plastic pipes:	**Leading position in Europe**
Ceramic pipes:	**Nr. 1 in Europe**
Concrete pavers:	**Nr. 1 in Central-East Europe**

Revenues and Operating EBITDA Margin
in € mill. and %

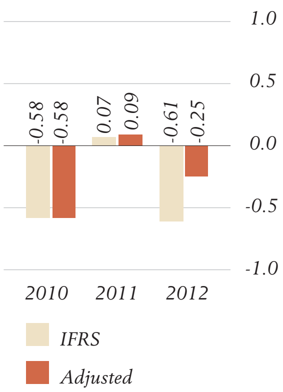


Operating EBITDA and EBIT
in € mill.

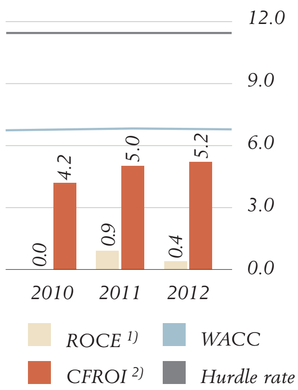


Equity and Net Debt
in € mill.

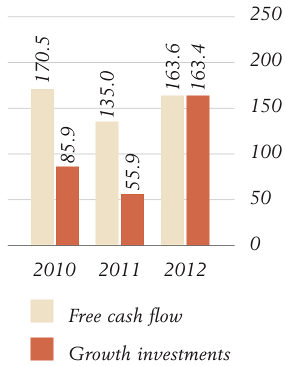
Earnings per Share
in €



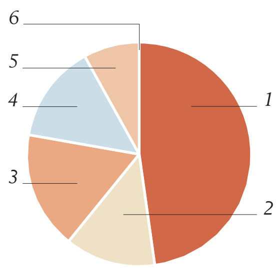
ROCE and CFROI
in %



Free Cash Flow and Growth Investments
in € mill.

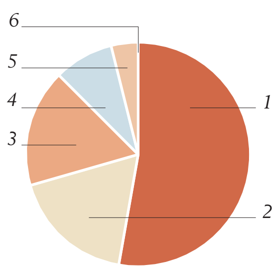


Revenues by Segment



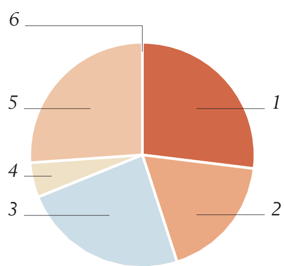
1 Bricks & Tiles West Europe 48%
2 Bricks & Tiles East Europe 13%
3 Pipes & Pavers West Europe 17%
4 Pipes & Pavers East Europe 14%
5 North America 8%
6 Holding & Others 0%

Operating EBITDA by Segment



1 Bricks & Tiles West Europe 56%
2 Bricks & Tiles East Europe 19%
3 Pipes & Pavers West Europe 18%
4 Pipes & Pavers East Europe 9%
5 North America 4%
6 Holding & Others -6%

Revenues by Product



1 Wall 27%
2 Roof 18%
3 Facade 24%
4 Surface 5%
5 Pipes 26%
6 Holding & Others 0%

1) Calculation based on average capital employed (2012 calculated on pro-forma 12-month basis)
2) Calculation based on average historical capital employed (2012 calculated on pro-forma 12-month basis)

Earnings Data		**2010 1)**	**2011 1)**	**2012**	**Chg. in %**
Revenues	*in € mill.*	1,663.6	1,915.4	2,355.5	+23
Operating EBITDA 2)	*in € mill.*	198.3	240.4	245.5	+2
Operating EBIT 2)	*in € mill.*	4.6	40.0	31.0	-23
Restructuring costs and impairment charges to property, plant and equipment	*in € mill.*	0.0	0.0	-43.0	<-100
Impairment charges to goodwill	*in € mill.*	0.0	-2.6	-9.8	<-100
EBIT	*in € mill.*	4.6	37.5	-21.7	<-100
Profit before tax	*in € mill.*	-42.5	47.4	-36.2	<-100
Profit after tax	*in € mill.*	-35.4	39.4	-40.5	<-100
Free cash flow 3)	*in € mill.*	170.5	135.0	163.6	+21
Normal capex	*in € mill.*	57.6	95.8	105.3	+10
Growth capex	*in € mill.*	85.9	55.9	163.4	>100
ROCE 4)	*in %*	0.0	0.9	0.4	-
CFROI 5)	*in %*	4.2	5.0	5.2	-
Ø Employees		11,296	11,893	13,060	+10

Balance Sheet Data		**2010 1)**	**2011 1)**	**2012**	**Chg. in %**
Equity 6)	*in € mill.*	2,503.3	2,430.8	2,363.7	-3
Net debt	*in € mill.*	362.3	358.8	602.0	+68
Capital employed	*in € mill.*	2,718.4	2,652.1	2,931.3	+11
Balance sheet total	*in € mill.*	4,001.3	3,991.4	4,139.7	+4
Gearing	*in %*	14.5	14.8	25.5	-

Stock Exchange Data		**2010 1)**	**2011 1)**	**2012**	**Chg. in %**
Earnings per share	*in €*	-0.58	0.07	-0.61	<-100
Adjusted earnings per share 2)	*in €*	-0.58	0.09	-0.25	<-100
Dividend per share	*in €*	0.10	0.12	0.12	0
Share price at year-end	*in €*	14.29	6.97	6.93	-1
Shares outstanding (weighted) 7)	*in 1,000*	116,528	116,762	115,063	-1
Market capitalization at year-end	*in € mill.*	1,679.5	819.2	814.3	-1

Divisions 2012 *in € mill. and %*	**Bricks & Tiles Europe**		**Pipes & Pavers Europe**		**North America**		**Holding and Others**		**Reconciliation**	
Third party revenues	1,443.8	*(-6%)*	711.2	*(>100%)*	193.8	*(+43%)*	5.4	*(+23%)*		
Inter-company revenues	2.4	*(-27%)*	0.3	*(na)*	0.1	*(na)*	8.7	*(-2%)*	-10.2	*(-3%)*
Revenues	1,446.2	*(-6%)*	711.5	*(>100%)*	193.9	*(+43%)*	14.1	*(+7%)*	-10.2	*(-3%)*
Operating EBITDA 2)	183.5	*(-22%)*	67.4	*(>100%)*	9.8	*(>100%)*	-15.2	*(-3%)*		
Operating EBIT 2)	36.4	*(-57%)*	31.6	*(>100%)*	-14.7	*(+53%)*	-22.3	*(+2%)*		
CFROI in % 5)	4.8	-	13.7	-	1.7	-	-24.4	-		
Total investments	65.4	*(-43%)*	183.9	*(>100%)*	15.3	*(+89%)*	4.1	*(>100%)*		
Capital employed	1,895.2	*(-3%)*	568.6	*(>100%)*	458.7	*(-5%)*	8.8	*(-62%)*		
Ø Employees	8,743	*(-3%)*	3,044	*(+100%)*	1,064	*(-6%)*	209	*(+1%)*		

1) The data were adjusted to reflect a change in accounting policies
2) Adjusted for non-recurring income and expenses
3) Cash flow from operating activities minus cash flow from investing activities plus growth capex
4) Calculation based on average capital employed (2012 calculated on pro-forma 12-month basis)
5) Calculation based on average historical capital employed (2012 calculated on pro-forma 12-month basis)
6) Equity including non-controlling interests and hybrid capital
7) Adjusted for treasury stock

Note:
In the table of the division data, changes in % to the comparable prior year period are shown in brackets.
All abbreviations and special terms are explained in the glossary on page 172.

… that’s something we’ll leave to the others.

At Wienerberger, we want to take things into our own hands.

Our Corporate Culture

What we strive for

Supplying outstanding sustainable building material solutions for a better quality of life

What we work for

We develop energy-efficient, resource-efficient and sustainable building material solutions that set industry standards. We are committed to continuous improvement and technological leadership to create the highest added value for our customers.

What we stand for

Expertise – Passion – Integrity and Respect – Customer Orientation – Entrepreneurship – Quality – Responsibility

And we already have the right cards in our hand today to meet tomorrow’s challenges.

Stormy times require an even clearer course.

Residential construction is cyclical because it is heavily dependent on macroeconomic trends and consumer confidence. This confidence is currently very weak in Europe and has pushed new residential construction to a record low.

Our motto:
Never bet everything on a single card.

In recent years Wienerberger has followed a strategy to reduce the dependence on new residential construction by extending the core business in less cyclical areas (renovation, infrastructure). The full takeover of Pipelife, one of the leading plastic pipe suppliers in Europe, during May 2012 set a strategic milestone in this direction. Group revenues rose by 23% to € 2,355.5 million and operating EBITDA by 2% to € 245.5 million in a very difficult market environment for the brick business, with Pipelife contributing € 511.7 million to revenues and € 49.5 million to earnings. Pipelife also offers interesting growth prospects for the future in new areas.

You can't change the market.
But you can change your strategy.

The construction industry was again faced with the negative effects of the euro and sovereign debt crisis in 2012, which led to growing uncertainty, low consumer confidence and limited bank lending. As a result, new residential construction declined significantly in large parts of Europe and even fell below the 2009 crisis year in a number of key Wienerberger markets.

Our answer to weaker demand: better quality.

In this difficult market environment, Wienerberger is strengthening its focus on premium products. System solutions by Wienerberger allow for more energy-efficient, safer and faster construction and, in this way, meet today's market trends. The result: in contrast to the declining demand, Wienerberger further expanded the share of premium products and offset cost inflation with price adjustments, in total for a 4% year-on-year increase in average prices.

We don't know what the future will bring.

Recent years have shown that the prevailing uncertainty makes it impossible to produce a reliable market outlook. Visibility over the European markets is also low for 2013, and forecasts for the development of residential construction are therefore limited. But when you have a sound economic base, you are well prepared for anything that comes your way.

But we do know one thing for sure: we're strong enough to face anything.

Our strength gives us confidence. Wienerberger has a strong financial base with gearing that equaled only 26% at year-end 2012 and sufficient financial flexibility. We again demonstrated our strong cash flow-generating capability during the past year and increased free cash flow by 21% to € 164 million in a difficult market environment. Despite the acquisition of Pipelife, we successfully held the ratio of net debt to operating EBITDA to 2.2 years at the end of 2012.

To make construction energy efficient, you first have to invest energy.

The cards are being reshuffled. Starting in 2020, all newly constructed buildings must meet nearly zero energy standards according to an EU guideline. That means a building must produce as much energy as it consumes. It also means the construction and building materials industries are facing new major challenges.

We are already one step ahead of the future.

The pioneer spirit really pays off. Continuous innovation makes it possible for Wienerberger to offer sustainable building material solutions today for the energy-efficient construction of the future. High thermal insulating bricks filled with mineral wool are now used to build energy-neutral houses that combine healthy, comfortable living and environmental awareness. One environmentally friendly development from the ceramic pipe systems portfolio is the jacking pipe, which can be easily installed through a shaft, without excavation or extensive earth movements. Wienerberger is working on the steady development of its products and systems in all areas to create added value for customers with innovative, sustainable solutions. The share of revenues generated by premium products rose further to 23.4% in 2012.


QUALITY
BALANCE
STABILITY

We're holding a strong hand.

The future of construction and infrastructure lies in energy efficiency, reliability and affordability. We offer the right solutions to meet these demands today which is why we are eager to show our hand. Wienerberger has a strong financial base and a diversified product portfolio with a focus on quality and innovation. User-oriented and innovative, comprehensive building material solutions for our customers form the basis for our sustainable success.

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The chapters in red are part of the audited management report.

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Quick Response (QR) Codes

You will find QR codes at selected points in this annual report. Scan the codes with your smartphone and visit the linked websites for more detailed information.

www.wienerberger.com

CHIEF EXECUTIVE'S REVIEW

Dear Shareholders,

Improvement in operating results due to expansion of pipe business, even though markets remained difficult in 2012

Wienerberger increased revenues by 23% and operating EBITDA by 2% during 2012 in a difficult market environment. Our results for the year were influenced by three major developments: an earnings decline in the European brick business due to weaker residential construction across Europe, a substantial positive contribution from the acquisition of Pipelife in May 2012 and moderate recovery on the US new residential construction market with a resulting improvement in revenues and earnings in the North America Division. The takeover of the Pipelife Group, one of the leading European plastic pipe producers, and the resulting expansion of a new, strong business allowed us to stabilize operating results at the Group level and create a broader industrial base for Wienerberger's future.

Challenging market environment leads to revenue and earnings declines for Bricks & Tiles Europe

An analysis by division illustrates the different developments in our core businesses during the past year. In the Bricks & Tiles Europe Division, 2012 brought lower volumes and earnings. The reason for this decline was a drop in construction activity on nearly all European markets, in part at a double-digit level. The European construction industry was again faced with the negative effects of the euro and sovereign debt crisis, which materialized in widespread uncertainty, low consumer confidence and restrictive bank lending. This pushed new residential construction below the level of the 2009 crisis year in a number of key Wienerberger countries, including the Netherlands, Belgium, France and Poland. In this difficult operating environment, Wienerberger successfully implemented price adjustments to offset cost inflation and increased volumes of premium products in spite of the negative market trend. Average prices were 4% higher than the previous year. However, weaker capacity utilization and the related higher unit costs had a negative impact on earnings and led to a 22% decline in operating EBITDA for the Bricks & Tiles Europe Division.

Approx. € 50 million of cost savings expected from restructuring program by year-end 2014

We reacted quickly and launched a restructuring program in the second half of 2012 to adjust cost structures in the Bricks & Tiles Europe Division and expanded this program in the fourth quarter. In addition to the mothballing of plants, our main actions include the adjustment of shift models and the further optimization of administrative overheads. The related non-recurring costs of € 43 million were fully recognized in the reporting year, with individual measures scheduled for implementation in 2013. These costs will be more than offset with savings of approx. € 50 million by year-end 2014, whereby almost € 14 million were realized in 2012. We expect a further € 18 million of cost savings from this program in 2013 and again in 2014. With the appointment of a new management team under the direction of my former board colleague Johann Windisch, we also strengthened our focus on this business. Johann Windisch resigned from the Wienerberger Managing Board at the end of 2012 to fully concentrate on the Bricks & Tiles Europe Division. The goal of the new management team is to sustainably improve the division's profitability through a concentration on operational excellence as well as product and process innovations.

Heimo Scheuch, Chief Executive Officer of Wienerberger AG

Initial consolidation of Pipelife brings sound revenue and earnings growth for Pipes & Pavers Europe

The earnings decline in the Bricks & Tiles Europe Division was contrasted by a solid increase in revenues and earnings in our new Pipes & Pavers Europe Division. In addition to the continuing sound development of the ceramic pipe business, the main driver for this growth was the full consolidation of the Pipelife Group as of May 31, 2012. Pipelife is one of the leading European producers of plastic pipe systems with 27 plants in Europe and the USA and roughly 2,650 employees in 27 countries. Northern Europe, Benelux, France and Austria are the most important sales regions and together generate more than half the group's revenues. The Pipelife portfolio covers system solutions for building installations, drinking water supply, irrigation, wastewater and rain water management systems, energy supply and drainage as well as special products for industrial applications. Similar to Wienerberger, Pipelife also places a strong emphasis on the further development and innovation of its products. The specialist for plastic pipe systems contributed revenues of € 479 million and operating EBITDA of € 46 million to the Pipes & Pavers Division in the seven months after the initial consolidation. In addition to organic volume growth and successful price and cost management during the reporting year, Pipelife benefited from the May 2011 acquisition of Alphacan's French plastic pipe division. The Pipelife takeover reduces Wienerberger's dependence on cyclical new residential construction from 70% to 60% of revenues and strengthens our positioning in the renovation and infrastructure segments. The new pipe systems business also creates interesting opportunities for growth in both Eastern and Western Europe due to pent-up demand for higher sewage network coverage in the east and the renovation backlog in the west.

North America Division with sound improvement in revenues and earnings

The North America Division saw the first signs of recovery in the construction industry from a very low level during the reporting year. As expected, the brick business in this division completed the turnaround in operating EBITDA. The contribution from the initial consolidation of Pipelife's US plastic pipe business also supported a sound improvement in revenues and earnings for this division in 2012.

Earnings per share equal € -0.61

Despite the improvement in operating EBITDA, the Wienerberger Group recorded an after-tax loss of € 41 million for 2012. The bottom line was negatively affected, above all, by € 43 million of costs from the restructuring program, approx. € 10 million of impairment charges to goodwill for brick activities in Croatia and roughly € 20 million of special write-downs to production equipment. Earnings per share equaled € -0.61 for the reporting year, compared with € 0.07 in 2011, after the deduction of non-controlling interests and the hybrid coupon.

Free cash flow yield of 20%

Wienerberger again demonstrated its cash flow-generating strength in 2012 and, supported by strict working capital management, increased free cash flow by more than 20% to € 164 million. That represents a free cash flow yield of 20% at year-end. The ratio of net debt to operating EBITDA equaled 2.2 at the end of 2012, despite the Pipelife takeover, and is clearly below our internally defined limit of 2.5 years.

Recommended dividend of € 0.12 per share

The Managing Board will recommend a € 0.12 dividend per share for the 2012 financial year to the annual general meeting on May 14, 2013. We are reporting a loss for 2012, but it was caused primarily by approx. € 47 million of non-cash effects. This is contrasted by our strong free cash flow. We believe in Wienerberger's strength to generate sustainable cash flows in the future and want to communicate this confidence to you, our shareholders, through the dividend.

Significant revenue and earnings improvement expected for 2013, above all due to initial consolidation of Pipelife

Our goal for 2013 is to substantially improve revenues and earnings and to return to the profit zone. Forecasts for the Bricks & Tiles Europe Division are limited because of low visibility over the development of relevant markets. We see additional challenges in the operating environment in Europe and slight weakness in the demand for building materials. Further revenue and earnings declines are therefore likely in the Bricks & Tiles Europe Division, but these developments should be offset by the above-mentioned cost savings. The Pipes & Pavers Europe Division should produce strong revenue and earnings growth for the full year due to the initial consolidation of Pipelife. We also see an improvement in earnings for the North America Division based on a continued positive trend in new residential construction. Supported by these developments, I expect a significant increase in operating EBITDA for the Group in 2013.

Financial discipline remains top priority

Our focus remains on financial discipline and, consequently, on the generation of free cash flow through organic growth, an increase in profitability through continuous optimization, a restrictive investment policy and strict working capital management. Normal capex, which includes maintenance as well as technological improvements and expansion for product innovations, is forecasted to total € 115 million in 2013. The ratio of net debt to operating EBITDA should also remain below the targeted 2.5 years at year-end. A recently established project team is now working on the structured sale or development of our non-core real estate. This should add nearly € 100 million of additional liquidity over the next four years. Within our financial capacity, we will also utilize opportunities for selective expansion through smaller, value-creating acquisitions, especially in the renovation segment. Included here are all projects that help us to meet our CFROI goal of over 11.5% at the Group level over the mid-term.

Continued focus on organic growth

Our short-term goals for the operating business concentrate, above all, on organic growth. We plan to generate further growth and expand our market positions over the coming years through innovation, high-quality system solutions for (infrastructure) building materials and a comprehensive range of supporting services.

Thanks to employees, management, Supervisory Board and shareholders

Wienerberger's strengths are based on a dynamic and efficient corporate culture in which common goals, entrepreneurship and responsible behavior are a matter of course. Our operating companies owe their success to their highly motivated employees and managers whose drive to achieve is supported by the Group's corporate services. This dedication is also honored by our customers and business partners. I would like to thank the members of the Supervisory Board for their interesting and supportive discussions and the efficient handling of issues, and my colleagues on the board for their intensive and constructive teamwork during the past year. My special thanks go out to our employees and managers for their outstanding commitment, especially in these difficult times. In conclusion, I would like to thank you, our shareholders, for your continuing trust in Wienerberger during the past year. I look to the future with optimism, and I invite you to join us on this course.

Yours

CORPORATE GOVERNANCE REPORT

Corporate Governance at Wienerberger

Implementation of strict principles for good management and transparency

For many years Wienerberger has followed a strategy that is designed to maximize cash flows in order to create and maintain a sustainable increase in shareholder value. Strict principles of good management and transparency as well as the continuous development of an efficient control system form the basis for meeting this goal.

Compliance Code to prevent insider trading and code of conduct for lobbying activities

We give the highest priority to providing all shareholders with the same comprehensive information. To prevent insider trading, we have released a compliance guideline that implements the provisions of the Issuer Compliance Code published by the Austrian Financial Market Authority. A compliance officer monitors the observance of these rules. A code of conduct based on the Austrian Lobbying Act covers all corporate bodies and the employees of Austrian companies in which Wienerberger AG holds a controlling interest. This code defines the principles for lobbying activities and can be reviewed on the Wienerberger website (www.wienerberger.com).

Voluntary observance of Austrian Corporate Governance Code

The Austrian Corporate Governance Code (see www.corporate-governance.at) was enacted in October 2002 and adapted as of July 1, 2012 to reflect the latest amendments to the Austrian Stock Corporation Act and the Commercial Code, in particular regarding the remuneration system for directors and the composition of the supervisory board of publicly traded companies. The foundation of the code is formed by Austrian stock corporation, stock exchange and capital market law as well as the recommendations of the European Commission on the duties of the supervisory board and the remuneration of directors and the OECD guidelines for corporate governance. The code provides a framework for corporate management and control. Its guiding principles are intended to strengthen the confidence of investors in the company and in Austria as a financial marketplace, and include equal treatment for all shareholders, transparency, the independence of the supervisory board, open communications between the managing board and supervisory board, the avoidance of conflicts of interest by bodies of the corporation and efficient control by the supervisory board and auditor. The code exceeds legal requirements, and compliance is voluntary. Observance of the code also means that the failure to meet C-Rules ("comply or explain") must be explained and disclosed.

Wienerberger is the leader for transparency

Wienerberger was one of the first companies to announce its support for the Austrian Corporate Governance Code and to commit to compliance with its rules. Wienerberger met all rules and recommendations of the code (in the version dated July 2012) during the reporting year. The corporate governance report is integrated in this annual report (pages 20 to 37).

Evaluation and confirmation of compliance by KPMG and the Audit Committee

The implementation and correctness of our public announcements is evaluated by KPMG Wirtschaftsprüfungs- und Steuerberatungs AG based on a two-year cycle in accordance with the standards issued by the International Federation of Accountants for reviews, and their report is published on our website. The last auditor's evaluation of our adherence to the rules of the code and the correctness of our announcements was carried out in 2012 and confirmed that the public declarations of compliance are correct. Compliance with the provisions of the code that relate to the auditor is evaluated by the Audit Committee of the Supervisory Board. The Audit Committee recently evaluated the auditor's compliance with the provisions of the code, and reported to the Supervisory Board that this review did not identify any deviations.

Disclosure of auditor's fees

The 143rd Annual General Meeting nominated KPMG Wirtschaftsprüfungs- und Steuerberatungs AG to audit the 2012 consolidated financial statements and the annual financial statements of Wienerberger AG. In addition to this function, KPMG also provides tax and financial consulting services for the Wienerberger Group through its global network of partner offices. Consulting fees charged by KPMG, excluding the audit of financial statements, totaled € 0.5 million for the entire Group in 2012. The fees for the audit of the Wienerberger Group and related services amounted to € 2.0 million.

Internal audit function further improves risk management

In order to strengthen risk management, Wienerberger has installed an internal audit department. The Managing Board and internal audit department regularly evaluate operating processes to strengthen risk management and identify opportunities for improvement, and also monitor compliance with legal regulations, internal guidelines and procedures. These activities are based on an audit plan coordinated with the Audit Committee and approved by the Managing Board as well as a groupwide risk assessment of corporate activities. In recent years the internal control system (ICS) was extended to support the early identification and management of risks and various measures were implemented and reviewed (see page 34). Internal audit regularly reports to the Managing Board and the Audit Committee on the audit findings and the internal audit plan for the following year. A management letter prepared by the auditor and a report by this firm on the efficiency of risk management in the Wienerberger Group were presented to the chairman of the Supervisory Board and discussed by the entire Supervisory Board.

"One share – one vote" applies in full

Wienerberger AG has issued 117.5 million common shares. There are no preferred shares or limitations on common shares, and the principle "one share – one vote" therefore applies in full. In accordance with the Austrian Corporate Takeover Act, each shareholder will receive the same price for his or her Wienerberger shares in the event of a mandatory offer. Wienerberger AG has no core shareholder. The company's shareholder structure is described on pages 65 and 66.

Disclosures required by § 243a Commercial Code, including change of control clauses

The disclosures required by § 243a of the Austrian Commercial Code can be found in the following chapters: the composition of Wienerberger capital, types of shares, limitations and rights as well as the authorization of the Managing Board to issue or buy back shares are discussed in the notes under point 27 (Capital and reserves) beginning on page 144. The chapter Wienerberger Shares and Shareholders beginning on page 64 contains information on direct and indirect investments in Wienerberger capital. The Remuneration Report (pages 28 to 31) explains the principles of remuneration policy, provides detailed information on the long- term incentive (LTI) program, and shows the compensation paid to each member of the Wienerberger Managing and Supervisory Boards as well as an overview of the shares held by these persons. Current updates on the purchase and sale of Wienerberger shares by members of the Managing or Supervisory Board are disclosed on the company's website under Directors' Dealings. Change of control clauses are included in the employment contracts with the members of the Managing Board, the terms of the 2010, 2011 and 2012 corporate bonds, the 2007 hybrid bond and the syndicated loans and other loans concluded in 2008, 2011 and 2012.

Supervisory Board rules of procedure reflect provisions of code

In keeping with the spirit of the code, the members of the Managing Board and Supervisory Board, in particular through their chairmen, regularly confer on the development and strategy of the company above and beyond discussions conducted during the scheduled meetings of the Supervisory Board. The Supervisory Board also exercises its consultative and control functions through the following four committees: the ***Presidium,*** the ***Strategy Committee,*** the ***Audit Committee*** and the ***Personnel and Nominating Committee / Remuneration Committee.*** The rules of procedure for the Supervisory Board are published on our website.

Duties and responsibilities of the Supervisory Board committees

The ***Supervisory Board*** is responsible for decisions that involve subjects of fundamental importance or the strategic direction of the Wienerberger Group, and has established four committees to support its activities. The ***Presidium*** represents the interests of the company on all Managing Board issues. The ***Strategy Committee*** evaluates the strategy and development of the company and prepares strategic issues for voting by the Supervisory Board. It is also authorized to approve transactions and measures that do not require the approval of the full Supervisory Board – in particular capital expenditures, acquisitions and the sale of property between € 7.5 and 30 million – and also makes decisions in urgent cases. Peter Johnson, who has many years of experience in the building materials sector, is the chairman of the Strategy Committee. The ***Audit Committee*** is responsible for all issues related to the annual financial statements, the audit of the Group and accounting, in preparation for the Supervisory Board. In addition, this committee monitors the effectiveness of the internal control, audit and risk management systems and evaluates the independence of the auditor and its qualifications as verified by a peer review. Harald Nograsek serves as the financial expert on the Audit Committee. The ***Personnel and Nominating Committee*** is responsible for the preparation of nominations to the Managing and Supervisory Boards. It recommends nominations to the Supervisory Board, which are placed before the Annual General Meeting for a vote. The Personnel and Nominating Committee establishes a description of the required qualifications prior to the appointment of persons to the Managing Board, and prepares decisions for the Managing and Supervisory Board based on a defined selection procedure and succession planning. This committee also acts as ***Remuneration Committee*** and approves the terms of remuneration systems for managers in the Wienerberger Group. Stock options were granted annually from 2002 to 2008 as part of a stock option plan (details on the Wienerberger website). This plan was discontinued in 2009 because it was no longer considered to be an effective or appropriate incentive for the members of the Managing Board and management due to the changed economic environment. In order to synchronize the actions of the Managing Board and management with the viewpoint of Wienerberger shareholders, a long-term incentive (LTI) program was implemented in 2010. This program replaces the former stock option plan and covers the medium to long-term component of remuneration for the Managing Board and management. In the future, the long-term remuneration for these managers will be based on CFROI, an indicator that reflects the increase in shareholder value. Wienerberger has set a benchmark for Austria with this LTI program, which fully meets the requirements of the Austrian Corporate Governance Code for sustainable, long-term remuneration programs for managing boards and management.

Employee participation on Supervisory Board

The participation of Wienerberger employees on the Supervisory Board and its committees through their elected representatives forms a legally regulated part of the Austrian corporate governance system. The Austrian Labor Relations Act entitles employees to delegate one member from among their ranks to the supervisory board of a corporation and its committees for every two members elected by the Annual General Meeting (shareholder representatives).

Criteria for the independence of Supervisory Board members

The Austrian Corporate Governance Code requires the majority of shareholder representatives on a supervisory board to be independent. A supervisory board member is considered to be independent when he or she has no business or personal relationships with the company or its managing board that may lead to a material conflict of interest and subsequently influence his or her behavior. In accordance with this guideline and Appendix 1 of the Austrian Corporate Governance Codex (in the version dated July 2012), the Supervisory Board of Wienerberger AG defined six criteria for the independence of its members. A member of the Supervisory Board is considered to be independent when he or she did not serve as a member of the Managing Board or key employee of Wienerberger AG or a Wienerberger Group company during the past five years; when he or she has no business relations with Wienerberger AG or a Wienerberger Group company of a scope considered material for that member (the same also applies to business relations with a company in which the Supervisory Board member holds a significant personal economic interest); when he or she did not work on the audit of Wienerberger AG and was not employed by and did not hold an investment in the public accounting firm that performed the audit during the past three years; when he or she did not serve on the managing board of another company in which a member of the Wienerberger Managing Board serves on the supervisory board; when he or she has not served on the Wienerberger Supervisory Board for more than 15 years; and when he or she is not closely related to a member of the Wienerberger Managing Board or to a person in one of the above-mentions positions. The criteria for independence are published in detail on the Wienerberger website. Christian Dumolin is no longer considered an independent shareholder representative because of his many years of service on the Supervisory Board of Wienerberger AG, to which he was first elected on July 17, 1996. The other seven shareholder representatives on the Supervisory Board reconfirmed their independence in accordance with these criteria at a meeting in early 2013.

Related party transactions

No loans were granted to the member of the Supervisory Board or Managing Board. In 2012 the Supervisory Board approved the sale of a property in Mühlacker, Germany, to Christian Dumolin based on terms that were defined in a pre-sale agreement from 2003. The purchase price amounted to € 0.3 million and reflected the market price for properties with a comparable location, size and zoning classification. Information on related party transactions is provided on page 164 of the notes.

Measures to support women in management positions

An initiative was started in 2010 to support the addition of a female member to the Supervisory Board. These efforts led to the election of Regina Prehofer by the 142nd Annual General Meeting; she is the first elected female member of the Supervisory Board in the history of Wienerberger AG. The appointment of a woman to the Managing Board is not feasible at the present time because there are no plans to expand this corporate body. Wienerberger continued to follow its appointment policy during the reporting year, giving equally qualified female candidates preference when senior management positions are filled. This policy has brought about a further increase in the percentage of women, above all in middle management. The men and women in this group form the pool for future positions in senior and top management. We therefore expect to significantly increase the percentage of women, above all in senior and top management, over the coming years.

Members and Committees of the Supervisory Board

8 shareholder representatives

Friedrich Kadrnoska *Chairman*	*independent, born 1951, appointed to 144th AGM (2013), first elected: May 8, 2002* Managing Board member of Privatstiftung zur Verwaltung von Anteilsrechten, Chairman of the Supervisory Boards of Österreichisches Verkehrsbüro AG, CEESEG AG and Wiener Börse AG, member of the Supervisory Board of card complete Service Bank AG, Director of UniCredit S.p.A., Director of Wiener Privatbank SE, Managing Partner of A & I Beteiligung und Management GmbH
Christian Dumolin *Vice-Chairman*	*born 1945, appointed to 144th AGM (2013), first elected: July 17, 1996* Chairman of the Supervisory Board of Koramic Investment Group NV, honorary member of the Board of Regents of the Belgian National Bank, honorary member of the Supervisory Board of the Belgian Banking Finance and Insurance Commission (CBFA), member of the Boards of Directors of Koramic Chemicals, IPG International, De Steeg Investments, E & L Real Estate and Vitalo Industries
Karl Fink *Vice-Chairman*	*independent, born 1945, appointed to 146th AGM (2015), first elected: April 27, 2006* Chairman of the Managing Board of VIG Re zajistovna, Prague, member of the Managing Board of Wiener Städtische Wechselseitiger Versicherungsverein – Vermögensverwaltung – Vienna Insurance Group with supervisory board functions in the Netherlands, Turkey, Czech Republic and Austria, member of the Supervisory Board of AT&S Austria Technologie & Systemtechnik AG
Peter Johnson	*independent, born 1947, appointed to 144th AGM (2013), first elected: May 12, 2005* Chairman of the Supervisory Board of Electrocomponents PLC
Harald Nograsek	*independent, born 1958, appointed to 146th AGM (2015), first elected: May 8, 2002* Chief Executive Officer of Österreichisches Verkehrsbüro AG, Chairman of the Supervisory Board of DDSG – Blue Danube Schifffahrt GmbH
Regina Prehofer	*independent, born 1956, appointed to 146th AGM (2015), first elected: May 13, 2011* Vice-Rector, Financial Affairs and Infrastructure Vienna University of Economics and Business, member of the Supervisory Boards of AT&S Austria Technologie & Systemtechnik AG, SPAR Holding AG and SPAR Österreichische Warenhandels-AG, BAUMAX Anteilsverwaltungs AG and bauMAX AG
Claus J. Raidl	*independent, born 1942, appointed to 144th AGM (2013), first elected: May 11, 2004* President of Oesterreichische Nationalbank, member of the Supervisory Boards of Wiener Börse AG, CEESEG AG and Flughafen Wien AG, Chairman of the Board of Trustees of I.S.T. Austria, member of the Board of Trustees of Technisches Museum Wien
Wilhelm Rasinger	*independent, born 1948, appointed to 146th AGM (2015), first elected: April 27, 2006* Managing partner of Inter-Management Unternehmensberatung Gesellschaft m.b.H. and "Am Klimtpark" LiegenschaftsverwaltungsgesmbH, Chairman of IVA – Interessenverband für Anleger, member of the Supervisory Board of Erste Group Bank AG and S IMMO AG, Chairman of the Supervisory Board of Friedrichshof Wohnungsgenossenschaft reg. Gen. m.b.H., Chairman of the Foundation HATEC Privatstiftung Dornbirn

4 employee representatives

Rupert Bellina	*delegated for the first time: January 25, 2005;* Foreman at Semmelrock Stein + Design GmbH & CoKG
Claudia Schiroky	*delegated for the first time: July 2, 2002;* Chairwoman of the Employees' Council at Wienerberger AG
Karl Sauer	*delegated for the first time: October 9, 1996;* Chairman of the European Employees' Council, Chairman of the Central Employees' Council
Gerhard Seban	*delegated for the first time: February 3, 2006;* Salesman at the Hennersdorf plant in Austria

4 committees

Presidium	Friedrich Kadrnoska *(Chairman)*, Christian Dumolin, Karl Fink
Strategy Committee	Peter Johnson *(Chairman)*, Christian Dumolin, Karl Fink, Friedrich Kadrnoska, Claus J. Raidl, Karl Sauer
Audit Committee	Harald Nograsek *(Chairman)*, Wilhelm Rasinger, Karl Sauer
Personnel and Nominating Committee/ Remuneration Committee	Christian Dumolin *(Chairman)*, Karl Fink, Friedrich Kadrnoska, Regina Prehofer, Karl Sauer

Managing Board and Management

Heimo Scheuch

Chief Executive Officer, *appointed up to April 1, 2018, born 1966, married*

After the completion of legal studies at the Universities of Vienna and Paris and studies at the Vienna University of Economics and Business Administration and École Supérieure de Commerce de Paris, he began his career with the legal firm Shook, Hardy & Bacon in Milan and London as a corporate finance specialist. In 1996 he joined Wienerberger AG as assistant to the Managing Board; in 1997 he transferred to the senior management of Terca Bricks in Belgium, where he became CEO in 1999. Heimo Scheuch was appointed to the Managing Board in May 2001 and appointed Chief Executive Officer of Wienerberger AG by the Supervisory Board in August 2009.

Additional functions: Member of the Supervisory Boards of the Vienna Stock Exchange and CEESEG AG, President of the European Bricks and Tiles Federation.

Willy Van Riet

Chief Financial Officer, *appointed up to April 1, 2018, born 1957, married, one daughter, one son*

After receiving his Masters Degree in Business Economics from the University of Ghent, he started his career as an auditor and subsequently senior manager with PricewaterhouseCoopers in Belgium. He has been active in the building materials sector since 1993, first as Chief Financial Officer of Terca Brick Industries and later Koramic Building Products. In 2004 he took over the management of Wienerberger Limited in Great Britain. Willy Van Riet has been Chief Financial Officer of Wienerberger AG since April 1, 2007.

The Managing Board of Wienerberger AG

Wienerberger Managing Board now has two members

In December 2012 Wienerberger AG announced that its Managing Board would be reduced to two members, Heimo Scheuch as CEO and Willy Van Riet as CFO. This change followed the resignation of Johann Windisch from the Managing Board in order to take over the position as CEO of the newly created managing board in the Bricks & Tiles Europe Division. It also reflects the divisional organization that resulted from the Pipelife acquisition and the decision to streamline the company's management structure. The new corporate organization will accelerate the optimization and integration process in the Bricks & Tiles Europe Division. Issues involving the Managing Board will now be dealt with by both members jointly, instead of the previous procedures that were based on assigned areas of activity. However, Heimo Scheuch will continue to carry primary responsibility for the strategic development of the Wienerberger Group and Willy Van Riet will remain in charge of financial matters.

Willy Van Riet, Heimo Scheuch

Work Flows in the Managing Board

The activities of the Managing Board are based on two major elements: the actions of the Managing Board as a corporate body and reporting.

Joint handling of strategic and operating issues

The foundation for the work of the Managing Board is formed by the joint handling of strategic and operating issues and the continuous exchange of information. The framework for these actions is formed by board meetings that are normally held once each week and through an ongoing exchange of information at the informal level. Frequent contact is also guaranteed by the arrangement of offices – the rooms for the board members are adjoining and connected by a common secretariat. Monthly meetings are held with the operating managers to discuss the current development of business, in particular trends in demand, prices and costs as well as capacity utilization in the Wienerberger plants. Decisions on necessary measures are taken jointly, but implemented locally by the responsible operating managers. These meetings also include the discussion of strategic subjects, with a concentration on the development of markets, products and technologies. Transactions that require the consent of the Supervisory Board are discussed in the board meetings, and the relevant proposals are submitted to the Supervisory Board body after approval. Decisions by the Managing Board are made unanimously, and all contracts approved by the Managing Board are signed by both members.

Corporate management based on extensive reporting system

The management of the company is built on an extensive reporting system. Of special importance is the monthly report, which includes aggregated data for the Group level and detailed facts and figures on the operating units an income statement by country and product group as well as information on the development of volumes, prices and costs, working capital and capital expenditure. The Managing Board also receives standardized monthly reports on the energy and financial situation as well as the status of product and technology projects. Quarterly reports are provided on general market and macroeconomic data in the individual countries and on SHE (Safety, Health & Education) reporting.

Organizational Structure at the First Reporting Level

New organizational structure based on divisions

The organizational structure at the first reporting level was reclassified under four divisions following the expansion of the core business through the Pipelife acquisition and reflects internal and external reporting: Bricks & Tiles Europe, Pipes & Pavers Europe, North America and Holding & Others. Managing boards are responsible for operations and the implementation of strategic projects in the individual operating units and product groups. The various Corporate Services report to one of the Managing Board members in accordance with the focus of their activities.

Top Management

Heads of Business Units

Name	Business Unit
Johann Windisch	Bricks & Tiles Europe
Niels Rune Solgaard-Nielsen	Pipelife (plastic pipes)
Gernot Schöbitz	Steinzeug-Keramo (ceramic pipes)
Robert Holzer	Semmelrock (concrete pavers)
Dick Green	Bricks & Tiles North America

Heads of Corporate Services

Name	Corporate Service
Judith Ableitinger	Corporate Development
Barbara Braunöck	Corporate Communications & Investor Relations
Bernd Braunstein	Corporate Legal Services
Hans Ebner	Corporate IT Architecture & Organization
Gerald Ettmann	Corporate Internal Audit
Gerhard Hanke	Corporate Reporting
Stefan Huber	Corporate Treasury
Gerhard Koch	Corporate Sustainability / European Affairs
Ernst Tschach	Corporate SAP Business Applications
Wolfgang Weiss	Corporate Human Resources

Remuneration Report

Remuneration report explains amount and structure of payments to Managing and Supervisory Boards

The remuneration report summarizes the principles that are used to determine the remuneration for the Managing and Supervisory Boards of Wienerberger AG, provides details on the amount and structure of payments to these persons and includes data on the number of shares owned by members of the Managing and Supervisory Boards. The Supervisory Board has transferred the determination of remuneration for the Managing Board of Wienerberger AG to the Personnel and Nominating Committee, which also serves as a remuneration committee.

Remuneration system focused on appropriate compensation for Managing Board

In accordance with Austrian law, the Managing Board is appointed for a specific period that equals a maximum of five years per term. The employment contracts for the individual members of the Wienerberger Managing Board are prepared by the Remuneration Committee together with an external consultant. The goal of the remuneration system is to provide the members of the Managing Board with compensation that is appropriate in national and international comparison (building materials sector) based on their functions and scopes of responsibility. An important element of this remuneration system is the structuring of cash payments into fixed and variable components.

Fixed component of salary is based on responsibilities

The ***fixed component*** reflects the scope of responsibility of the Managing Board member and, following common practice in Austria, is divided into fourteen installments and paid at the end of each month. This results in different base salaries that correspond to the specific duties as well as the related strategic and operating responsibilities of the individual board members.

Short-term variable remuneration for Managing Board was tied to EBITDA target in 2012

Variable remuneration is linked to a sustainable increase in shareholder value and comprises a short-term and a long-term component. The ***short-term variable remuneration component*** is tied to the achievement of short-term corporate goals and determined by the Supervisory Board annually for the next financial year. A new short-term variable remuneration model will be introduced in 2013: it reflects the procedure for long-term variable remuneration in that it is tied to a sustainable increase in the value of the company through profitability indicators and paid out with a delay. The new model is currently under discussion and, after it is approved by the Supervisory Board, will be presented in detail at the 144th Annual General Meeting of Wienerberger AG.

Long-term variable remuneration component to support sustainable increase in shareholder value

The ***long-term variable remuneration component*** was based on a stock option plan for key Group managers up to the end of 2008 (also see details on the Wienerberger website). This plan was discontinued in 2009 because it was no longer considered to be an effective or appropriate incentive for the members of the Managing Board and management due to the changed economic environment. The Supervisory Board subsequently developed an alternative model for the Managing Board and key Group managers (approx. 30 persons), which covers the medium- to long-term component of remuneration. This long-term incentive (LTI) program is designed to support a sustainable increase in shareholder value, with the share price working as added leverage. The program will encourage managers to focus their actions more on the value-oriented viewpoint of shareholders and also strengthen their identification with corporate planning and goals.

Long-term incentive (LTI) program to synchronize management goals with shareholders' interests

Starting in 2010 virtual shares, so-called performance share units (PSUs), were issued and allocated to the program participants based on their position in the company (CEO: 8,000, board member: 6,000, executive managing director: 2,500, holding company top management and managing directors of larger local companies: 1,000 – 2,000). Special conditions for participation apply to the Managing Board: each of these persons must hold an investment in Wienerberger shares equal to or exceeding the number of PSUs granted, and the shares may not be sold until the respective program expires. The monetary value of the PSUs will be determined at the end of a three-year performance period by multiplying the target achievement with the average price of the Wienerberger share during the last 20 ATX trading days in the third year. The target achievement depends on CFROI in the third year after the PSUs are issued. There will be no payout if CFROI falls below a defined target corridor. Payouts resulting from the target achievement are not made at once, but in three equal installments over a period of two years. The following installment is canceled if annual CFROI falls below the minimum value during this period. As a result of the challenging market environment CFROI targets have not been met and no payments were made from the program to date. For 2012 no PSUs were issued.

LTI program is designed to support sustainable value creation

Wienerberger set a benchmark for Austria with this LTI program, which fully meets the requirements of the Austrian Corporate Governance Code for sustainable, long-term remuneration programs for managing boards and management.

Managing Board waived variable remuneration in summer 2012

The Managing Board waived variable remuneration for 2012 with the introduction of the restructuring program during the past summer. The total remuneration of the Managing Board therefore fell by more than half year-on-year in 2012. Detailed information on this remuneration is provided in the following table:

Cash compensation Managing Board

in €	2011 Fixed	2011 Variable	2011 Total	2012 Fixed	2012 Variable	2012 Total
Heimo Scheuch	640,534	768,640	1,409,174	658,529	0	658,529
Johann Windisch[1)]	510,939	613,126	1,124,065	525,293	0	525,293
Willy Van Riet	470,064	564,076	1,034,140	483,270	0	483,270
Total	**1,621,537**	**1,945,842**	**3,567,379**	**1,667,092**	**0**	**1,667,092**

1) Resigned from the Managing Board of Wienerberger AG at year-end 2012

Other activities require Supervisory Board approval

The members of the Managing Board require the approval of the Supervisory Board before they may enter into any activities outside the scope of their work with Wienerberger. This guarantees that neither the time required nor the related compensation could lead to a conflict with their duties for the company. Any outside activities that involve seats on supervisory boards or comparable positions for publicly traded companies are listed on page 25 and also disclosed on the Wienerberger website. No compensation is provided for positions in Group companies.

Pension agreements for the Managing Board are mainly defined contribution plans

The members of the Managing Board are covered by ***defined contribution pension agreements*** that require the company to make a fixed contribution each year. The company has no obligations above and beyond these agreements. Contributions to pension funds (defined contribution commitments) totaled € 1,189,570 (2011: € 495,165) for the members of the Managing Board and for Johann Windisch, who resigned from the board in December 2012.

Severance compensation for Managing Board reflects legal regulations in Austria

The members of the Managing Board are entitled to severance compensation on the termination of employment in accordance with legal regulations in Austria, which is based on total compensation as well as the length of service with the company. In 2012 expenses of € 399,334 were recognized for additions to the provision for severance compensation (2011: € 0). Payments of € 815,800 were made to former members of the Managing Board and their surviving dependents during the reporting year (2011: € 794,048).

Conclusion of D&O insurance with coverage of € 75 million

Wienerberger has concluded directors and officers insurance with coverage of € 75 million for the members of the Managing Board, operational bodies, control bodies and key employees. This policy also covers damages to the company that arise from the failure of these parties to act conscientiously (without any intentional or conscious violation of their responsibilities).

Remuneration system remains unchanged since 2011

The 142nd Annual General Meeting approved the following remuneration system for the Supervisory Board: Beginning with the 2011 financial year and until further notice, each elected member of the Supervisory Board will receive annual fixed remuneration of € 15,000. The fixed remuneration for the vice-chairmen and chairman equals € 22,500 and € 30,000, respectively. For work on a committee, the annual fixed remuneration equals € 7,500 for an ordinary member, € 11,250 for the vice-chairmen and € 15,000 for the chairman. The fixed remuneration is limited to one committee membership per person and is paid only once, even if a Supervisory Board member is active on several committees. Each elected member of the Supervisory Board also receives an attendance fee of € 5,000 per meeting day, or € 2,500 for a committee meeting that is not held on the same day as a Supervisory Board meeting. This fee is only paid for meetings actually attended. The fixed remuneration is adjusted on the basis of the Statistik Austria consumer price index for 2005 or a subsequent index. Increases and decreases up to and including 5% will not be compensated, but an adjustment will be made for the full change if this corridor is exceeded.

The Supervisory Board received remuneration of € 451,887 for 2012 (payment in 2013). This represents a year-on-year decline of 10%, which resulted from a reduction in the number of members to eight. In addition, Friedrich Kadrnoska waived part of his fixed remuneration for the reporting year because of his illness-related absence. His remuneration for 2012 is therefore substantially less than the previous year. The remuneration of the Supervisory Board is distributed as shown in the following table:

Supervisory Board Remuneration *in €*	2011	2012
Friedrich Kadrnoska, Chairman	77,500	52,500
Christian Dumolin, Vice-Chairman	61,250	61,250
Karl Fink, Vice-Chairman	52,500	52,500
Peter Johnson	42,500	45,000
Harald Nograsek	65,000	62,500
Regina Prehofer	30,000	47,500
Claus J. Raidl	55,000	50,000
Wilhelm Rasinger	65,000	62,500
Franz Rauch [1)]	52,500	18,137
Total	**501,250**	**451,887**

1) Member of the Supervisory Board up to May 11, 2012

No pension commitments or additional compensation for Supervisory Board

No compensation is paid for services outside the above-mentioned Supervisory Board duties, in particular for consulting or arranging services. The salaries received by the employee representatives as part of their employment contracts represent exceptions to this rule. No pension commitments were made to the members of the Wienerberger Supervisory Board.

Managing and Supervisory Boards voluntarily disclose holdings in Wienerberger shares

The members of the Managing and Supervisory Boards have voluntarily agreed to disclose their holdings in shares of Wienerberger AG. In accordance with § 48 of the Austrian Stock Exchange Act, the purchase or sale of shares by the members of these boards is reported to the Austrian Financial Market Authority and also disclosed on the Wienerberger website (see "Directors' Dealings"). The number of Wienerberger shares held by the members of the Managing and Supervisory Boards totaled 311,779 at the end of 2012.

Number of shares owned		1.1.2012	Purchase	Sale	31.12.2012
Managing Board	Heimo Scheuch	91,252	10,000	0	101,252
	Willy Van Riet	22,142	0	0	22,142
Supervisory Board	Friedrich Kadrnoska	9,461	0	0	9,461
	Christian Dumolin [1)]	133,000	0	0	133,000
	Karl Fink	0	0	0	0
	Peter Johnson	0	0	0	0
	Harald Nograsek	1,400	0	0	1,400
	Regina Prehofer	0	0	0	0
	Claus J. Raidl	4,200	0	0	4,200
	Wilhelm Rasinger	36,324	4,000	0	40,324
Total		**297,779**	**14,000**	**0**	**311,779**

1) Held on behalf of Koramic Finance Company NV (Korfima)

Risk Management

Identification and analysis of 15 major risks as part of risk management process

Global operations expose the Wienerberger Group to a variety of risks. The goal of our risk management system is to identify risks at an early stage and implement suitable measures to minimize any divergence from corporate goals. The related procedures require the identification, assessment, management and monitoring of risks, and represent an integral part of our activities in this area. Following the full takeover of the Pipelife Group in 2012, our risk management was extended to also include this business. The risk assessments prepared in prior periods are updated annually by top and senior management. Based on the probability of occurrence and the potential impact on the Group, the identified risks are weighted according to their significance and the 15 major risks are analyzed in detail. In 2012 this process led to a change in the weighting of individual risks. The most important risks are described in detail below, and a detailed description of all risks is provided in the risk report beginning on page 156 of the notes.

Market, Production and Price Risks

Business development heavily dependent on new residential construction

The brick business is heavily dependent, above all, on new residential construction – a sector whose development is closely linked to the economic environment in the respective countries. In order to reduce the dependence on new residential construction, we are pursuing a strategy to expand our renovation- and infrastructure-related businesses. Clay roof tiles are an important focus of our efforts, since more than half of revenues are generated in renovation. Pavers and pipe systems, which are also used in infrastructure projects, are two further focal points. Weak economic growth and a subsequent decline in local construction activity increase the risk of excess production capacity. This can lead to greater pressure on prices and uncovered costs and, as a consequence, could make price adjustments necessary. In 2012 we were able to offset the rise in input costs with price increases. We reduce the effects of capacity risks on earnings by continuously monitoring our plant network and making the necessary adjustments through temporary shutdowns, shift models and/or the relocation of production to reflect market demand.

Flexible pricing policy to reduce highly volatile raw material prices in plastic pipe business

The plastic pipe business is substantially influenced by the development of raw material prices, which correlates closely with the price of crude oil. Synthetic polymers comprise a major part of the production cost 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, coordinated price management is also a decisive factor for the sustainable protection of earnings. In addition to price risk, this business is exposed to a raw material supply risk. Any interruption in supplies would invariably disrupt production. This risk is met, with few exceptions, by developing alternative suppliers.

Wienerberger is also exposed to a risk of substitution through its competition with other roof, wall, paver and pipe system materials. Our strong position as a quality leader and investments in the development of premium products should allow us to minimize price risks.

Financial Risks

Protection of healthy capital base through financial discipline

The protection and maintenance of a strong capital base is a central objective for Wienerberger AG. We proactively strengthened our liquidity through the successful placement of bonds in a still challenging economic environment and have a balanced financing structure. Wienerberger is not only exposed to liquidity risk, but also to foreign exchange and interest rate risks. We use foreign exchange swaps to secure appropriate coverage between assets and liabilities, and thereby minimize the impact of exchange rate fluctuations on Group equity. In recent years Wienerberger has been able to significantly lower the risks associated with exchange rate and interest rate risks through its hedging activities. A description of the financing situation and hedging measures is provided in the Financial Review on page 75; exchange rate risk is discussed on page 159 of the notes.

Procurement Risks

Hedging and long-term supply contracts to counteract energy shortage

In the Bricks & Tiles Europe Division, energy represents a key resource for Wienerberger's production processes. Wienerberger works to counteract the risk of an energy shortage and the resulting volatility in energy prices by continuously monitoring the situation on key markets, by concluding forward contracts that define purchase prices at an early point in time and by closing long-term supply contracts. For 2013 we have already signed contracts that cover a large part of our natural gas and electricity requirements. A detailed description of our energy procurement policy is provided on page 57. The most important input factor at Pipelife is plastic granulate, whereby the price of this material follows crude oil prices and has been characterized by a strong increase in price volatility. This requires flexible and proactive management, not only in procurement but also in the marketing of finished products.

Legal Risks

Group-wide guideline to ensure compliance with antitrust laws

Due to our positions in specific markets, the pricing policies of our subsidiaries are actively monitored by competition authorities. Price-fixing agreements are not part of Wienerberger's business policies; our internal guidelines expressly prohibit such activities and call for severe sanctions in the event of violations. From the present point of view, there are no risks that could endanger the continued existence of the Wienerberger Group. Insurance policies have been concluded to cover specific guarantee and warranty risks. The scope of these insurance policies is analyzed regularly based on the maximum cost associated with the insured risk and the relevant insurance premium. In order to counter potential risks that could result from the wide variety of tax, competition, patent, antitrust and environmental regulations and laws faced by Wienerberger, management decisions are based on consultations with company and outside experts. Compliance with regulations and the supervision of employees in their interaction with risk is a basic responsibility of all Wienerberger managers.

Risks only taken on in operating business

In order to ***avoid and manage risk,*** the local companies deliberately take on risks only as part of their operating activities and always evaluate these risks in relation to the potential gains or opportunities. Any speculative actions outside the scope of operating activities are prohibited. Risks that are not directly related to operating activities, for example financial risks, are monitored and managed by the Group's parent company. The most important instruments for the ***monitoring and management of risk*** are planning and controlling processes, Group guidelines, regular reporting and the internal control system (ICS).

Internal Control System

Internal control system evaluated by internal audit

The installation of an internal audit department as a staff function reporting to the Managing Board is designed to reflect the principles of good corporate governance, in particular through the strengthening of the internal control system (ICS). The Managing Board and internal audit regularly evaluate operating processes to reinforce risk management and identify opportunities for improvement, and also monitor compliance with legal directives, internal guidelines and procedures. These activities are based on an audit schedule developed by the Audit Committee and approved by the Managing Board as well as a Group-wide risk assessment of corporate activities. The internal audit department is also responsible for ad-hoc audits, which are requested by management and address current and future risks. The ICS is regularly revised and expanded by internal audit together with the Group's specialist departments to support the early identification and management of the risks arising from potentially inadequate monitoring systems or fraudulent actions. This system is based on the standards defined in the COSO – the Internal Control and Enterprise Risk Managing Frameworks of the Committee of Sponsoring Organizations of the Treadway Commission, a recognized international guideline for internal control procedures. Together with the Group guidelines and standardized reporting system, it provides management with a comprehensive instrument to analyze and manage the uncertainties and risks arising from business activities.

ICS is implemented locally, but compliance monitored centrally by internal audit

In keeping with the decentralized structure of the Wienerberger Group, local management is responsible for the implementation and monitoring of the internal control system. The managing directors of the individual subsidiaries are required to evaluate and document compliance with the controls defined in the ICS guidelines. The internal audit department subsequently verifies compliance with these audit procedures by local management, and reports the results of its examinations to the individual managing directors and to the Managing Board of Wienerberger AG. The internal audit department and corporate controlling provide the Audit Committee with quarterly reports on major accounting and valuation procedures, the effects of revisions to IFRS on the consolidated financial statements, significant changes in accounting processes and the results of risk management analysis. The Audit Committee is also regularly informed of audit results and relevant measures as well as the improvement of weaknesses identified by the ICS.

Effectiveness of risk management audited and confirmed by KPMG

Reporting plays a key role in the monitoring and control of the risks associated with operating activities. The Group auditor evaluates the effectiveness of Wienerberger risk management each year, and reports to the Supervisory and Managing Boards on the results of this analysis. The functional capability of Wienerberger risk management was examined and confirmed by the auditor. In addition, the control systems in the individual corporate functions are tested as part of the annual year-end audit. Internal audit and the auditor selected a number of control points for detailed review by KPMG in 2012. The results of these audits were presented to the Managing Board and the Audit Committee, and internal audit will take any necessary actions based on the resulting conclusions. A detailed description of the risks facing the Wienerberger Group is provided beginning on page 156 of the notes.

Report of the Supervisory Board

Extensive coordination between Supervisory and Managing Boards

The Supervisory Board and Managing Board held six meetings during the reporting year, which focused on the financial position and strategic development of the Wienerberger Group as well as major events, investments and other measures. The Managing Board provided the Supervisory Board with detailed information at all meetings, and also supplied regular written reports on the business and financial condition of the Group and its holdings as well as the personnel situation and planned acquisitions and investments. Separate reports were submitted on special projects. In addition, the chairman of the Supervisory Board and his deputies held regular conferences with the chief executive officer to discuss the strategy, development of business and risk management of the company. The committees examined a range of specialized subjects in detail and reported to the Supervisory Board on the results of these discussions. The responsibilities of the individual committees are described in the chapter "Corporate Governance at Wienerberger" on page 22, and the members of the committees are listed on page 24. The Personnel and Nominating Committee, which also serves as a remuneration committee, and the Audit Committee each met five times during the reporting year. Strategic issues were regularly discussed at the Supervisory Board meetings and also examined in detail by the Strategy Committee, which met three times. The Presidium received regular information from the Managing Board on the development of business. No member of the Supervisory Board was absent from more than half of the meetings; one committee member was excused from two meetings and three committee members were each excused from one meeting. All members of the Audit Committee were present at all five meetings.

Managing Board waives variable remuneration for 2012 in summer

The work of the Presidium and the Personnel and Nominating Committee focused, above all, on the evaluation of remuneration for the Managing Board. The criteria used to determine the variable components of compensation, the principles underlying pension commitments and severance payments as well as information on the compensation paid to individual members of the Managing Board and Supervisory Board are explained in the remuneration report (page 28 to 31). At the Personnel Committee meeting on August 20, the Managing Board offered to waive variable remuneration for the 2012 financial year because of the difficult market environment in the Bricks & Tiles Europe Division and the need for further restructuring measures. I communicated this proposal to the full Supervisory Board where it was accepted unanimously.

Audit committee examines annual financial statements, risk management and internal audit

The Audit Committee consulted the auditor in its meetings on February 16 and March 21, 2012, which covered the examination of the consolidated financial statements for 2011, the annual financial statements of Wienerberger AG, the management reports for the company and the Group, the corporate governance report and the recommendation of the Managing Board for the distribution of profit. In order to provide the capital market with timely information, audited results for the 2011 financial year were published in the form of a short report on February 21, 2012. The full annual report was released on March 29, 2012. On March 21, 2012 the Audit Committee discussed a report by the auditor on the status of risk management at Wienerberger. This report concluded that the Group's active risk management system permits the effective identification, evaluation and monitoring of risk factors as well as fast reaction to these risks. Based on a tender, a recommendation was made to the Supervisory Board on March 28, 2012 for the election of the auditor. A statement was also received from the auditor that covered the legal relations of the audit firm with the Wienerberger Group and the members of its corporate bodies. Regular subjects dealt with by the Audit Committee included reports on the scheduled work by internal audit, the results of these audits and further steps taken during follow-up audits.

Approval for full takeover of Pipelife in February 2012

On February 15, 2012 the Supervisory Board unanimously approved the full takeover of Pipelife through the purchase of the remaining 50% stake in Pipelife International GmbH. This acquisition not only marked a strategic milestone in the expansion of the core business, but also reduced the Group's dependence on heavily cyclical new residential construction. Wienerberger became one of the largest pipe producers in Europe through this transaction, with an extensive product portfolio of pipe systems that includes Pipelife (plastic pipe systems) and Steinzeug-Keramo (ceramic pipe systems).

Confirmation of independence by Supervisory Board members; Dumolin with over 15 years of service no longer independent

The individual members of the Supervisory Board reconfirmed their independence in accordance with the Austrian Corporate Governance Code at the meeting on February 17, 2012. Christian Dumolin ceased to meet the independence criteria on July 17, 2011 because he has been a member of the Supervisory Board for over 15 years and will therefore not stand for re-election. The independence criteria defined by the Supervisory Board are summarized on page 23 and disclosed in detail on the Wienerberger website. Discussions at several meetings of the Supervisory Board and the Personnel and Nominating Committee focused, toghether with an external consultant, on the efficiency of working procedures for the Supervisory Board, cooperation between the Supervisory Board and its committees, succession planning for this corporate body and opportunities for optimization.

Threshold for controlling interest reduced to 20%

The 143rd Annual General Meeting (AGM) approved the Supervisory Board's proposal for a reduction in the number of shareholder representatives from nine to eight. This reduction was achieved through the scheduled expiration of Franz Rauch's term of office and his announced intention not to stand for re-election because he had reached the age limit. The AGM also approved amendments to the articles of association of Wienerberger AG, which were required to comply with changes in Austrian company law ("Gesellschaftsrechts-Änderungsgesetzes 2011") and involved the securitization of all Wienerberger shares in a collective instrument. In addition, the threshold for the attainment of a controlling interest as defined in § 22 (2) of the Austrian Takeover Act was reduced to 20% in accordance with § 27 (1) no. 1 of the act. This step is explained, above all, by the comparatively low attendance at the AGM, which means a controlling influence is normally possible with more than 20% of the votes. At the Supervisory Board meeting following the 143rd AGM on May 11, 2012, Friedrich Kadrnoska was confirmed as chairman and Christian Dumolin as vice-chairmen. Regina Prehofer joined the Personnel and Nominating Committee and replaced Franz Rauch. In accordance with § 270 (1) of the Austrian Commercial Code, the Supervisory Board followed the AGM authorization and formally engaged KPMG Wirtschaftsprüfungs- und Steuerberatungs AG to audit the financial statements for 2012.

Change in committee memberships

In the meeting on November 8, 2012 the Supervisory Board accepted a recommendation by the Personnel and Nominating Committee and approved the following changes in the Supervisory Board and its committees: In addition to Christian Dumolin, Karl Fink will now also serve as a vice-chairman of the Supervisory Board. Peter Johnson will become chairman of the Strategy Committee, which Karl Fink will join as a member. Christian Dumolin and Karl Fink will become chairman and vice-chairman, respectively, of the Personnel and Nominating Committee. These changes were made because of my longer illness-related absence in order to ensure continuity for the management of the Supervisory Board and its committees.

Friedrich Kadrnoska,
Chairman of the Supervisory Board
of Wienerberger AG

Supervisory Board visits Pipelife International in November 2012

Prior to the meeting on November 8, 2012, the Supervisory Board visited Pipelife International in Wiener Neudorf, Austria. This visit included an extensive presentation of operating and strategic subjects by Pipelife management as well as a plant tour.

Managing Board of Wienerberger AG reduced to two persons

The Supervisory Board meeting on December 12, 2012 approved the reduction of the Managing Board of Wienerberger AG from three to two members in connection with the reorientation of the company and the more efficient organization of corporate structures. The Wienerberger Group will now be directed by a Managing Board with Heimo Scheuch as CEO and Willy Van Riet as CFO. This change follows the resignation of Johann Windisch from the Managing Board in order to take over the direction of the newly created managing board in the Bricks & Tiles Europe Division. It places the brick business under common management with an experienced team, which will allow for the better utilization of strengths and the further optimization of processes. The Supervisory Board would like to thank Johann Windisch for his many years of service and wish him a great deal of success in his new function.

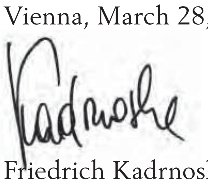
Auditor's report on annual financial statements 2012

The annual financial statements and the management report of Wienerberger AG as well as the IFRS consolidated financial statements for 2012 were audited by KPMG Wirtschaftsprüfungs- und Steuerberatungs AG; this audit did not give rise to any objections. The Audit Committee discussed the documentation for the annual financial statements, the recommendation of the Managing Board for the distribution of profit and the auditor's reports in detail with the auditor and presented this information to the Supervisory Board. The Supervisory Board examined this information as required by § 96 of the Austrian Stock Corporation Act and agreed with the results of the audit. The Supervisory Board approved the annual financial statements, ratifying them in accordance with § 96 (4) of the Austrian Stock Corporation Act, and agreed with the recommendation of the Managing Board for the use of net profit.

Thanks to employees and management

The Supervisory Board would like to express its thanks to the management and employees of the Group for their outstanding performance during the challenging 2012 financial year. Wienerberger has a strong industrial base and a healthy capital structure as well as innovative products and system solutions for energy-efficient and sustainable construction. With its motivated and success-oriented employees and experienced management, Wienerberger is well positioned to play an active role in a future economic recovery.

Vienna, March 28, 2013



Friedrich Kadrnoska, Chairman

History and Company Profile

The Wienerberger History

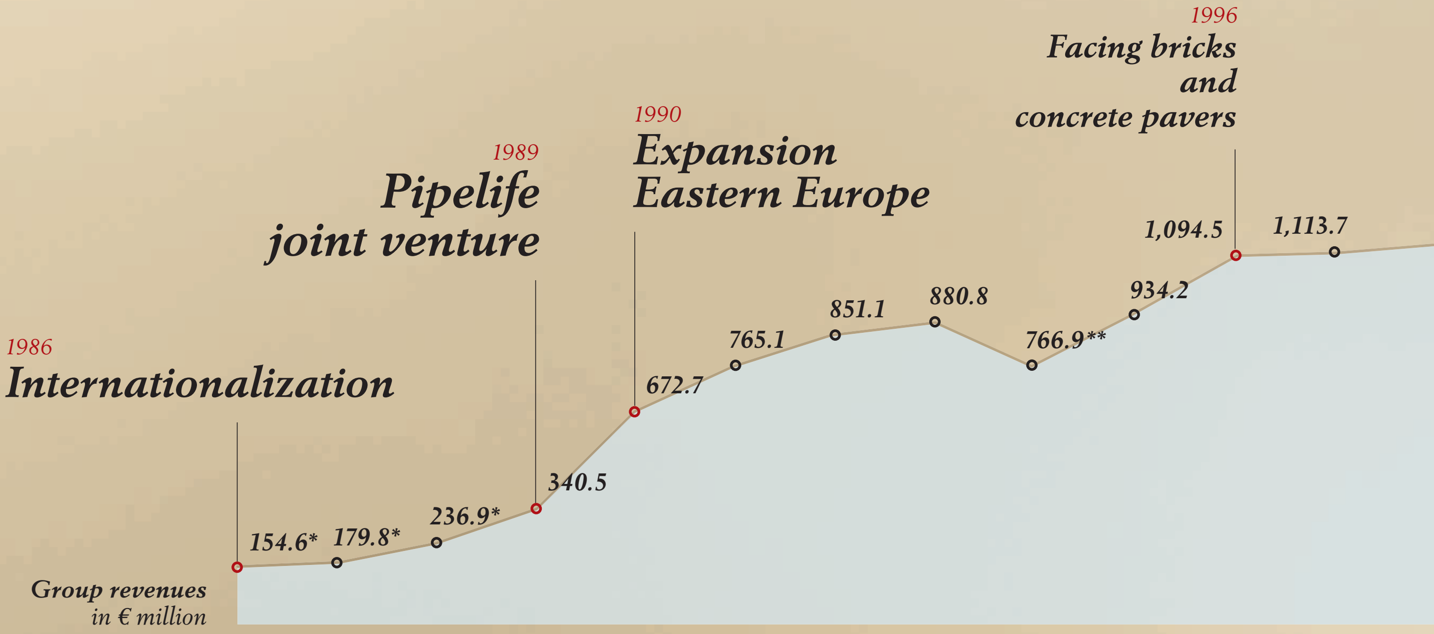
Wienerberger was founded in 1819 by Alois Miesbach on the Wienerberg in Vienna. This Austrian brick manufacturer became one of the first companies to trade on the Vienna Stock Exchange with its initial public offering in 1869. In spite of this listing, Wienerberger remained a local company for over one hundred years. The first internationalization step was taken in 1986 with the acquisition of the German Oltmanns Group and continued with successful expansion into Eastern Europe, France and the Benelux countries during the 1990s. The ***founding of Pipelife*** (plastic pipes) and the development of the Group's ceramic pipe and paver activities also occurred during this time.

Further growth steps in Europe were followed by Wienerberger's development into a ***global player*** with the takeover of General Shale in the USA during 1999. Another key strategic milestone was set in 2003 with the Group's entry into the ***roofing systems market through the acquisition of Koramic*** and the steady expansion of this business in the following years.

After many years of strong, expansive growth, Wienerberger was hit hard by the global economic crisis in 2009 because of its heavy dependence on cyclical new residential construction. ***Heimo Scheuch took over*** as ***Chief Executive Officer*** of the Wienerberger Group in summer 2009 and implemented an extensive restructuring program through the end of 2010 that adjusted corporate structures to reflect the difficult market conditions. The end of the restructuring process was followed by a strategic reorientation, which focused the company on financial discipline and organic growth through innovative and premium products. The expansion steps after 2009 were directed, above all, to less cyclical business areas like roof tiles and pipe systems in order to ensure the sustainable generation of stable earnings. The acquisition of the remaining 50% stake in Pipelife during May 2012 represents an integral part of this strategy and the final step in Wienerberger's transformation from the world's largest producer of bricks into an international supplier of building material solutions.

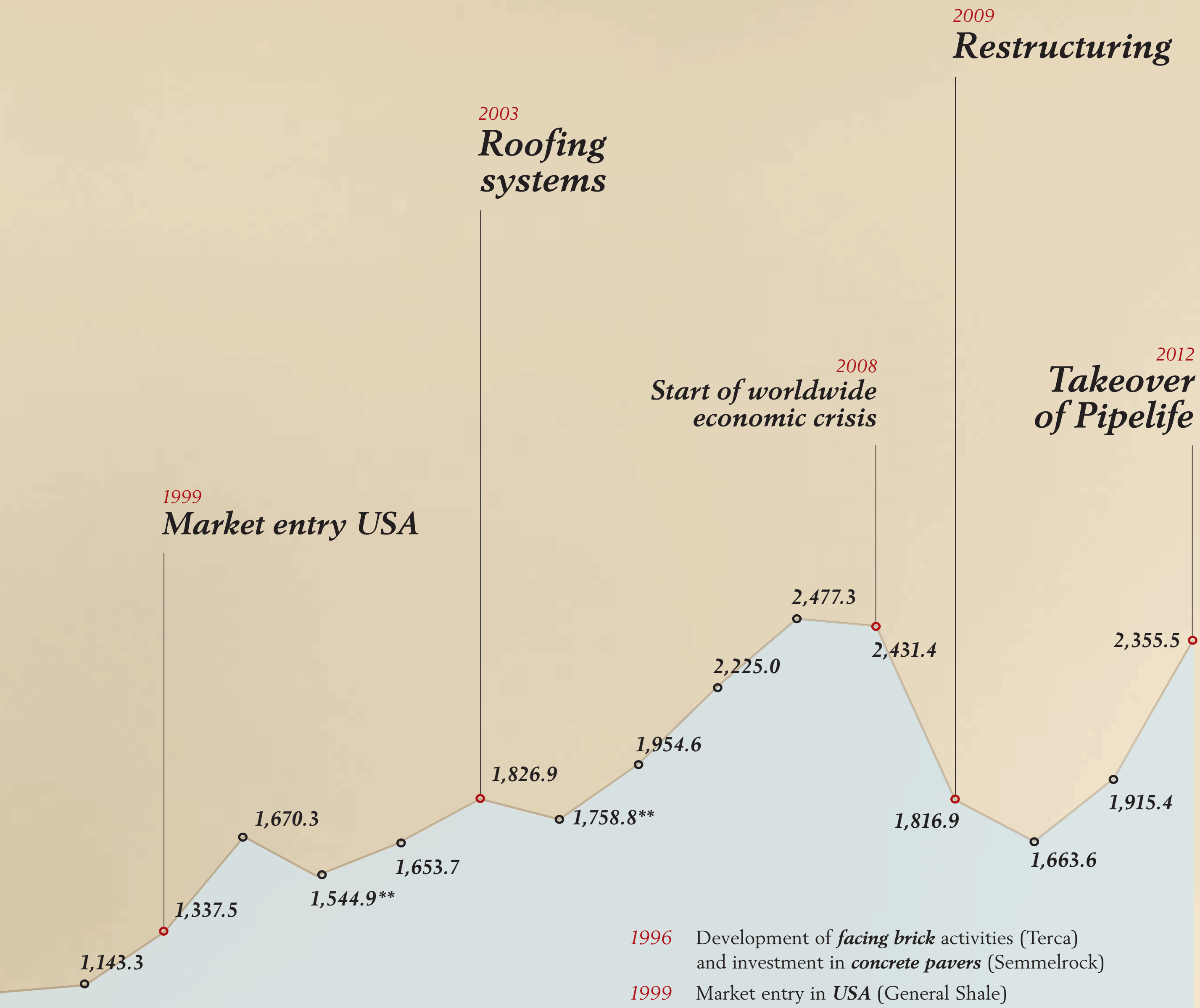
Company Profile

With the full takeover of the plastic pipe producer Pipelife in 2012, Wienerberger completed its transformation into an international supplier of building material systems. Business activities are now aggregated in two divisions: Bricks & Tiles and Pipes & Pavers. The Bricks & Tiles Division covers the clay block, facing brick and clay roof tile product groups. Wienerberger is the world's largest producer of clay blocks, number one in facing bricks in Europe and the USA and the market leader for clay roof tiles in Europe. The Pipes & Pavers Division includes our activities in the areas of plastic pipes, ceramic pipes and concrete pavers. Wienerberger is one of the leading suppliers of plastic pipes and ceramic pipes in Europe and concrete pavers in Central-East Europe.



* 1986 to 1988 non-consolidated revenues of Wienerberger AG

**Revenue declines in 1994, 2001 and 2004 are due to the sale or deconsolidation of Group companies.



1819 ***Founding*** by Alois Miesbach

1869 Start of public trading on the Vienna Stock Exchange

1986 Start of ***internationalization*** through market entry in Germany

1989 Founding of ***Pipelife*** joint venture (plastic pipes) and expansion of clay pipe activities ***(Steinzeug-Keramo)***

1990 Start of expansion in ***Eastern Europe***

1996 Development of ***facing brick*** activities (Terca) and investment in ***concrete pavers*** (Semmelrock)

1999 Market entry in ***USA*** (General Shale)

2003 Development of core business ***roofing systems*** (Koramic)

2004 Transformation to pure free float company

2007 Market entry in Canada

2009 Implementation of comprehensive ***restructuring program*** by new CEO Heimo Scheuch

2010 Market entry in India

2012 Further development of ***Pipes & Pavers Division*** through full ***takeover of Pipelife***

Organization

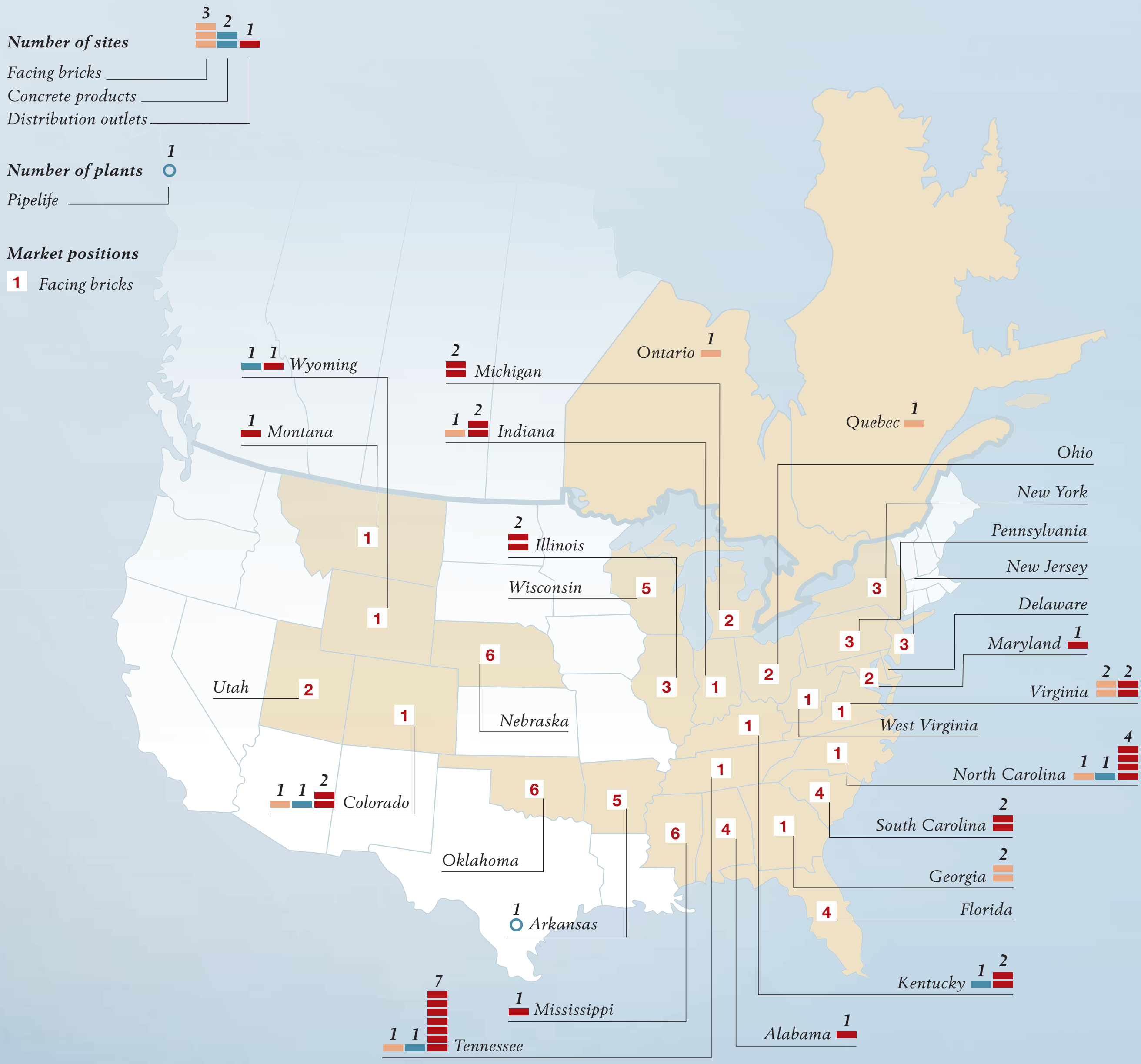
DIVISIONS	**BRICKS & TILES EUROPE**	
PRODUCT GROUPS	Clay Blocks Facing Bricks Roof Tiles	
OPERATING SEGMENTS	***Bricks & Tiles Western Europe*** Belgium Denmark Germany Estonia Finland France Great Britain Italy Netherlands Norway Sweden Switzerland	***Bricks & Tiles Eastern Europe*** Bulgaria Croatia Austria Poland Romania Russia Slovakia Slovenia Czech Republic Hungary
50% INVESTMENTS	Schlagmann	Tondach Gleinstätten

PIPES & PAVERS EUROPE		NORTH AMERICA	HOLDING & OTHERS
Plastic Pipes Ceramic Pipes Concrete Pavers		Facing Bricks Plastic Pipes	Clay Blocks
Pipes & Pavers Western Europe	***Pipes & Pavers Eastern Europe***		
Belgium Germany Estonia Finland France Great Britain Ireland Netherlands Norway Sweden	Bulgaria Greece Croatia Austria Poland Romania Russia Slovakia Slovenia Czech Republic Turkey Hungary	Canada USA	India

Plant Sites and Market Positions

Wienerberger is the only multinational producer of bricks, roof tiles, concrete pavers and pipe systems with a total of 221 plants in 30 countries and four export markets, including one plant in India. 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 concrete pavers in Central-East Europe and pipe systems in Europe.

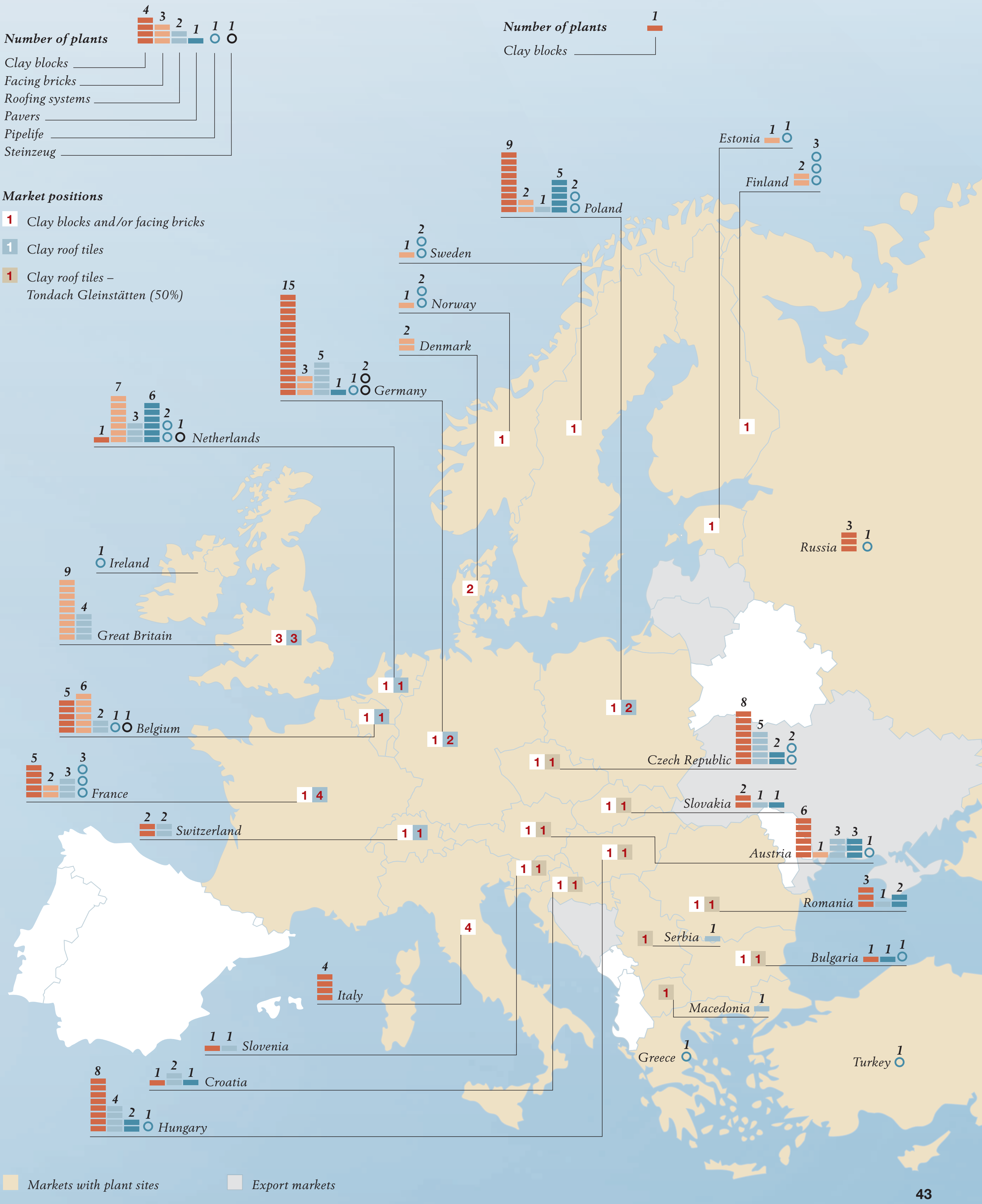
Wienerberger Markets in North America



Status March 2013

Wienerberger Markets in Europe

Wienerberger in India



Strategy and Business Model

Strategic reorientation after the crisis

Completion of strategic reorientation from an expansion-driven to a market-oriented company

For Wienerberger, the years since the crisis have been characterized, above all, by a difficult new residential construction market and an internal focus on cash generation. Extensive restructuring measures were implemented in 2009 as a reaction to the global financial crisis, which cut fixed costs by approx. € 200 million, substantially reduced working capital and gradually decreased the company's debt. The conclusion of the restructuring phase was followed by a strategic reorientation from a primarily expansion-driven to a market-oriented company with a focus on organic growth. Our customers are the focal point of our actions – we want to create added value for them with innovative, high-quality and use-oriented system solutions. Comprehensive advising and service for our customers, starting with the project planning stage, are an important part of our improved sales activities. The strategy for our core business is designed to establish and extend leading positions in all markets in which we are present.

Strategic expansion through development of pipe systems

In order to reduce Wienerberger's dependence on new residential construction over the medium-term, we have been working for several years to expand the core business through a stronger concentration on renovation and infrastructure. Our activities in the area of pipe systems should be seen in this connection. We acquired Steinzeug-Keramo, the market leader for ceramic pipes in Europe, during 2010. In 2012 the Wienerberger Group completed its transformation to an international system provider of building materials with the full takeover of Pipelife, one of the leading European producers of plastic pipes. Both companies were acquired at comparatively low multiples and create substantial added value with a CFROI that clearly exceeds the internal hurdle rate of 11.5%. The expansion of the core business has reduced the dependence on cyclical new residential construction from approx. 70% to roughly 60% of revenues. It has also broadened Wienerberger's strategic base to include new opportunities for sustainable growth over the medium- and long-term.

Financial discipline is a top strategic priority for Wienerberger

Our strategic focus will remain on financial discipline as well as the protection of a strong capital structure. In 2012 we held the ratio of net debt to operating EBITDA at 2.2 years – which is below our internal target of 2.5 – despite the Pipelife takeover. The issue of an additional bond in January 2012 with a volume of € 200 million increased our liquidity reserves and further optimized the term structure of liabilities. The maintenance and protection of a strong capital structure remains a central goal for Wienerberger, which we will continue to pursue through the proactive management of liquidity and the term structure of liabilities.

Wienerberger Group: EBITDA potential of approx. € 600 million

Wienerberger's activities cover ***solutions for walls and roofs*** (clay blocks, facing bricks and clay roof tiles) as well as ***pipe systems & paver solutions*** (plastic pipes, ceramic pipes and concrete pavers). These businesses are managed by region based on the following divisions: ***Bricks & Tiles Europe***, ***Pipes & Pavers Europe*** and ***North America***. The Wienerberger Group has a medium- to long-term EBITDA potential of approx. € 600 million across all divisions, once the new residential construction market recovers.

Strategy in the Bricks & Tiles Europe Division

Difficult market environment leads to capacity adjustments in Bricks & Tiles Europe Division

For the Bricks & Tiles Europe Division, the past years were influenced, above all, by a difficult market environment and a focus on cash generation. In 2009 the financial crisis led to the implementation of an extensive restructuring agenda that adjusted structures to reflect the market. The reporting year brought an unexpected decline in new residential construction throughout Europe, which pushed the level of residential construction below the 2009 crisis year in a number of key markets. Wienerberger reacted to this renewed weakness with further optimization and restructuring measures in the Bricks & Tiles Europe Division. A restructuring program was launched during the second half of 2012, which should result in cost savings of approx. € 50 million by year-end 2014. This program includes the mothballing of plants as well as the adjustment of shift models and the optimization of administrative and selling expenses. Another important step was the appointment of a dedicated management team for the Bricks & Tiles Europe Division. The former COO Johann Windisch resigned from the Management Board in 2012 to turn his full attention to this division together with two experienced Wienerberger managers. Under his direction, further optimization measures will be identified and implemented to improve the division's profitability.

Bricks & Tiles Europe Division: EBITDA potential of € 400 million under normalized market conditions

The new management team in the Bricks & Tiles Europe Division is taking charge of a modern industrial base with lean cost structures and an efficient plant network. The division has significant organic growth potential in the form of capacity that is currently not in use, but can be reactivated under normal market conditions. Wienerberger is in a position to generate a sound increase in earnings when the markets recover, primarily due to the fact that a major part of the fixed cost reductions is sustainable. The strategic focus for the coming years calls for an improvement in profitability through further process optimization as well as organic growth with innovative, premium products and building material solutions for energy-efficient construction. We see an EBITDA potential of approx. € 400 million for the Bricks & Tiles Europe Division over the medium- to long-term, assuming an appropriate market recovery.

Strategy in the Pipes & Pavers Europe Division

Strategic focus of Pipes & Pavers Europe on further development of the product portfolio

The Pipes & Pavers Europe Division includes Wienerberger's plastic pipe activities, ceramic pipe activities and concrete paver business. This division's product portfolio covers system solutions for building installations, drinking water supply, irrigation, wastewater and rain water management systems, energy supply and drainage as well as special products for industrial applications and pavers. We offer system solutions to meet current challenges that include the increased incidence of flooding caused by climate change and the development of green areas through urbanization. Our focus for Pipes & Pavers lies, in particular, on the continuous development of the product portfolio and progress through innovation.

Pipes & Pavers Europe Division: EBITDA potential of € 145 million

Above-average growth is expected over the coming years, above all, in the areas of rainwater and water management due to the renovation backlog in Western Europe and the planned increase in supply network coverage in Eastern Europe. The growing demand for electricity and broadband services will also lead to increased demand for cable and electrical installation pipes in the future.

continue on page 48

Interview with Heimo Scheuch, Chief Executive Officer

In spite of the loss recorded in 2012, the Managing Board is recommending an unchanged dividend of € 0.12 per share. What were the reasons for this decision?
The main reason was the strong cash flow we generated in 2012. The loss for the year resulted, above all, from one-off effects, which means there were no cash outflows behind these numbers. In 2012 we increased free cash flow 21% to € 164 million – which represents the cash we actually earned during the year. And we want our shareholders to participate in these results, especially since we have a strong balance sheet and also expect solid free cash flow in 2013. Wienerberger's business model shows that we can also generate sound cash flows in difficult times, and we want our shareholders to benefit from this success.

You announced a program for the structured sale of real estate with an estimated € 100 million of proceeds by year-end 2016. Can we expect € 25 million more liquidity for Wienerberger during each of the next four years?
No, you can't assume the proceeds will be spread evenly over this period. Our goal is the best possible sale of the current real estate portfolio under the given market conditions, and that takes time. The development of individual properties is also part of our plans. We are talking about a highly mixed portfolio in nearly all markets where Wienerberger is present. It includes real estate that is zoned for agricultural use in rural, structurally weak areas as well as properties close to urban centers. We intend to examine every project carefully, evaluate the potential and, depending on the respective market conditions, then select the best course of action.

Heimo Scheuch was interviewed on March 1, 2013 by Stephan Wirth, Corporate Development.

In 2012 you successfully completed a major acquisition with the full takeover of Pipelife. Are further acquisitions planned for 2013?
Our strategic focus remains clearly on organic growth. We also want to outperform the market in the coming years with innovative, high-quality building material solutions for our customers. Financial discipline and the maintenance of a strong balance sheet remain a top priority. Consequently, we will be very selective in evaluating possible acquisitions. If we see value-creating opportunities to strengthen our core business – above all in the renovation and infrastructure segments – we will utilize them within the framework of our financial flexibility, but major acquisitions are not part of our plans at the present time.

Where do you see the greatest growth potential for the Group over the coming years? In which markets or products?
That's not an easy question to answer because there are very interesting opportunities in all of Wienerberger's businesses. I see sustainable growth potential in pipe systems, on the one hand, due to the demand for broader supply network coverage in Eastern Europe and, on the other hand, in the renovation backlog in Western Europe, where the replacement of outdated pipe systems is becoming increasingly urgent. Our brick business is currently operating in markets that have fallen significantly below the pre-crisis level and where the volume of construction was by far not high enough in recent years. When these markets return to a normalized level – and here I don't mean 2007, but rather sustainable demand – we have an earnings potential in the brick business that is more than double the 2012 figure. However, we need stable economic conditions in Europe and America, lower unemployment rates and better access to mortgage financing to make this recovery possible.

In January 2013 the Netherlands cut the value added tax on building additions and renovation from 21 to 6%. Could this step lead to significant growth on the Dutch market? Are residential construction subsidies really effective?
I welcome this decision in the Netherlands and am convinced that it is a step in the right direction. However, I don't believe the VAT reduction will create any major growth impulses in 2013 because these types of measures take time to materialize in the form of projects and a subsequent improvement in the demand for building materials. Residential construction in the Netherlands should start to recover in 2014. Throughout Europe, affordable housing is becoming an increasingly important issue. The sharp drop in construction has led to a housing shortage in some countries and, in turn, to significantly higher real estate prices and rents. Governments are now called on to introduce regulatory and stimulus measures to provide their citizens with affordable homes and apartments. That would also create added growth impulses for the economy. With 20 million employees, the construction sector is one of the major employers in Europe. Tax incentives for real estate financing – such as the deductibility of mortgage interest and public investments in residential construction – not only create lower-cost housing but also countless jobs. They increase tax revenues and play a key role in safeguarding macroeconomic stability. For these reasons, I see residential construction subsidies as an extremely important instrument for the economic development and quality of life in a country.

The market shares of plastic pipes are growing steadily in comparison with competing metal and concrete products and outpacing the market. Over the medium- to long-term, we therefore see an EBITDA potential of approx. € 145 million for the Pipes & Pavers Division.

Strategy in the North America Division

North America Division: EBITDA potential of € 60 million

Our brick activities in North America were the first Wienerberger business to be affected by the financial crisis. Since 2006, US housing starts have fallen by more than 75%. Stabilization at a very low level in 2011 was followed by a slight recovery on the North American market in 2012. Wienerberger has a modern, highly efficient plant network and its own sales center in North America. Currently unused and mothballed capacity will allow us to benefit significantly from positive market developments in the future. We see an EBITDA potential of approx. € 60 million in this division over the medium- to long-term, based on normalized conditions on the new residential construction market.

External growth through market development and expansion

Use of opportunities for smaller, value-creating acquisitions

In the future we also want to use the challenging market environment to selectively expand our core business through smaller, profitable acquisitions. We will only invest in projects that help us to meet our CFROI target of 11.5% at the Group level, whereby we plan to realize these projects in all markets to strengthen our positions. Within the framework of available cash flow, we will also utilize opportunities to drive growth in the renovation segment.

Sustainable increase in the value of the company

Sustainable creation of added value as top corporate goal

The foremost goal of our entrepreneurial activities is to create and maintain a sustainable increase in the value of the company in accordance with ecological, social and economic principles. Accordingly, we work to create added value for all our stakeholders.

- For our employees, the positive development of our company means stable jobs with fair and healthy working conditions.
- Our customers benefit from sustainable, long-lasting and innovative products that guarantee energy-efficient, healthy living and supply security.
- Our products and system solutions make an important contribution to the attainment of climate protection and emission goals with their resource-efficient production and their long service life. We are also well aware of our responsibility to society and provide targeted in-kind support to the needy in the form of products or training programs.
- Shareholders and investors participate in the sustainable increase in Wienerberger's value through higher share prices and dividends.

Wienerberger is well positioned to benefit from recovery in residential construction

Wienerberger is well positioned to benefit from future recovery in residential construction. We have a modern, highly efficient plant network, a strong capital base, lean cost structures, strong innovation capability, durable and innovative products and committed, skilled employees. These success factors should allow us to realize the available operating EBITDA potential of approx. € 600 million at the Group level over the medium- and long-term in a normalized market environment.

Products and System Solutions

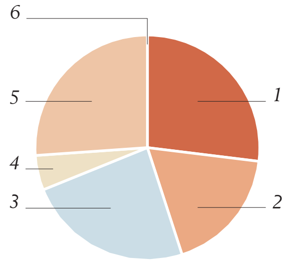
Continuous product development as the basis for sustainable success

The continuous improvement of our products represents a key strategic component of Wienerberger's sustainable success. We focus on the development of innovative products and system solutions in all our application areas – from sustainable and energy-efficient buildings to environmentally compatible pavers and supply and sewerage systems. Our product management specialists work closely with the various marketing and sales departments to ensure that new developments always meet the needs of our customers. The following pages provide an overview of our products and innovations.

Bricks

Wienerberger's brick activities cover three product groups: solutions for wall, facade and roof.

Revenues by Product



1 Wall 27%
2 Roof 18%
3 Facade 24%
4 Surface 5%
5 Pipes 26%
6 Holding & Others 0%

Wall – clay blocks

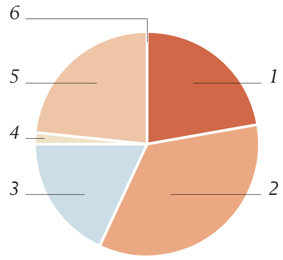
Clay blocks are used for load-bearing exterior and interior walls as well as for non-load-bearing partition walls or fillwork. A wall made of clay blocks is normally not seen after comple¬tion because it is covered with plaster or paneling. In any case, the technical advantages and features of these monolithic walls are compelling: high compressive strength, excellent thermal insulation and heat accumulation, sound insulation, high fire resistance (nonflammable) and healthy moisture regulation. In short, walls made of clay blocks are sturdy and safe, and create an unmistakably pleasant and comfortable atmosphere.

Innovations for walls

One special innovation milestone is the POROTHERM W.i., a clay block with integrated insulation. The voids in this product are filled with thermal insulation in the form of mineral wool, which eliminates the need for additional insulation on the outside of the house and makes construction more energy-efficient.

Wienerberger is also pursuing a "light brick" strategy, especially for infill masonry. These clay blocks have 25% less weight, which reduces raw material, transport and energy costs. Light bricks are used to fill the space between the load-bearing sections of a building and in interior walls, and create a pleasant and healthy interior room climate.

Operating EBITDA by Product



1 Wall 25%
2 Roof 39%
3 Facade 20%
4 Surface 2%
5 Pipes 26%
6 Holding & Others -12%

Two Wienerberger innovations for even faster brick wall construction are the Dryfix® adhesive system (a special aerosol masonry glue that speeds up construction and eliminates the need for mortar) and the PlanModulSystem. Under the PlanModulSystem, particularly thin mortar is poured into a specially developed rubber profile. The mortar hardens to an even surface, where plane ground blocks can be laid quickly and easily. Both systems speed up construction and thereby reduce the cost of massive brick walls.

Facade – facing bricks

Facing bricks are used in visible brick architecture: facades and interior walls are made from or covered with these bricks. The necessary functions of the load-bearing walls are provided by clay blocks or other building materials. A wall made of facing bricks provides optimal protection from the weather, but still allows the building to "breathe", and is an esthetic calling card. The sturdiness of the facade bricks eliminates the need for maintenance or expensive renovation in later years, which also helps to reduce costs. Wienerberger facing bricks are sold under the TERCA brand. They open up a wide range of design alternatives through the combination of colors, shapes and surface structures – a feature that is rarely found in other building materials. Facing bricks can be combined together in story-high prefabricated elements for fast construction. Especially in the non-residential sector, brick architecture can therefore play an important role in modern, economic building.

Innovations in facades

TERCA Slimbrick® and Eco-Brick® reduce raw material requirements

The TERCA Slimbrick® and Eco-Brick® are extra thin, innovative facade bricks made by Wienerberger. Their slim form creates additional space for insulation without increasing the thickness of the wall. These products also help to conserve resources because they require fewer raw materials. One particularly thin alternative – Riemchen brick slips – was developed especially for use with external composite thermal insulation systems. It not only improves the appearance of the building, but also provides perfect protection against extreme weather conditions.

ArGeTon® ceramic facade boards are optimally suited for renovation and restoration

Ceramic facade boards for rear-ventilated facades from the ArGeTon® product line can be combined with a variety of other building materials like steel and glass. ArGeLite® is well-suited for renovation because it saves space and has a low weight, while ArGeLite H® is used primarily in the renovation of single- and multi-family homes. In addition, ArGeTon® was the first ceramic facade board product to pass the safety test for ball impact. That makes an ArGeTon® facade particularly well suited for buildings, like schools or day care centers, which are exposed to increased mechanical stress.

Roof – clay roof tiles

Clay roof tiles are used primarily on pitched roofs

Clay roof tiles are used primarily to cover pitched roofs and increasingly also for facade design. They not only protect houses from the weather for many years, but also represent an important design element for architects. Clay roof tiles are used in new construction and, to a large extent, in the renovation of buildings. Wienerberger clay roof tiles are sold in Western Europe under the KORAMIC brand and in Eastern Europe through our 50% investment Tondach Gleinstätten. These products are available in a wide variety of forms, colors and surfaces that create a unique and attractive look for a roof made of clay roof tiles. The product line also includes large-sized tiles, which reduce laying costs because of the lower number of tiles required per square meter of installed roof area.

Innovations for roofs

Wienerberger is a full system provider for roofs

Wienerberger offers a one-stop shop solution for roofs: each model (type of tile) is accompanied by a full line of tiles as well as ceramic and technical accessories. These durable, colorfast and stable clay roof tiles are marketed together with a complete line of system components whose functions, forms and colors are perfectly coordinated to match the respective roof tile line. This underscores Wienerberger's positioning as a complete supplier for roofs. Climate change and the resulting extreme weather conditions have also led to increasing demands on the resistance of roofs. Wienerberger has met this challenge with the patented sturmFIX system, which uses special fixation hooks to protect roof tiles from even the strongest storms.

Pipes & Pavers

Wienerberger pipes & pavers cover three product groups: plastic pipes (Pipelife), ceramic pipes (Steinzeug-Keramo) and concrete pavers (Semmelrock).

Plastic pipes

Pipelife plastic pipes cover a broad range of applications

Plastic pipes are suitable for a wide range of applications. The product portfolio of high-quality, durable pipe systems with matching fittings and accessories covers systems for rainwater and wastewater disposal, sanitary and heating technology, energy, gas and drinking water supplies as well as a wide variety of special products for private and industrial use.

Innovations in plastic pipes

The Raineo™ system prevents flooding in urban areas

Climate change and the increasing development of green areas have led to a growing incidence of flooding in inner city areas. With RaineoTM, Pipelife has developed an extremely efficient system to solve this problem. The heart of the system is the so-called "Stormbox", a large plastic box that is installed under built-up areas to collect excess water. When the rain is heavy, the water overload flows into the box – where it is gradually released into the connected sewerage system and, in this way, prevents flooding.

LLLD pipes and Soluforce™ as made-to-order products for industrial applications

Pipelife took an important step to meet an emerging global trend – oversized pipes (LLLD, Long Length Large Diameter) for industrial facilities – and started operations with a special production line in February 2012. That makes Pipelife the only producer in the world that can manufacture oversized pipes with a diameter of up to 2.5 m and a length of up to 600 meters. In 2012 the company won tenders for pipes from this product line, among others, for major projects in Morocco and Ghana. Another special pipe – Soluforce Heavy – was developed especially for high pressure (saline) applications in oil and gas fields. Steel wire reinforcement makes these pipes extremely pressure-resistant, while a plastic liner ensures high corrosion resistance – two features that create a significant advantage over conventional steel pipes in these industrial applications. The special plastic liner can also withstand harsh corrosive substances like hydrogen chloride and sulfuric acid, alkaline substances like sodium hydroxide and potassium hydroxide as well as ammonia solutions.

Wall temperation system for brick walls

As part of a joint project with Wienerberger, Pipelife developed a wall temperation system made of plastic pipes. It is integrated in brick walls and works similar to underfloor heating, but releases heat across the entire wall. The system can be used for heating or cooling; it reduces energy consumption and also helps to create a pleasant interior climate.

Ceramic pipes

Ceramic pipes for sewerage systems

Steinzeug-Keramo produces ceramic pipes, dies and accessories for use in open and closed sewerage systems, for relining (placement of new pipes directly over the old pipelines) and drainage. These pipes meet a wide variety of requirements – above all for sewerage applications – because they are extremely resistant and cannot be damaged by high-pressure cleaning or corroded by aggressive household or industrial wastewater, even over the long-term.

Innovations in ceramic pipes

Jacking pipes for trenchless installation

At Steinzeug-Keramo innovation is concentrated, above all, on optimizing the technical properties of the products. One result of this focus is the development of ceramic jacking pipes that are suitable for trenchless installation. The pipes are inserted into a starting shaft and then pushed to the target shaft by means of a tunneling machine, thus avoiding any excavation. This environmentally compatible procedure allows the pipes to be installed with only minimal earth movements and without disturbing the existing infrastructure. This technique can also be used to replace existing pipelines without digging new trenches.

Pavers

Semmelrock makes concrete pavers

Pavers are used in many different applications – from public areas, streets and roads to private homes and gardens. The product line includes concrete pavers and boards, wall and fencing systems, design elements such as steps, enclosures and edgings as well as an extensive infrastructure program. The large range of shapes, colors and surface structures places virtually no limits on the esthetic fantasy and durability of designs with concrete pavers. In addition, color-coordinated product systems allow for the realization of complete design solutions.

Innovations in pavers

Innovative installation systems and surface sealing by Semmelrock

Innovation at Semmelrock is directed to extending the service life and improving the economy of products. Semmelrock Premium Protect®, a special surface shield, seals the stones and thereby provides for long-lasting color protection and easy maintenance, even on areas that are exposed to heavy soiling. Einstein®, an innovative jointing system, was developed to meet the high demands on heavily trafficked areas. This fully interlocking system with integrated protection against shifting prevents the paved areas from displacing, tilting or warping, even under high stress.

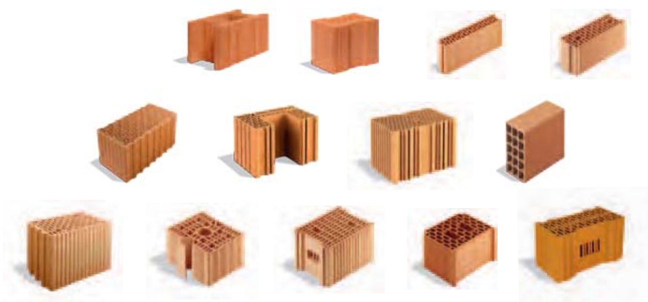
The Wienerberger Product World

Wall Solutions

Clay blocks

Our high-tech clay blocks are available in a wide variety of sizes with different void patterns and ceramic properties. High thermal insulating clay blocks for exterior walls, heavy clay blocks for improved sound insulation, seismic-resistant clay blocks, clay blocks for infill masonry: we offer the best possible solution for every construction challenge and create an unmistakably pleasant and healthy indoor climate with walls made of bricks.

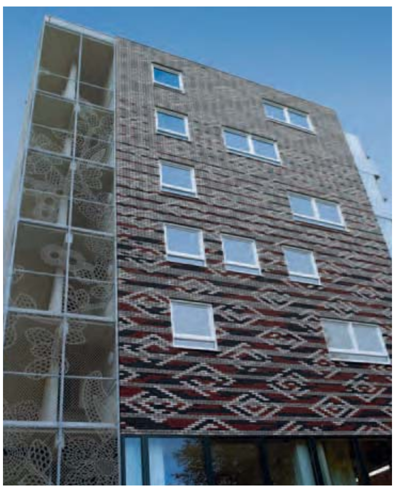
Thermal insulation included!
Our insulation filled clay blocks
eliminate the need for external insulation.



Facing bricks and facade systems

We have expanded our innovative line of facade bricks – which comprises over 1,000 models in a wide range of shapes and colors – to also include facade systems that are mounted with vertical steel profiles on buildings and are therefore particularly well suited for high-rise construction and modern architecture.

In close cooperation with designers and architects, we create special products for extraordinary facades.

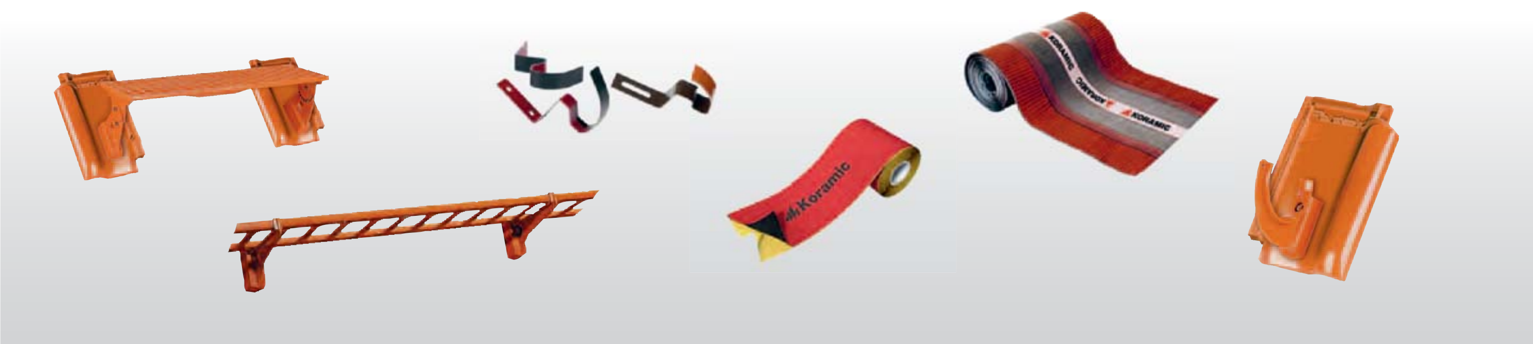


Roof Solutions

Clay roof tiles are used primarily to cover pitched roofs and, increasingly, for facade design. They protect houses from the weather for many years and also represent an important design element for architects. The Wienerberger roof tile product line includes more than 100 models in various shapes, colors and surface structures. These product features create a unique and attractive look for a roof made of clay roof tiles.

Wienerberger not only offers ceramic products, but also technical accessories such as underlays, ventilation systems, roof inspection products and snow retention systems. Complete solutions for roofs from a single hand.

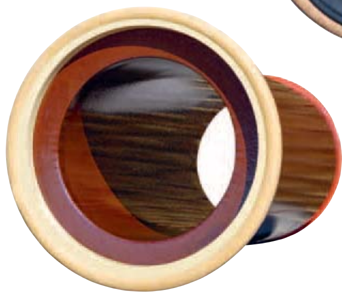
An online wind suction calculation tool and sturmFIX hooks make installation easier for roofers and provide added protection against storms.



Pipe Systems

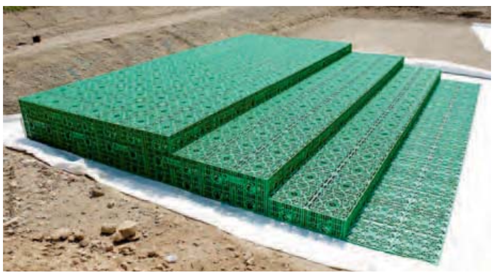
Plastic pipes (including fittings and accessories) can be used in a wide variety of projects. The product portfolio includes system solutions for building installations, drinking water supply, irrigation, wastewater and rain water management systems, energy supply and drainage as well as special products for industrial applications.

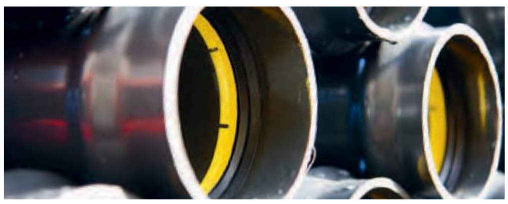
Ceramic pipes, fittings and accessories are used in open and closed sewage systems, for relining (the placement of new pipes directly over the old pipelines) and for drainage.

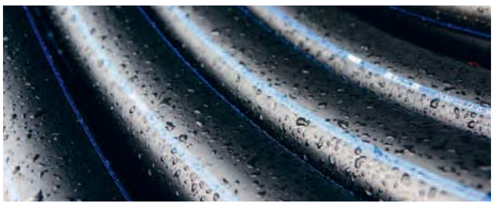


With a service life of over 100 years, clay pipes represent a sustainable solution for wastewater disposal.

The Pragma line of corrugated pipes is used primarily in wastewater disposal and, due to its outstanding properties, is one of the best-known products in the Pipelife portfolio.





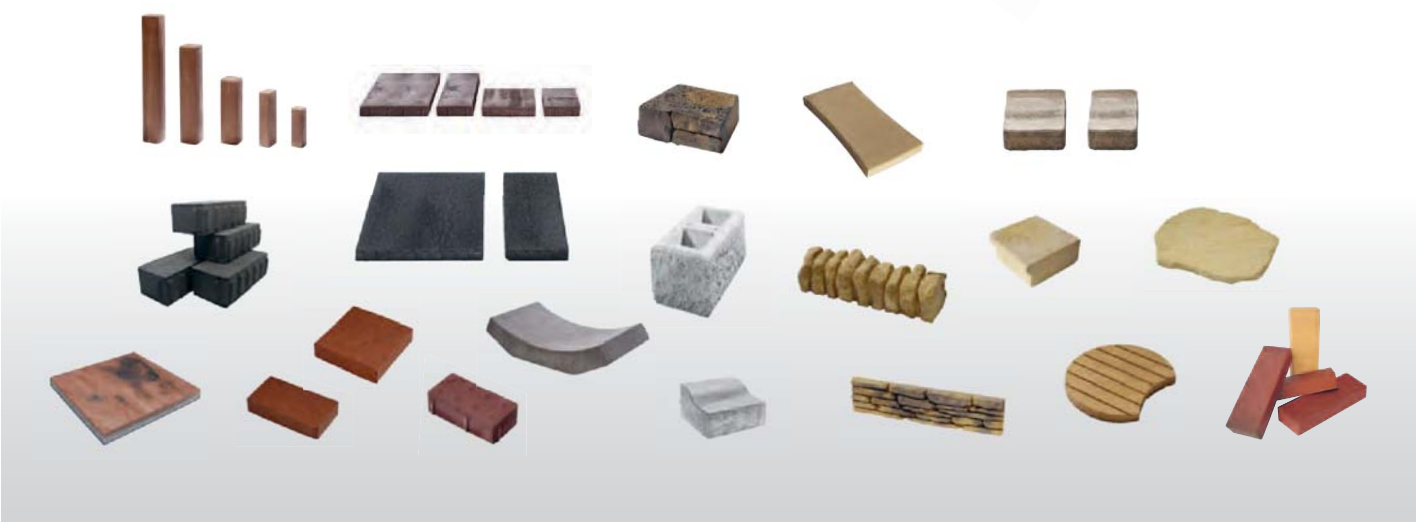


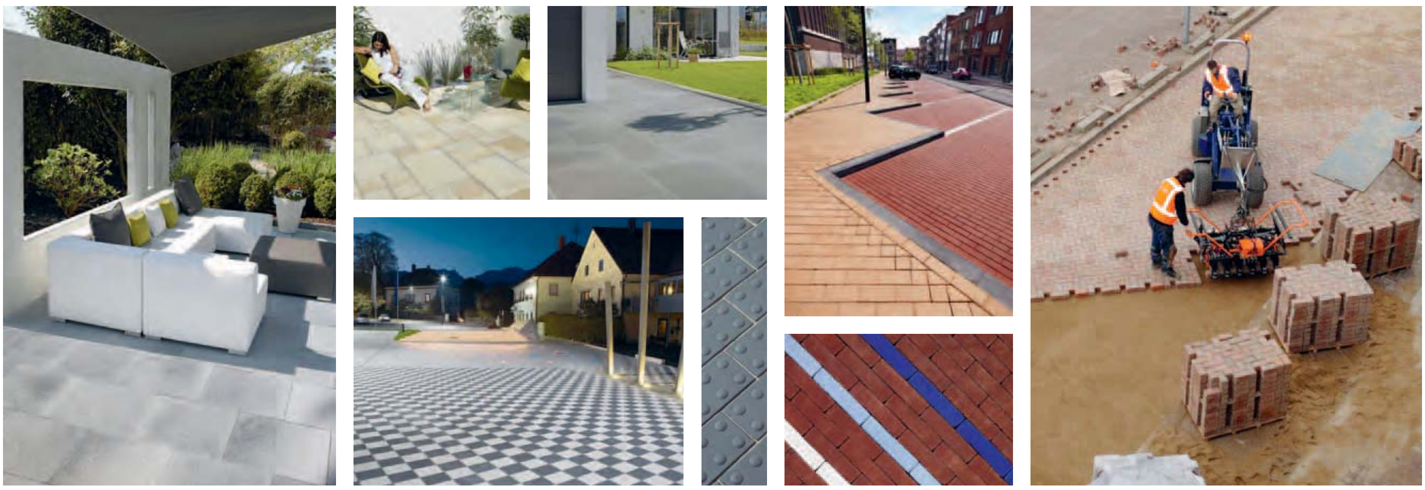
Pavers

Pavers made of clay or concrete are characterized by high resistance and lasting esthetics. They can be used in many different types of applications – from public areas, streets and roads to private homes and gardens.

The large range of product systems, colors, shapes and surface structures places virtually no limits on design.

The ARTE Segmental Arc Pavers combine traditional flair with modern technology.

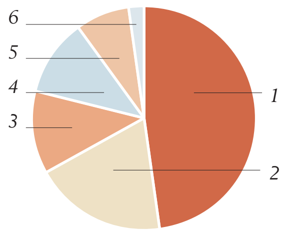




Employees

The average number of employees in the Wienerberger Group rose 10% to 13,060 in 2012, above all due to the acquisition of Pipelife during the reporting year. Revenues per employee rose by 12% to € 180,000 for the reporting year, but operating EBITDA per employee fell by 7% to approx. € 18,800 due to the earnings decline in the Bricks & Tiles Europe Division.

Employees by Segment



1 Bricks & Tiles West Europe 48%
2 Bricks & Tiles East Europe 19%
3 Pipes & Pavers West Europe 12%
4 Pipes & Pavers East Europe 11%
5 North America 8%
6 Holding & Others 2%

Human Resources at Wienerberger

Professional personnel development and the advancement of human capital represent key factors for the success of our company. In keeping with our decentralized structure, strategic personnel issues that affect the entire Group are managed centrally by Corporate Human Resources, while local personnel issues and related decisions are the responsibility of the country organizations. Our actions are concentrated on the development of groupwide networks and the international transfer of know-how, the support of future managers and the preparation of talented men and women for management positions.

Wienerberger is well aware of its responsibility to its employees and takes this responsibility very seriously. Workplace safety is one of our main concerns, and we therefore introduced further measures at the local level during the reporting year as part of the Wienerberger "Health & Safety" program. The sustainable success of the measures implemented since 2010 is illustrated by declining accident statistics in the countries that have fully implemented these safety standards. One example of this success is France, where the accident rate has fallen significantly.

Development of Productivity
in TEUR

Wienerberger is committed to the principles of sustainability, to respect for other cultures and beliefs and to entrepreneurial spirit and actions. Our personnel policies are also based on this conviction. We place high value on extensive communication and transparency at all levels of the corporation. The selection and development of employees based on our shared values represent a key objective of the Wienerberger Group, and were supported by various activities in 2012.

Wienerberger Training Academy

Sales Academy: training offensive for marketing and sales

One of our most important corporate goals is to intensify our marketing and sales activities, and thereby strengthen our customer ties. In order to provide the best possible support for making this goal reality, we launched the Sales Academy training offensive for managers, sales staff and product managers in 2010. Since that time more than 1,000 employees have been coached. The program, which is intended to strengthen and improve selling activities in the various countries, was also continued during 2012.

Engineering Academy: training and international exchange of know-how by engineering personnel

The Wienerberger Engineering Academy was established as a permanent facility to provide instruction in various technical disciplines and thereby protect our competitive advantage in production over the long-term. The academy offers a variety of modules that include basic courses, the Engineering Academy Advanced and a training program for plant managers. The basic courses focus primarily on ceramic products and production technologies, whereby the know-how compiled by our international experts in the areas of raw material testing, preparation, drying and firing technology and quality analysis is passed on to our technical personnel. The modules offered by the Engineering Academy Advanced were introduced in 2010 and represent a platform for know-how transfer between experienced and younger technicians on key strategic subjects such as plant and process optimization and energy and cost efficiency. These programs are supplemented by a basic training course for plant managers, which covers production process optimization, supply chain management and the development of personal skills. The various modules in the plant manager program also strengthen the international transfer of know-how and global networking.

Ready4Excellence: training and international know-how exchange for future talents

The new four-module Ready4Excellence program for international talents started in May 2012 with 22 Wienerberger employees from 12 countries. It is designed to communicate specific content and tools based on Wienerberger's requirements. The program's objective is to professionalize instruments and processes throughout the Group and ensure targeted support for the implementation of the Wienerberger strategy. Other topics include communications and familiarization with our feedback philosophy to support personal growth and the continuous development of the corporate culture.

Talent management to identify and develop future managers

The structures and processes for professional talent management in the Wienerberger Group were defined in 2012, and the first specific measures have already been implemented. The objective here is to identify and develop qualified men and women for positions in key management functions. In this way motivated employees with suitable potential receive an opportunity for further development, while Wienerberger is able to fill management positions internally and also maintain its high management standards.

Instruments for sustainable corporate development

Long-term remuneration model for top management (LTI program) to support the sustainable development of the company

Management compensation at Wienerberger includes both a fixed and a variable component to increase motivation and strengthen identification with corporate goals. The variable component is based on short-term remuneration as well as medium- to long-term remuneration within the framework defined by the long-term incentive (LTI) program. A new structure was developed for the short-term variable remuneration of top and senior management in 2012, which will apply beginning with the 2013 financial year. This new structure differs from the previous remuneration system in two ways: the bonuses for the respective management positions are linked to earnings and cash flow targets, and part of the bonus is only paid out after a defined waiting period. The one-year postponement is linked to another goal attainment. The LTI program for medium- and long-term variable remuneration was introduced in 2010 to support the sustainable development of the company and to synchronize the actions of management with the objectives of our shareholders. Remuneration for the members of the Managing Board and top management under the LTI is based on CFROI, an indicator that shows both the performance and the increase in the value of the company. This instrument meets international corporate governance standards for the remuneration of top management and sets a benchmark for sustainable, long-term oriented remuneration programs in Austria.

Research and Development

Research and development (R&D) form an integral part of strategic planning at Wienerberger and represent key activities for the Group. In these areas we work to optimize production processes and to continuously improve and develop our products and system solutions in all our application areas – from energy-efficient building concepts to environmentally compatible pavers and supply and sewerage systems. Our goal is to protect and further expand our market positions through ***cost and technology leadership*** and ***product innovation.***

R&D is one of the key points in strategic planning

R&D at Wienerberger is managed centrally, but implemented locally based on close cooperation between the various R&D departments and on-site management and engineers. This ensures the fast and efficient rollout of successful developments throughout the Group. In 2012 R&D expenditures amounted to € 9.0 million and innovative products generated 23.4% of revenues.

R&D is managed centrally, but implemented locally

R&D for bricks

Wienerberger's commitment to sustainability is reflected in the continuous improvement of its production processes. A central engineering department for bricks is working, above all, on projects to reduce energy consumption. Drying and firing comprise a significant amount of the energy requirements for our production, and many assignments therefore concentrate on optimization in this area. Other focal points of our research include resource conservation in production and the responsible processing of raw materials.

Process optimization for bricks in the interest of sustainability

Another building block for Wienerberger's sustainable success is the continuous development of the product portfolio and the improvement of existing products. Wienerberger operates three research centers for bricks that are specialized by product group: clay blocks, facing bricks and clay roof tiles. Our product management specialists work closely with the various marketing and sales departments to ensure that new developments always meet the needs of our customers. These activities are centered on the development of innovative products and system solutions for sustainable and energy-efficient construction. Additional information on our product innovations for bricks can be found on page 49.

Development of system solutions for energy-efficient construction

R&D for pipes & pavers

R&D activities for plastic pipes are located at our research center in the Netherlands, which works together with universities and external experts from various disciplines. Research is concentrated on the development of new products as well as the improvement of existing products, the refinement of formulas for the raw material mix and the optimization of the production process. Our production-related projects target the increased use of recycled products as raw materials and the reduction of product weight.

Focus on use of recycling materials and reduction in product weight for plastic pipes

Projects involving ceramic pipes are directed to improving the dryer-kiln-heat system. Wienerberger is a leader in the recycling of waste products through the raw material mix. For certain types of pipes, we have been able to use up to 60% of ceramic recycling materials in production.

Wienerberger is a leader in the use of secondary raw materials for ceramic pipes

New technologies for paver surface structures

Research activities for our concrete paver solutions concentrate on improving the surface design of the products, in part through the development of new technologies to optimize surface structures. Projects for the production area are focused on the composition of raw material mixtures and, above all, on the reduction of the cement content.

Close cooperation with marketing departments in product development

The development of new system solutions and the improvement of the technical properties of existing products represent two special objectives for pipes & pavers. In order to meet the needs of customers, the research and development departments work closely with the respective marketing and sales units. The international rollout of new products is managed centrally, but the products are adapted by our local specialists to meet the requirements of their specific markets. Additional information on our product innovations for pipes & pavers can be found on page 51.

Procurement

Strategic procurement department helps realize synergies in the Group

Business activities in 30 countries and the decentralized structure of the Wienerberger Group create a wide range of challenges for our strategic procurement department. Our goals in this area are to identify synergies in close cooperation with the local Wienerberger units and to realize these synergies through coordinated actions on procurement markets. We also work to improve the efficiency and enlarge the scope of our procurement services on a continuous basis.

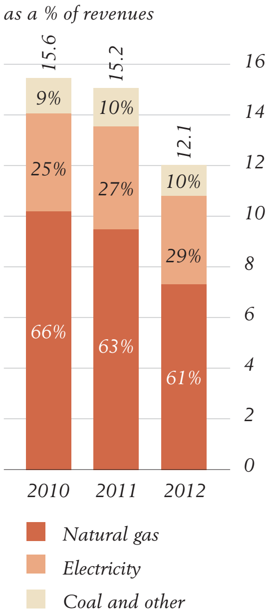
Clay supplies secured over the long-term

Our most important raw material in Bricks & Tiles is clay. The strategy pursued by the Wienerberger Group is designed to ensure sufficient clay supplies over the long-term (15 to 20 years). Roughly two-thirds of required clay reserves are owned by the Group, and the rest are safeguarded through long-term mining contracts.

Strict price management for plastic pipes

In the plastic pipe business, our most important raw materials include PVC, PP and PE. These granulate prices are subject to high volatility because of their close connection with the price of crude oil. Hedging is not a common industry practice in this area because the price fluctuations are frequently short-term. The continuous management of selling prices therefore represents the focus of activities for plastic pipes.

Energy Costs
as a % of revenues



A major challenge for procurement is the development of energy prices. The strategic procurement of energy is centralized in the Wienerberger Group because of its importance. Decisions to set volumes and prices are made centrally in close coordination with the country organizations and Wienerberger risk management. Our strategy for the non-regulated energy markets is as follows: 75% of energy costs are hedged for the next six months, 50% for the next 12 months and 25% for the next 24 months. This hedging is based on a rolling planning process, and prices for part of the required energy volumes are established for up to three years in advance depending on market trends. The goals of this process are to improve cost planning and limit price fluctuations. In accordance with this strategy, we have already hedged part of the natural gas and electricity requirements for 2013.

Despite an increase in gas prices, energy costs for the Group fell by 2% to € 284.5 million in 2012 as a result of the volume decline in the Bricks & Tiles Europe Division. Energy costs as a percentage of revenues were lower at 12.1% (2011: 15.2 %), above all due to the initial consolidation of Pipelife where energy consumption is lower than the ceramic business. Group expenses for energy can be classified into 61% for natural gas, 29% for electricity and 10% for coal and other. We expect a slight price-related rise in energy costs for 2013 based on the hedged volume.

Continuous optimization of procurement processes

Machinery and equipment for Bricks & Tiles and Pipes & Pavers are purchased centrally. The continuous optimization of procurement processes is an important part of our efforts. After the takeover of Pipelife, we started a Group-wide program to develop opportunities for improvement in this area.

Sustainability Management

Business as an integral part of society

Wienerberger views business as an integral part of society. Its duty is to serve people and create value for everyone. Wienerberger takes its role as a responsible member of society seriously. We define responsibility as ethical actions, honest communications, active participation in the transparent development of our economic environment, personal accountability and actions that confirm our standing as a reliable and valuable member of society.

Sustainability is an integrated process

Sustainability represents an integral part of the Wienerberger corporate culture and is embedded in all stages of the company's value creation process. We see sustainability as an integrated process that creates lasting values for our company and our stakeholders. At Wienerberger, sustainability begins with our ***employees, production processes*** and ***products*** and also covers ***our responsibility to society*** and our ***stakeholders.*** Our efforts in all areas of the company are directed to creating added value for our stakeholders.

Sustainability Report on our website

The Wienerberger sustainability report transforms this commitment into an obligation. It is based on the standards defined by the Global Reporting Initiative and represents an integral part of a continuous process. All levels of management and our employees have taken on shared responsibility for the implementation of measures that will support a continuous improvement in sustainability at Wienerberger. The following sections provide an overview of our principles and actions in various areas of the company. Further information on specific measures as well as facts and figures on sustainability can be found in the Sustainability Update 2011 and on our homepage. The next sustainability report will be published in June 2013.

1. Support for employee development

Employees are the foundation of our success

"On a sound basis" – Our employees are the basis of our success. We offer a healthy, safe and motivating working environment as well as an opportunity to actively shape the company. Ongoing training supports the development of each individual employee as well as the company. The central principles of our sustainable human resources management include equal opportunity for all employees, regardless of age, gender, culture or origin. (Also see the chapter on employees, page 53).

2. Environmental protection in production

Resource conservation and recycling are guiding principles for production

"In harmony with people and nature" – Environmental protection in production is a top priority for Wienerberger. The use of natural raw materials and recycling are the central principles of our sustainable production. Another important focal point of our activities is the greatest possible conservation of resources. That means improving the energy efficiency of production processes through optimized technologies and the use of renewable energy carriers and, subsequently, reducing CO_2 emissions. We are also working to reduce the weight of our products and evaluating the use of secondary raw materials.

3. Sustainable products

Value creation with natural, long-lasting and innovative products

"Creating lasting values" – The value of a building or a pipe system is dependent on numerous factors, not least on the products used. A central principle of product development at Wienerberger is the creation of lasting values for people with natural, long-lasting and innovative products. Wienerberger brick products form an integral part of sustainable building concepts. They guarantee a high quality of living and make an active contribution to climate protection. In the area of pipes and pavers we offer system solutions for today's challenges, including the demands on water management resulting from climate change or increasing urbanization.

4. Responsibility for society

Commitment to social responsibility

"Building with a good conscience" – Our belief in sustainability is also reflected in our goal to accept responsibility for society. The protection of human rights and compliance with all relevant national and international legal regulations as well as open and transparent communications with politics and public authorities also represent an integral part of our commitment to social responsibility. Our donation guideline provides a framework for the targeted, in-kind support we provide to the needy in the form of products or training programs. We believe we can help best in areas related to our core expertise, namely in the provision of building material solutions and know-how for sustainable construction.

5. Added value for our stakeholders

Added value for all our stakeholders

"For customers, shareholders and employees" – Our foremost goal is to generate added value for all our stakeholders through future-oriented, proactive behavior. We create a healthy living environment and provide security of supply for our customers with natural, long-lasting and innovative products, a solid investment for our shareholders and an attractive workplace for our employees. Wienerberger engages in an active dialogue with all its stakeholders and is well aware of its responsibility to shareholders.

Sustainability is deeply anchored in the company

Sustainability is anchored in all country organizations

Sustainability represents an integral part of Wienerberger's corporate strategy and, as such, is firmly anchored in our organizational structure. In addition to a Group-wide sustainability officer, each of our country organizations has designated a specific person who is responsible for sustainability and the implementation of the respective Group guidelines and programs.

Wienerberger creates jobs in structurally weak regions

Its large network of local production facilities makes Wienerberger an important employer in many, in part structurally weak, regions. At our plants we work to develop and maintain the best possible understanding with municipal authorities, interest groups, neighboring residents and NGOs. Our activities are focused on mutual understanding and learning from one another.

Selected projects are presented on the following pages

We regularly support and promote social projects in nearly all countries where Wienerberger is present. The following two pages present a selection of the projects that were carried out in 2012.

Corporate Responsibility Projects 2012

Pipelife

Around the world with 27 aid projects

As part of its long-standing partnership with the Austrian Red Cross, Pipelife launched a new campaign in 2012: for 27 months, the company will support 27 humanitarian projects in the 27 countries where it is active. The kick-off for this campaign was a unique training program carried out in cooperation with the Red Cross in Austria and the UK, which also received financial support from the European Community Humanitarian Office (ECHO). The program's goal is to teach development aid workers to react quickly and correctly in disaster situations. This project "Prepare to Respond" has held courses in a variety of humanitarian fields, including water, hygiene and sanitation equipment. Assistance was also provided for a project in Riga, Latvia, during October 2012, where Pipelife renovated a youth center that also offers training programs.

Belgium

DUBOkeur certificate for Porotherm clay block

In 2012 Wienerberger Belgium received the DUBOkeur certificate for its Porotherm clay block. This certificate is presented by the Dutch Institute for Biological and Ecological Construction (NIBE), an independent research institute that evaluates the environmental impact of building materials over their entire lifecycle. The product assessment is based on 17 environmental criteria that range from global warming to recycling and waste processing. The DUBOkeur certificate represents a very special award for the Wienerberger Porotherm clay block because it is only presented to the very best ecological building materials.

Denmark

Specialized training for plant employees

Wienerberger Denmark places special focus on continuing education and training for its plant employees. Specially designed content was compiled into an 18-month program that allows employees to complete the educational requirements for certification as process control technicians. The subjects include mathematics, physics and foreign languages as well as technical modules on information and automation technology. This program not only benefits the employees, but also Wienerberger Denmark because the graduates, with their higher educational level, can be assigned to a wider range of jobs.

Austria

Help for reconstruction after storm damage

In the northern region of the Austrian province of Styria, severe storms followed by mudslides and flooding caused widespread destruction last summer. Wienerberger Austria reacted quickly and provided assistance in the form of a donation: four semitrailer trucks with 100 pallets of Wienerberger bricks were hauled from the plant in Apfelberg near Knittelfeld, not far from the scene of the damage, and turned over to the mayor. The bricks were used to rebuild three buildings in St. Lorenzen: a single family house, a farm building and the municipal garage.

Hungary

New homes for disaster victims

As the largest producer of building materials in Hungary, Wienerberger is committed to helping people who are victims of natural disasters or misfortune. In 2012 the company provided fast and unbureaucratic assistance to a family in Magyarkút who had lost their home in a fire and another family in Pilismarót who lost their house as a result of a natural disaster. Wienerberger Hungary supplied these families with the bricks needed to build new homes.

Italy

Wienerberger Italy goes photovoltaic

Wienerberger has set a goal to increase the share of renewable energy in its total energy consumption and invests in economically feasible projects that help to meet this goal. One of the most promising forms of alternative energy generation is, without a doubt, solar energy. In 2012 Wienerberger Italy installed photovoltaic equipment over a total area of roughly 12,500 m² on the roofs of its plants in Bubano, Feltre and Terni. The equipment will generate nearly 2,500 MWh of electricity each year, which represents approximately 7% of Wienerberger's electricity requirements in this country. Surplus electricity will be fed into the public grid, where it will be available to other consumers. This investment will not only increase Wienerberger's share of renewable energy in Italy, but also reduce electricity costs.

North America

Prize-winning occupational safety

The Wienerberger subsidiary General Shale received numerous awards for its occupational safety projects in North America during the past year. In particular, the company's low accident rates and programs to support employee health were highlighted at the awards ceremony. These good results are a consequence, above all, of the Safety Initiative 2010. The campaign was started to implement uniform safety standards throughout the Group and, in this way, achieve a significant reduction in accidents. An important role in this success was played by the regular training courses that are held to increase employees' awareness of on-the-job safety.

Romania

Cooperation with Habitat for Humanity

In connection with its new donation guideline, Wienerberger has entered into a support agreement with Habitat for Humanity. Habitat for Humanity is a non-governmental, worldwide aid organization that is dedicated to providing poor and disadvantaged people throughout the world with safe and affordable housing. In a first step, roughly 150 homes will be built for people in need in Romania and Bulgaria over the next three years. This three-year cooperation program was launched with the "Big Build 2012" in Craiova, Romania, from October 1 to 5, 2012. Together with the involved families, volunteers from all over the world built five brick homes in five days.

Success Factors and Major Drivers

SUCCESS FACTOR
AND MAJOR DRIVER

I

Market orientation and customer relations

SUCCESS FACTOR
AND MAJOR DRIVER

II

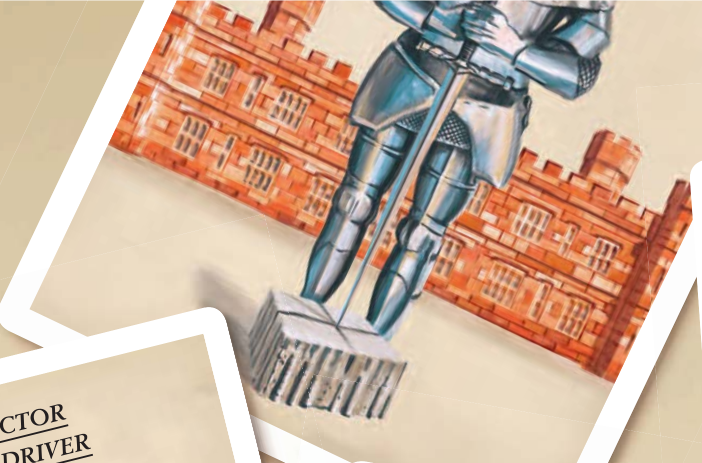
Product development and innovation

I *Market orientation and customer relations*

Wienerberger offers innovative, high-quality building material solutions for construction, renovation and infrastructure that are efficient, sustainable and value-creating for our customers. We also create added value for our customers with a wide range of advising and other services. With our broad portfolio of ceramic products, we want to help people realize their dream of an own comfortable home. We also want to help make electricity, water and gas supplies safe and secure with our pipes. Our extensive plant network allows us to service customers throughout our markets and to adapt our products and system solutions to meet local needs.

II *Product development and innovation*

Our aim is to be the innovation leader in all businesses in which we are active. Close contacts with architects, construction firms and consumers help us to adapt our products and system solutions for energy-efficient construction, renovation and infrastructure to meet the needs of the market. In the clay block segment, our goal is to optimize the technical properties of our products – for example thermal accumulation, sound insulation and efficient laying – and also improve stability and load-bearing capacity, which play an important role especially in earthquake-prone areas. In facing bricks, clay roof tiles and pavers, we concentrate on the early identification of architectonic trends. We adjust our offering to meet local needs and preferences, and continually add new items to our product line. In the roof tile segment, we have positioned our company as a system provider by expanding our product line to also include non-ceramic accessories. Innovation in pipe systems is directed, above all, towards product improvements that increase the resistance to pressure and surface stress and support a wider variety of applications through more flexible installation.



SUCCESS FACTOR AND MAJOR DRIVER

III

Cost and capacity management

SUCCESS FACTOR AND MAJOR DRIVER

IV

Strong capital structure through generation of high cash flows

SUCCESS FACTOR AND MAJOR DRIVER

V

Strong market positions

III Cost and capacity management

Strict cost management and ongoing cost optimization throughout the Group – which covers production, administration and sales – is an integral part of the Wienerberger culture. Our extensive network of plants in all markets and product areas allows us to actively manage capacity and to react quickly to changes in the operating environment and demand. Process optimization is managed centrally, but implemented locally. The most important projects currently in progress involve supply chain management, the optimization of energy costs (environmental action plan) and working capital management. Our goal is to continuously strengthen profitability in all areas of the corporation.

IV Strong capital structure through generation of high cash flows

Significant parts of Wienerberger's core business (above all the clay business) are capital-intensive. After a high initial investment, only approx. 60% of depreciation is normally required for maintenance and the refitting of existing equipment. This releases substantial free cash flows that are available for debt repayment, dividends, share buybacks and growth projects. However, in times of economic uncertainty we use these cash flows primarily to protect liquidity and maintain a healthy capital structure. Financial discipline is supported by our internal goal to limit the ratio of net debt / operating EBITDA to a maximum of 2.5 years at year-end.

V Strong market positions

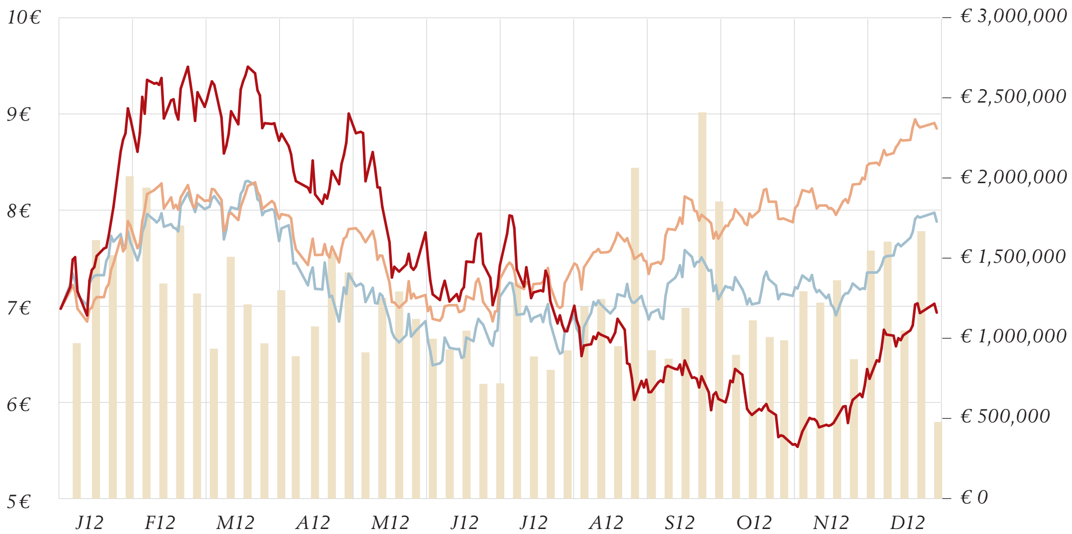
Our goal is to develop strong market positions and customer relations in all markets in which we are active and to continuously improve in these areas of our business. Wienerberger is the largest brick producer in the world with 190 plants as well as the number one in clay roof tiles in Europe and the market leader for concrete pavers in Central-East Europe. With a further 31 plants in the pipe systems segment, we are also one of the leading European suppliers of ceramic and plastic pipe systems.

Wienerberger Share and Shareholders

Wienerberger share with nearly flat development in 2012

The Wienerberger share started 2012 on a strong note, rising to the annual high of € 9.49 in mid-March. With an increase of 26.1% during the first quarter, the share clearly outpaced the ATX (+14.1%) and the DJ EURO STOXX TMI Construction & Materials branch index (+12.3%). The share price was negatively influenced during the remainder of the year by a sharp drop in the demand for building materials on a number of European brick markets and continuing high uncertainty that was reflected in low consumer confidence. The result was a slight loss of 0.6% for the year to a closing price of € 6.93. The performance of the Wienerberger share in 2012 was clearly weaker than the development of the ATX (+26.9%) and the DJ EURO STOXX TMI Construction & Materials Index (+11.3%).

Development of the Share Price



Wienerberger AG

ATX – Austrian Traded Price Index

DJ EURO STOXX® TMI Construction & Materials in €

Stock exchange turnover of the Wienerberger share per week (in double-count method)

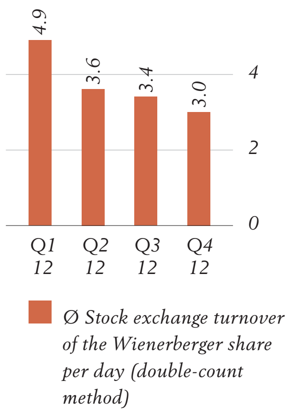
Value-based turnover in Vienna Prime Market falls by 40% in 2012; 58% decline in trading volume for Wienerberger share

Despite a strong rise in the Austrian ATX index and the broader ATX Prime (+25.8%) that was driven primarily by the growing risk appetite of investors and the high index weighting of financial and cyclical industrial stocks, the trading volume on the Vienna Stock Exchange dropped sharply in 2012. The value-based turnover in the Prime Market (purchases and sales, double-count method) fell by 40% to € 35.7 billion. This extremely weak performance also affected the Wienerberger share, which recorded a 58% drop in the value-based trading volume to € 924.8 million (purchases and sales, double-count method) due to a 34% decline in the number of shares traded and a substantially lower share price during the year. The number of shares traded totaled 125.4 million (purchases and sales, double-count method), which represents a turnover factor of 0.5 for Wienerberger's outstanding share capital on the Vienna Stock Exchange. In comparison with the average daily trading volume, Wienerberger ranked tenth among the companies in the Austrian ATX index. Over-the-counter sales amounted to € 83.3 million (single-count method), or 47% less than the € 157.8 million recorded in the previous year. On the Austrian Futures and Options Exchange (ÖTOB) 20,135 option contracts with a total value of € 15.6 million were traded for Wienerberger shares.

Key Data per Share		2010 1)	2011 1)	2012	Chg. in %
Earnings	in €	-0.58	0.07	-0.61	<-100
Dividend	in €	0.10	0.12	0.12	0
Free cash flow 2)	in €	1.46	1.16	1.42	+23
Equity 3)	in €	17.25	16.60	16.26	-2
Share price high	in €	16.18	16.56	9.49	-43
Share price low	in €	9.55	6.66	5.53	-17
Share price at year-end	in €	14.29	6.97	6.93	-1
P/E ratio high		-27.9	236.6	-15.6	-
P/E ratio low		-16.5	95.1	-9.1	-
P/E ratio at year-end		-24.6	99.6	-11.4	-
Shares outstanding (weighted) 4)	in 1,000	116,528	116,762	115,063	-1
Market capitalization at year-end	in € mill.	1,679.5	819.2	814.3	-1
Ø Stock exchange turnover/day	in € mill.	12.0	8.9	3.7	-58

1) The data were adjusted to reflect a change in accounting policies
2) Cash flow from operating activities minus cash flow from investing activities plus growth capex
3) Equity including non-controlling interests, excluding hybrid bond
4) Adjusted for treasury stock

Liquidity
in € mill.



Recommended dividend of € 0.12 per share

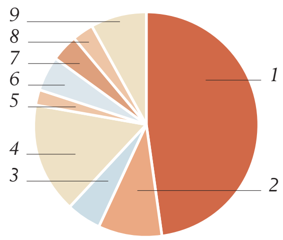
Subject to further market developments and the best possible use of financial resources, the Managing Board will make a recommendation to the 144th Annual General Meeting on May 14, 2013, calling for the payment of a € 0.12 dividend per share. The amount of future dividends will depend on the market development, the availability of profitable growth projects as well as the cash flow generation of the company.

Shareholder Structure

Wienerberger AG is listed with 117.5 million shares of zero par value common stock (bearer shares, no preferred or registered shares) in the Prime Market segment of the Vienna Stock Exchange. In the USA the company trades on the OTC market through an ADR Level 1 Program of the Bank of New York. With market capitalization of € 814.3 million and a weighting of 2% in the ATX at year-end 2012, Wienerberger is one of the largest publicly traded companies in Austria.

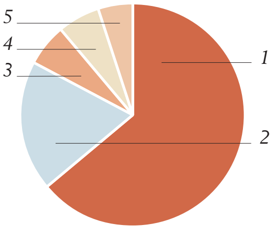
Wienerberger is a pure free float company and has no core shareholder. All of the shares represent free float, which is held by Austrian and international investors. In accordance with § 91 of the Austrian Stock Exchange Act, which requires the reporting of changes in significant holdings, we received the following notifications: Dodge & Cox Inc., which is headquartered in the USA, has been the largest Wienerberger shareholder since July 31, 2008 with over 10% of the shares outstanding. First Eagle Investment Management, LLC, which is also located in the USA, has held a stake of over 5% since September 14, 2011. Black Creek Investment Management Inc., which is situated in Canada, has held more than 5% of Wienerberger shares since September 19, 2012. There are no other reports of shareholdings that exceed 4%. Wienerberger holds 2,472,706 treasury shares, which represent 2.1% of the total shares issued.

Shareholder Structure by Country (Institutional Investors)



1 USA 48%
2 Canada 9%
3 UK & Ireland 5%
4 Austria 16%
5 France 2%
6 Germany 5%
7 North Europe 4%
8 Switzerland 3%
9 Other 8%

Shareholder Structure by Investor Type (Institutional Investors)



1 *Value 64%*
2 *GARP 19%*
3 *Growth 6%*
4 *Index 6%*
5 *Other 5%*

Investor Relations

Regular and extensive contacts with investors throughout the world

Wienerberger has a widely diversified shareholder structure, which is typical for an international publicly traded company. A January 2013 survey of the shareholder structure showed the majority of institutional investors in North America (57%) as well as the UK and Ireland (5%). Most of Wienerberger's shares are held by institutional investors (75%), while the share of private investors equals 25%. An analysis of the various investor strategies shows value-oriented investors with a share of 64%, followed by GARP investors (19%) and growth-oriented investors (6%).

Investor Relations

Professional investor relations have had a high priority at Wienerberger for many years. This function reports directly to the Chief Financial Officer, but its work is also closely integrated with the Chief Executive Officer. The primary goal of our investor relations activities is to establish and maintain open communications with Wienerberger investors and shareholders to ensure the best possible transparency. In accordance with international practices, we maintain a quiet period prior to the announcement of earnings and parallel to the trading blackout for Wienerberger employees. We are aware that this places a limit on communications with investors, and we reserve the right to cancel the quiet period at our discretion.

Wienerberger also held numerous road shows and participated in investor conferences throughout Europe and the USA during 2012, including the Davy Building Conference, Citigroup Building Conference, Credit Suisse European Building Materials Conference, HSBC Austrian Day, Baader Investment Conference, Erste Group Bank Conference in Stegersbach and the Raiffeisen Centrobank Conference in Zürs as well as the Vienna Stock Exchange Austrian Days in Zurich and New York. The Managing Board and the investor relations team met hundreds of investors personally, and discussed the company as well as its development and strategy in conference calls and video meetings. The Wienerberger website represents an important communications medium, and provides a wide range of information on the company as well as download versions of annual and interim reports, a financial calendar, current presentations, live webcasts of the Annual General Meeting, press conferences and conference calls (and recordings), analysts' earnings estimates and current reports, and a specially designed online annual report (annualreport.wienerberger.com). A free app for iPad-users makes it possible to download the annual report, quarterly reports and the sustainability report and also supports document management.

Our efforts to continually improve investor relations were again rewarded by the financial community with national and international prizes in 2012. At the ARC (Annual Report Competition) Awards in New York, Wienerberger was presented with Gold Awards in the categories "Overall Annual Report" and "Chairman's Letter". Report Watch gave the company an A- grade, which represented the best ranking by an Austrian company. Wienerberger was recognized by trend magazine for the third best sustainability report at the Austrian AAA (Austrian Annual Report) Awards and also ranked second in the category "Corporate Bond" at the Vienna Stock Exchange awards.

Wienerberger receives Gold Awards for "Overall Annual Report" and "Chairman's Letter"

The coverage of our company by a large number of well-known Austrian and international investment banks maintains the ***visibility*** of the Wienerberger share in the financial community. Baader Bank (Munich), Kepler Capital Markets (Vienna) and Main First Bank AG (Frankfurt) started coverage in 2012, while Bank of America Merrill Lynch (London), Credit Suisse (London), ING Bank N.V. (London) and Royal Bank of Scotland (London) suspended their coverage. Wienerberger was covered by 13 analysts as of March 2013. The following brokers publish regular reports on Wienerberger and its stock (in alphabetical order): Baader Bank (Munich), Berenberg Bank (London), Citigroup (London), Davy Securities (Dublin), Deutsche Bank (Vienna), Erste Bank (Vienna), Exane BNP Paribas (London), Goldman Sachs (London), HSBC Trinkhaus (Düsseldorf), Kepler Capital Markets (Vienna), Main First Bank AG (Frankfurt), Raiffeisen Centrobank (Vienna) und UBS (London).

Wienerberger currently covered by 13 analysts

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Vienna Stock Exchange	WIE
Thomson Financial	WBSV.VI; WIE-VI
Bloomberg	WIE AV
Datastream	O: WNBA
ADR Level 1	WBRBY
ISIN	AT0000831706

Highlights 2012

JANUARY 18

€ 200 million bond successfully placed

→ Wienerberger places a € 200 million bond in January with a 5% coupon and a term extending to 2015

→ High oversubscription confirms investors' confidence

→ Issue proceeds will be used, above all, to maintain and protect the Group's strong capital structure

→ Financial discipline and a balanced financing structure remain top priorities for Wienerberger

FEBRUARY 15

Pipelife acquisition as strategic milestone

→ With annual revenues of approx. € 800 million and EBITDA of approx. € 70 million, Pipelife is one of the leading producers of plastic pipes in Europe

→ Full takeover of Pipelife transforms the Wienerberger Group from a brick producer into an international system provider of building material solutions

→ Dependence on cyclical new residential construction will be cut from 70% (based on revenues) to 60% by this new business segment

→ Pipelife offers medium- and long-term growth perspectives due to the necessary renovation of supply lines in Western Europe and the pent-up demand for these networks in Eastern Europe

MAY 4

Wienerberger Brick Award 2012

→ Wienerberger presents fifth Brick Award for extraordinary brick architecture

→ Projects by five international architects recognized by expert jury in Vienna's city hall

→ 50 projects from 28 countries and five continents submitted for this year's awards

→ As the overall winner and first place in the category "special solutions with bricks", the five-member jury selected South African architect Peter Rich for the Museum Mapungubwe Interpretation Centre in South Africa

MAY 23

Successful extension of € 250 million credit line

→ Wienerberger secures liquidity reserves up to 2016 with the extension of a € 250 million revolving credit line

→ The funds will be used for general corporate financing

→ Oversubscription confirms vote of confidence in Wienerberger

AUGUST 21

Further restructuring measures to reflect weaker market environment for the brick business in Europe

→ Downturn in residential construction on nearly all European markets reflected in lower volumes for the brick business in Europe

→ Wienerberger addresses this development by implementing the necessary optimization measures during the third quarter of 2012

→ Measures include mothballing of plants and the adjustment of shift models as well as the reduction of administrative and selling costs

OCTOBER 24

Lugauer family moves into first e4-Brickhouse 2020 in Zwettl (Austria)

→ The e4-Brickhouse concept was developed by Wienerberger together with partners from building technology, and realized by a family together with a contractor

→ The e4-Brickhouse 2020 is designed to produce more energy than it consumes (the positive CO_2 and primary energy balance of the house meet EU requirements for 2020 today)

→ The heart of the building concept is formed by Porotherm clay blocks filled with mineral wool, which guarantee maximum energy efficiency as well as a healthy and pleasant indoor climate

→ The energy requirements for the house are met by the sun and a small boiler

→ With this house, the Lugauer family has realized their dream of a healthy, energy-efficient house made of bricks

2012

Success stories

→ ***140,000 houses*** in Europe built with Wienerberger bricks

→ ***180,000 roofs*** in Europe covered with Wienerberger clay roof tiles

→ Pipelife supplies oversized HDPE pipes with a diameter of 2.5 meters and a length of 600 meters (the largest extruded plastic pipes in the world) to a power plant project in Ghana

→ Tondach Gleinstätten delivers 160,000 m² of clay roof tiles for an Olympic Games project in Sochi; excellent performance leads to a follow-up order for a luxury hotel

→ Pipelife receives a major order from the energy corporation Shell for a high-pressure water injection pipeline, which will be built with special steel-reinforced pipes from the Soluforce product group

DECEMBER 10

End of external rating by Standard & Poor's

→ Wienerberger ends the external rating by Standard & Poor's for economic reasons in December 2012

→ Rating relationship with Moody's (Ba2, outlook stable) remains intact

2012

Changes in the shareholder structure

→ Teachers Insurance and Annuity Association of America ("TIAA"), which is headquartered in the USA, exceeded the 5% reporting threshold on July 5, 2012, but has held less than 5% of Wienerberger shares since October 18, 2012

→ Black Creek Investment Management Inc., Canada, has held more than 5% of Wienerberger shares since November 7, 2012

DECEMBER 13

New segmentation for Wienerberger Group

→ The organizational structure of Wienerberger AG changes following the acquisition of Pipelife and now covers the following divisions: ***"Bricks & Tiles Europe"***, ***"Pipes & Pavers Europe"***, ***"North America"*** and ***"Holding & Others"***

→ Focus on "Bricks & Tiles Europe" with new management to further improve the profitability of this division

→ Johann Windisch resigns from the Managing Board to concentrate on the brick business in Europe as the head of the new management team

→ This step reduces the Managing Board of the Wienerberger Group to two members

The Economy and Capital Markets

Markets influenced by political decisions and central bank actions

The capital markets were again characterized by high volatility in 2012. A promising start into the new year was followed by notable downward corrections several months later – especially in Europe - before the leading indexes on both side of the Atlantic turned friendlier at year-end. The markets were overshadowed by political decisions at the national and international level and monetary policy decisions by central banks. Attention was again focused on efforts to consolidate public sector finances and remedy structural budget deficits as well as the related development of government financing costs. This was equally true for the member states of the euro zone – above all on the southern periphery – and for the USA, which only managed to avoid the budgetary "fiscal cliff" with its automatic spending cuts and tax increases at the beginning of 2013. Actions by political decision-makers to strengthen confidence and create an attractive climate for growth were supported by the continuation of expansive central bank monetary policies, which held key interest rates at historically low levels and increased the money supply through the purchase of securities. In Europe, the ratification of the Stability Mechanism (ESM) and its clearance by the constitutional court in the most important member state, Germany, represented an important step for confidence-building. It also underscored the will and decisiveness to find a common solution for the sovereign debt crisis in the euro zone. Consumer sentiment in Europe weakened further from a very low level during the spring, but a slight improvement at year-end 2012 pointed to the positive effects of the above measures. Bank lending practices were still negatively influenced by the uncertainty connected with Basel III and the related stricter capital requirements for financial institutions. These factors led to a decline in the transaction volume for residential construction loans in the euro zone below the 2009 level.

Decline in real GDP for euro zone in 2012

Data published by the International Monetary Fund (IMF) placed real GDP growth in the global economy at 3.2% for 2012, compared with 3.9% in the previous year. Two core regions for the Wienerberger Group were marked by sharp declines: the euro zone, which registered a 2 percentage point drop and a 0.4% year-on-year contraction in GDP, and Central-East Europe, where growth slowed 3.5 percentage points to 1.8%. The USA, in contrast, recorded a slight improvement in real growth from 1.8% in 2011 to 2.3% for 2012. Although uncertainty remained high and growing weakness affected the euro zone and the global economy, most of the leading European and North American indexes reported solid gains for 2012. *Source: IMF, ECB*

US markets negatively affected by uncertainty over presidential elections and budget dispute

The leading US indexes also recorded sound development during the first months of 2012, but the market corrections that began in early summer were more moderate than the strong declines in Europe. The Dow Jones and the broader S&P 500 reported growth and new annual highs during the second half of the year, but the gains were lower than their European counterparts due to the uncertain outcome of the presidential election, the effects of hurricane Sandy along the eastern coast and the long-standing, unsolved budget dispute. Share price developments were hindered, above all by uncertainty over the taxation of income, corporate profits and capital gains. The Dow Jones closed 2012 with a gain of 7.3% to 13,104.14 points and the S&P 500 with a plus of 13.4% to 1,426.19 points.

Strong upturn in second half-year leads to clear plus for major indexes

The leading European indexes followed the strong mid-year corrections with sound growth in the second six months and outperformed the key American indexes during that time. The German DAX index was the leader among the major European market barometers with a plus of 29.1% in 2012, which again highlighted the country's comparatively healthy economy and the good competitive position of German companies on worldwide markets. With a plus of 26.9% to 2,401.21 points at year-end, the Austrian ATX also recorded sound development and benefited from the growing risk appetite of investors and the high index weighting of financial and cyclical industrial stocks. The French CAC40 rose 15.2% for the year, despite the downgrading of the French sovereign rating, a tense budget situation and the general slowdown in economic activity. The London FTSE 100 index registered only a moderate increase of 5.8% due to the slight contraction of real GDP in Great Britain to close the year at 5,897.8 points.

Europe with further decline in residential construction for 2012

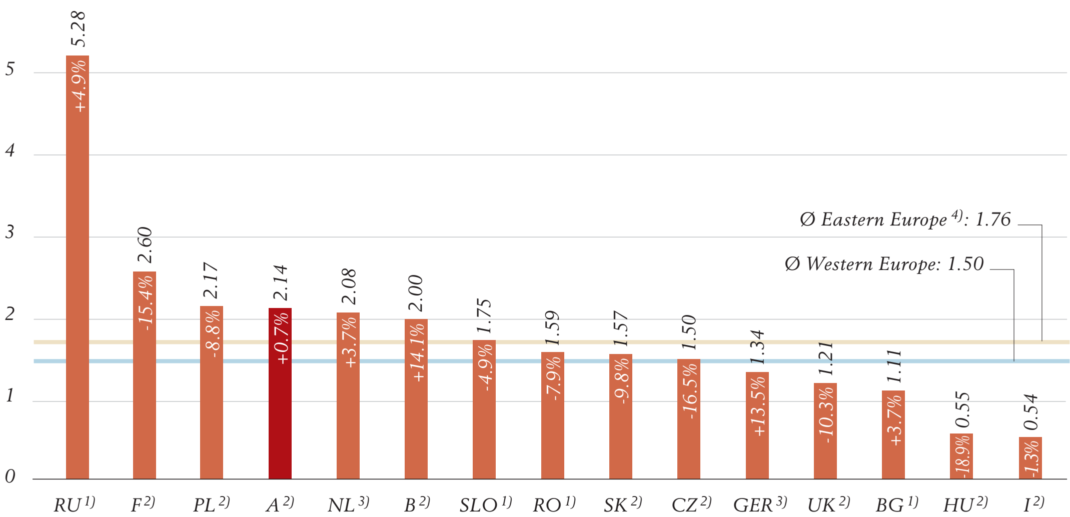
Residential construction declined throughout Europe in 2012, remaining clearly below initial expectations. This development reflected the weak European economy and the resulting low consumer confidence as well as more restrictive lending by banks. In its December 2011 report Euroconstruct forecasted an increase of 1.3% in residential construction for 2012, but revised this estimate downward during the year to a decline of 3.5%. The forecast for new residential construction in Western Europe was cut by a substantial amount from the original +1.8% to -6.1%. New residential construction fell by 5.9% and renovation by 2.0% for the year. The West European renovation segment declined 2.0% and remained clearly behind the 1.2% growth in the four East European countries (Poland, Slovakia, Czech Republic, Hungary) under monitoring. The demand for building materials in the European brick business also declined year-on-year as a result of weakness in the construction sector and, in many markets, was lower than 2009. Substantial declines were recorded in Western Europe, above all in France, the Netherlands and Belgium, where the renovation segment also failed to meet expectations. Most of the East European markets recorded further declines, in part from very low levels. Two key markets, Poland and the Czech Republic, were significantly weaker than estimated at the beginning of the year. The positive exception was Russia, where the strong momentum from 2011 continued.

Housing starts per 1,000 residents 4.5% lower on average in Western Europe and 10.6% in Eastern Europe (PL, SK, CZ, HU)

The number of housing starts for single- and two-family houses per thousand residents is an important indicator of construction activity in the end markets for the Bricks & Tiles Europe Division. In 2012 positive development was recorded only in Russia, the Netherlands, Belgium, Germany and Bulgaria, while Austria stabilized at a sound level. The Euroconstruct forecasts for Belgium and the Netherlands represent a sharp contrast to our own market information. Wienerberger management estimates the decline in construction activity at 17% in Belgium and 20% in the Netherlands for 2012. The number of housing starts for single- and two-family houses per thousand residents fell by 4.5% in Western Europe and by 10.6% in Eastern Europe (Euroconstruct countries: PL, SK, CZ, HU).

Housing Starts Single- and Two-Family Houses in 2012
per 1,000 Residents yoy in %

Source: Euroconstruct December 2012, Buildecon



1) Housing starts
2) Housing starts single- and two-family houses
3) Completions of single- and two-family houses
4) Average for Eastern Europe (PL, SK, CZ, HU)

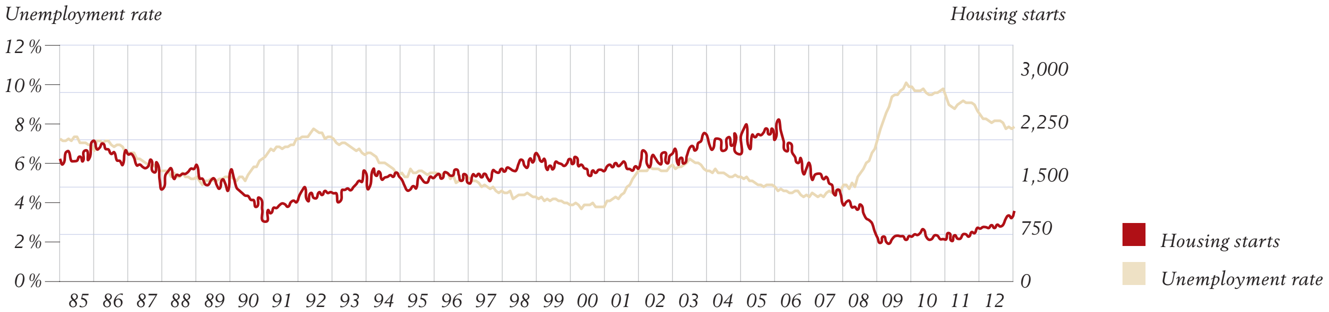
Infrastructure spending negatively affected by austerity measures

Infrastructure investments fell sharply in 2012, which underscored the negative effects of government austerity measures on the real economy. Euroconstruct estimated the cutbacks in infrastructure spending at 7.5% for the year. The largest declines were registered in the West European countries at the center of the sovereign debt crisis, including Spain, Portugal and Ireland. These spending cuts had a particularly strong impact on the new construction segment and led to a contraction of 9.3%, while the renovation segment was less affected with a decline of 4.3%. Infrastructure investments are forecasted to fall by a further 2.5% in 2013, with a 3.3% drop in the new construction segment and a more moderate minus of 1.1% in the renovation segment. The energy & waterworks subsegment declined 7.7% in 2012 according to Euroconstruct. This area represents nearly one-fourth of infrastructure spending and includes fresh water and wastewater systems, which are a key market for Wienerberger's pipe business. A decline of 1.7% is forecasted for this subsegment in 2013.

Key end markets for pipe business in energy & waterworks subsegment more stable

The development of the eight most important end markets for Wienerberger's pipe activities, where roughly 80% of earnings are generated, was clearly above the European average in 2012. Infrastructure spending in these countries remained stable (+0.1%) and the 0.4% minus forecasted for 2013 is substantially lower than the estimated market decline. Even better developments are expected in the energy & waterworks subsegment, where estimates indicate an increase of 1.4% in expenditures for 2012. The forecast for 2013 is also optimistic with a plus of 4.2%.

US housing starts in 1,000 per month versus US unemployment rate
Source: U.S. Census Bureau



US housing market leaves crisis behind with strong growth in housing starts

The reporting year brought the first signs of sound recovery on the US housing market, which were confirmed by a broad range of indicators. Housing completions rose by 11.4% to 651,400 units, while the 28.1% increase in housing starts to 780,000 units and the 30.3% increase in building permits to 813,400 units underscored the continuing recovery. According to the U.S. Census Bureau, the number of building permits reached a seasonally adjusted 903,000 units in December 2012. Data published by the National Association of Home Builders (NAHB) confirms this picture, with an estimated 774,000 housing starts and a plus of 26.5% in 2012. Housing starts for single- and two-family houses rose by 22.4%. NAHB forecasts for 2013 call for growth of 21.1% in the single- and two-family house segment and a 20.4% increase in housing starts for new residential construction. The NAHB/Wells Fargo Housing Market Index, which measures current estimates of house sales by builders and developers as well as their expectations for the next six months, recovered substantially during the course of the year. It reached 47 in December 2012, a level last seen in April 2006. In comparison with December 2011, the supply of unsold single- and two-family houses fell from 5.4 to 4.9 months for new dwellings and from 7.0 to 4.9 months for existing homes. The affordability of mortgage loans also improved significantly, with fixed interest rates falling to a new historical low of 3.35% over a 30-year term (Freddie Mac Primary Mortgage Market Survey) in December 2012. Another important driver for the housing market recovery is the trend reversal in selling prices which, according to S&P/Case-Shiller Index, rose 7.3% year-on-year over the past 12 months (including December 2012). This broad range of favorable indicators on the US housing market supports expectations for a continuation of the positive trend in 2013.

Interview with Willy Van Riet, Chief Financial Officer

Wienerberger recorded sound growth in free cash flow during 2012. This increase resulted, above all, from more than € 100 million of positive working capital effects at Pipelife. What do you expect for 2013?
You're absolutely right. This new business made a strong positive contribution to cash flow in 2012 partly due to the timing of the initial consolidation of Pipelife but also because of our strict working capital management. You won't see this type of change again because high inventories can only be reduced once. However, I am confident that Wienerberger will continue to generate solid cash flows in the future and I expect free cash flow of € 50 to 100 million for the Group in 2013.

Your announcement of results for 2012 included a comment that you intend to sell € 100 million of non-core assets over the next four years. How high are the respective book values? And what are your plans for the proceeds?
These non-core assets include some machinery and equipment from closed plants, but consist mainly of land, which we want to develop and sell over the next four years in a structured process. The combined carrying amount of these non-core assets totals € 81 million and, based on current market valuations, we expect the proceeds on sale will be significantly higher at roughly € 100 million. We plan to use the funds, above all, to refinance existing liabilities and thereby strengthen our capital structure.

In the fourth quarter of 2012 you ended the rating process by Standard & Poor's. Do you think that will have any influence on Wienerberger's access to the capital market?
I don't expect this step will have a major influence on our relations with the capital market. Our decision to terminate the Standard & Poor's rating was made for both strategic and cost reasons. Wienerberger is still rated by Moody's. For many years, our financing strategy has focused on the issue of smaller, regional bonds and bank loans under € 250 million. External ratings don't play a decisive role in this segment, either in the negotiation of conditions or our ability to place an instrument. A look at the Austrian market shows that only eight of 62 bond issuers are rated. However, all these companies have successfully placed bonds, in part rather large issues, at favorable conditions. I am therefore convinced that this change in our rating procedures will not affect the placement or conditions of future Wienerberger bonds or the Group's financing in general.

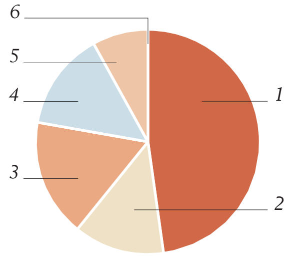
Willy Van Riet was interviewed on March 1, 2013 by Klaus Ofner, Investor Relations.

Financial Review

Information on the new corporate structure and restatements

In order to better present the new Group structure after the acquisition of Pipelife, Wienerberger adjusted its reporting and aggregated areas with similar market dynamics and growth drivers. The most important change involves the combined presentation of the ceramic business in Europe, which comprises clay blocks, facing bricks and roof tiles, under the Bricks & Tiles Europe Division. Moreover, the Group's 50% investments in Tondach Gleinstätten and Schlagmann are no longer included under operating results but reported at equity as indicated in the following paragraph. The new pipe business (Pipelife plastic pipe systems and Steinzeug-Keramo ceramic pipe systems) is combined with concrete pavers (Semmelrock) in the Pipes & Pavers Europe Division. Results for Western and Eastern Europe are presented separately for both divisions to improve reporting transparency. Our brick business in the USA and Canada is now reported together with Pipelife's US plastic pipe activities under the North America Division. Holding company costs that relate to a specific division are allocated accordingly. Consequently, the Holding & Others Division only includes the costs of the corporate headquarters and brick activities in India.

Revenues by Segment



1 Bricks & Tiles West Europe 48%
2 Bricks & Tiles East Europe 13%
3 Pipes & Pavers West Europe 17%
4 Pipes & Pavers East Europe 14%
5 North America 8%
6 Holding & Others 0%

The 2012 financial reporting not only reflects the new structure of Wienerberger's segments, but also includes changes in accounting policies. Involved here is the presentation of the 50% investments in Schlagmann and the Tondach Group, which were previously included through proportionate consolidation and are now shown on the balance sheet under investments in associates. Consequently, the results of these operations are reported in financial results under income from investments in associates. The changes made in line with the revised IAS 19 (Employee Benefits) involve the provisions for pensions and the recognition of actuarial gains and losses under other comprehensive income. Net interest expense was reclassified from expenses for pensions to financial results. This report includes the adjustment of all comparative data resulting from the change in accounting policies.

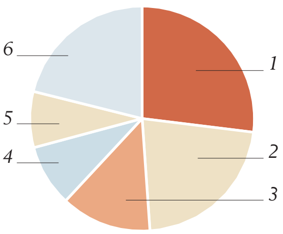
Operating results from 50% investments in Schlagmann and Tondach Gleinstätten now reported under financial results

The financial statements include the early adoption of IAS 19, which led to an increase of € 17.5 million in the provision for pensions as of December 31, 2010 and € 23.9 million as of December 31, 2011 compared with the financial statements previously published for these balance sheet dates. The recognition of actuarial gains and losses under other comprehensive income reduced other reserves by € 22.7 million as of December 31, 2010 and € 27.3 million as of December 31, 2011. The effects of the early adoption of IAS 19 on the income statement for 2011 were immaterial. The changeover to the equity method for the consolidation of Schlagmann and Tondach Gleinstätten as well as other effects led to the following reductions for 2011 compared with the previously published financial data: revenues minus € 108.3 million, operating EBITDA minus € 18.2 million and operating EBIT minus € 8.5 million. Net debt was € 12.2 million lower as of December 31, 2010 and € 83.7 million lower as of December 31, 2011. The balance sheet total of the Wienerberger Group was € 58.0 million lower as of December 31, 2010 and € 130.9 million lower as of December 21, 2011.

Prior year data were adjusted accordingly

Earnings

Revenues by Region



1 *Eastern Europe 27%*
2 *Benelux 22%*
3 *Germany 13%*
4 *France 9%*
5 *North America 8%*
6 *Other 21%*

Three major factors influenced the development of the Wienerberger Group during 2012. Group results were negatively affected by a significant decline in construction activity and the resulting difficult market environment in Europe. This was contrasted by moderate recovery in US residential construction and by a positive contribution to revenues and earnings from the Pipelife Group, one of the leading providers of plastic pipes in Europe, which was acquired in May 2012.

Group revenues rose by 23% to € 2,355.5 million for the reporting year, whereby 28% or € 511.7 million are attributable to the initial consolidation of the Pipelife Group. Pipelife recorded a further year-on-year improvement in results during 2012, with a 6.8% increase in revenues to approx. € 858.9 million and 13.1% higher operating EBITDA of approx. € 78.0 million. After an adjustment for acquisitions and foreign exchange effects, the organic change in revenues amounted to a decline of 5% due to the weaker demand for bricks in Europe. This decline comprises -9% of volume and +4% of price effects. In a difficult market environment, Wienerberger was able to cover cost inflation with price adjustments and realize a 4% increase in average prices with higher volumes of premium products. Foreign exchange effects had no material influence on revenue development because negative foreign exchange effects from the Polish zloty and the Czech koruna were more than offset by an increase in the US dollar and the British pound.

Difficult markets lead to lower revenues and earnings in Bricks & Tiles Europe

The Bricks & Tiles Europe Division was challenged by a difficult market environment in 2012. The European construction industry was again faced with the negative effects of the euro and sovereign debt crisis in the form of widespread uncertainty, low consumer confidence and restrictive bank lending policies. The result was a decline in construction on nearly all European markets, in part at the double-digit level, which pushed the level of residential construction below the 2009 crisis year in a number of key Wienerberger countries like the Netherlands, Belgium, France and Poland. Volumes and earnings in the Bricks & Tiles Europe Division were therefore lower in 2012. Third party revenues fell by 6% year-on-year to € 1,443.8 million based on a volume decline of 11%. Against the backdrop of this difficult operating environment, Wienerberger successfully implemented price increases to offset cost inflation and increased volumes of premium products in spite of the negative market trend. Average prices were 4% higher than the previous year. Higher unit costs due to weaker capacity utilization had a negative impact on earnings and led to a 22% decline in operating EBITDA for the division. In order to adjust cost structures to reflect the market conditions, Wienerberger implemented a range of measures beginning in the third quarter of 2012 (see the following section on the “Restructuring program 2012”).

Strong revenue and earnings growth for Pipes & Pavers Europe with initial consolidation of Pipelife

The Pipes & Pavers Europe Division recorded an increase in revenues from € 230.8 million in 2011 to € 711.2 million for the reporting year. The main drivers for this growth were the continuing sound development of the ceramic pipe business and the full consolidation of the Pipelife Group as of May 31, 2012. This plastic pipe producer generated revenues in this division of € 478.8 million and operating EBITDA of € 45.5 million in the seven months after the initial consolidation. In addition to organic volume growth and successful price and cost management during the reporting year, Pipelife benefited from the May 2011 acquisition of Alphacan's French plastic pipe division. Wienerberger's concrete paver business, which operates exclusively in Eastern Europe, was also confronted with difficult market conditions throughout the region. Weak construction activity and strong pressure on concrete paver prices led to a decline in revenues and earnings for the reporting year. Measures were therefore implemented to adjust cost structures to better reflect the market, which led to non-recurring cash outflows of € 1.1 million in 2012. An analysis by region shows stronger earnings growth in the Pipes & Pavers Western Europe Segment than in Eastern Europe, since Pipelife's largest markets – Sweden, Norway, Finland and the Netherlands – are located in the northwestern areas of this region. The demand for pipe systems in these countries was stronger than in the neighboring East European countries during 2012.

Turnaround in North American brick business

In the North America Division, the reporting year brought the first signs of recovery in the construction industry from a very low level. The brick business in this division completed the expected turnaround in operating EBITDA during 2012. Third party revenues in North America rose by 43% to € 193.8 million in 2012 and operating EBITDA amounted to € 9.8 million compared with € -8.2 million in the previous year, whereby this improvement was also supported by the initial consolidation of Pipelife's US plastic pipe business.

Earnings Development	2011 1)	Disposals 2)	Purchases 2)	F/X 3)	Organic	2012
	in € mill.	*in € mill.*	*in € mill.*	*in € mill.*	*in € mill.*	*in € mill.*
Revenues	1,915.4	0.0	523.6	19.1	-102.6	2,355.5
Operating EBITDA 4)	240.4	0.0	51.5	1.6	-48.0	245.5
Operating EBIT 4)	40.0	0.0	31.6	-0.2	-40.4	31.0
Non-recurring items 5)	-2.6	0.0	0.0	0.1	-50.3	-52.8
Financial results 6)	10.0	-0.3	-9.8	-0.3	-14.7	-14.5
Profit/loss before tax	47.4	0.0	25.7	-0.4	-108.9	-36.2
Profit/loss after tax	39.4	0.0	20.2	-0.4	-99.7	-40.5

1) The data were adjusted to reflect a change in accounting policies
2) Effects from changes in the consolidation range
3) Foreign exchange effects
4) Adjusted for non-recurring income and expenses
5) Restructuring costs and impairment charges to property, plant and equipment as well as goodwill
6) Including income from investments in associates

Operating EBITDA slightly higher than prior year at € 245.5 million

Operating EBITDA was slightly higher than the prior year at € 245.5 million in 2012. Of this total, € 49.5 million resulted from the initial consolidation of the Pipelife Group and € 1.6 million from positive foreign exchange differences, above all from the British pound. Lower volumes in the Bricks & Tiles Europe Division and the resulting drop in capacity utilization had a negative effect on EBITDA. Earnings in this division were also reduced by active working capital management to control inventory growth and the related extended standstills throughout the Bricks & Tiles Europe plant network.

Operating EBITDA 1)	2011 2)	2012	Chg.
	in € mill.	*in € mill.*	*in %*
Bricks & Tiles Europe	236.7	183.5	-22
Pipes & Pavers Europe	26.7	67.4	>100
North America	-8.2	9.8	>100
Holding & Others	-14.8	-15.2	-3
Wienerberger Group	**240.4**	**245.5**	**+2**

1) Adjusted for non-recurring income and expenses
2) The data were adjusted to reflect a change in accounting policies

Restructuring program 2012

Non-recurring cash expenses of € 29 million for the restructuring program versus cost savings of € 50 million by year-end 2014

Wienerberger reacted to the latest market developments by implementing a restructuring program in Q3 2012 and expanding its scope during the fourth quarter of the year. This program includes the mothballing of plants as well as the adjustment of shift models and further optimization in the administrative area. The related measures led to € 43.0 million of non-recurring restructuring costs and impairment charges to property, plant and equipment. Of this total, € 28.8 million represent non-recurring cash expenses and € 14.2 million special write-downs. The costs for the entire restructuring program were recognized as expenses in 2012, but individual measures will be implemented in 2013. The program is expected to produce cost savings of approx. € 50 million by the end of 2014, whereby approx. € 14 million were realized during the reporting period. Normal capex was also reduced to the necessary minimum in the Bricks & Tiles Europe Division and the pavers unit in Eastern Europe.

Cost inflation averaged 3.5% and was covered by price increases

Cost inflation averaged roughly 3.5% in 2012, whereby the increase in variable input costs was slightly higher and for fixed input costs slightly lower than this value. Energy costs rose by € 19.3 million and represented 12% of revenues for the reporting year (2011: 15%). The substantial decline in energy costs as a share of revenues resulted primarily from the initial consolidation of Pipelife, where energy consumption is a smaller component of expenses. The price adjustments implemented during 2012 were sufficient to cover the full amount of cost inflation at the Group level.

Depreciation of € 238.5 million includes scheduled depreciation as well as € 14.2 million of write-downs resulting from the restructuring program and € 19.9 million of special write-downs. These write-downs are related to the annual impairment testing of previously mothballed or deactivated facilities and machinery or result from physical inventories of fixed assets. The depreciation ratio declined from 9.6% in 2011 to 8.3% for the reporting year due to the increase in Group revenues. This value, which is relatively high in international comparison, reflects the strong pace of investment activity in recent years and is an indicator of the capital-intensive nature of the business and the technical potential of the Wienerberger Group.

Depreciation includes € 19.9 million of special write-downs

Wienerberger tests its assets for impairment at regular intervals in connection with the annual corporate planning process. Impairment tests are also carried out after specific triggering events. If forecasts and analyses during a reporting year show a possible negative variance from the original plan, a special impairment test is performed. The impairment tests carried out in December 2012 based on the medium-term planning for the period 2013-2016 indicated a need for impairment charges totaling € 9.8 million to goodwill in Croatian and Lithuania. A 6.84% after-tax cost of capital was determined for the Wienerberger Group, but different regional costs of capital rates were applied to the USA (6.03%), Great Britain (5.53%), Russia (11.63%), India (9.69%) and Turkey (8.77%).

Year-end testing results in impairment charges to goodwill in Croatia and Lithuania

In order to improve transparency, restructuring expenses and the related impairment charges to goodwill and property, plant and equipment are reported on the income statement below operating EBIT. These items totaled € 52.8 million for the reporting year.

€ 52.8 million of non-recurring expenses and impairment charges to goodwill

Profitability Ratios	2011 1)	2012
	in %	*in %*
Gross profit to revenues	32.1	29.5
Administrative expenses to revenues	6.5	6.2
Selling expenses to revenues	22.4	20.7
Operating EBITDA margin 2)	12.6	10.4
Operating EBIT margin 2)	2.1	1.3

1) The data were adjusted to reflect a change in accounting policies
2) Adjusted for non-recurring income and expenses

The operating EBITDA margin declined from 12.6% in 2011 to 10.4% for the reporting year. This change is explained, above all, by a diluting effect from the inclusion of Pipelife: EBITDA margins in the plastic pipe business are generally much lower than the ceramic business because of the different cost structures and capital intensity. In contrast, the plastic pipe business generates very attractive CFROIs that are substantially higher than Wienerberger's 11.5% internal hurdle rate.

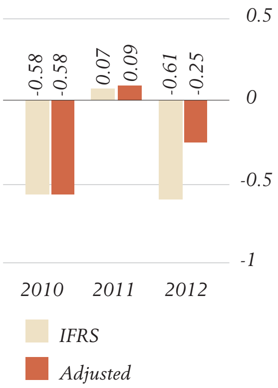
Operating EBITDA margin declines from 12.6% to 10.4%

Operating EBIT fell from € 40.0 million in 2011 to € 31.0 million for the reporting year

Operating EBIT fell from € 40.0 million in 2011 to € 31.0 million for the reporting year because of the market-related decline in business. Financial results dropped from € 9.9 million to € -14.5 million due to increased financing costs following the Pipelife acquisition and impairment charges of € 9.9 million that were related mainly to financial investments in Italy and Poland. Another factor involved the Pipelife takeover and the subsequent revaluation of Wienerberger's previous equity stake, which led to a positive non-recurring effect of € 42.3 million. This valuation effect was calculated as the difference between the purchase price for the newly acquired 50% stake, after adjustment for a control premium, and the carrying amount of the original investment. Financial results for 2011 included a non-recurring gain on the sale of the 50% stake in Bramac, which was previously consolidated at equity. Income from associates includes Pipelife results at 50% for the first five months of 2012. Profit before tax fell from € 47.4 million to € -36.2 million in 2012, above all due to non-recurring costs from the restructuring program and impairment charges to goodwill and property, plant and equipment.

After-tax loss of € 40.5 million

Earnings per Share
in €



Income Statement [1]	**2011** [2]	**2012**	**Chg.**
	in € mill.	*in € mill.*	*in %*
Revenues	1,915.4	2,355.5	+23
Cost of goods sold	-1,301.4	-1,661.0	+28
Selling and administrative expenses [3]	-553.9	-631.5	+14
Other operating expenses	-76.5	-83.8	+10
Other operating income	56.4	51.8	-8
Operating EBIT [4]	**40.0**	**31.0**	**-23**
Restructuring costs and impairment charges to property, plant and equipment	0.0	-43.0	<-100
Impairment charges to goodwill	-2.6	-9.8	<-100
EBIT	**37.5**	**-21.7**	**<-100**
Financial results [5]	9.9	-14.5	<-100
Profit/loss before tax	**47.4**	**-36.2**	**<-100**
Income taxes	-8.0	-4.3	-46
Profit/loss after tax	**39.4**	**-40.5**	**<-100**

1) Calculated on the basis of data that was not rounded
2) The data were adjusted to reflect a change in accounting policies
3) Including freight costs
4) Adjusted for non-recurring income and expenses
5) Including income from investments in associates

The negative tax rate of -12.0% (2011: 16.9%) reflects the regional shift of earnings to West European countries with higher nominal tax rates. This effect was increased by the initial consolidation of the Pipelife Group, whose key markets are located in northwestern Europe. The non-deductibility of tax loss carryforwards in individual countries of the ceramic business also led to a decline in deferred tax income and, consequently, to lower tax expense as reported on the income statement.

Tax rate of -12.0%

After a net profit after tax of € 39.4 million in 2011, Wienerberger recorded an after-tax loss of € 40.5 million in 2012 due to non-recurring costs from the restructuring program and impairment charges to goodwill and property, plant and equipment. Earnings per share are computed after the deduction of non-controlling interests and the € 32.5 million hybrid coupon payment. Based on a weighted average of 115.1 million shares outstanding (2011: 116.8 million shares), earnings per share fell to € -0.61 for the reporting year (2011: € 0.07).

Non-recurring costs from restructuring program and impairment charges lead to after-tax loss of € 40.5 million

Asset and Financial Position

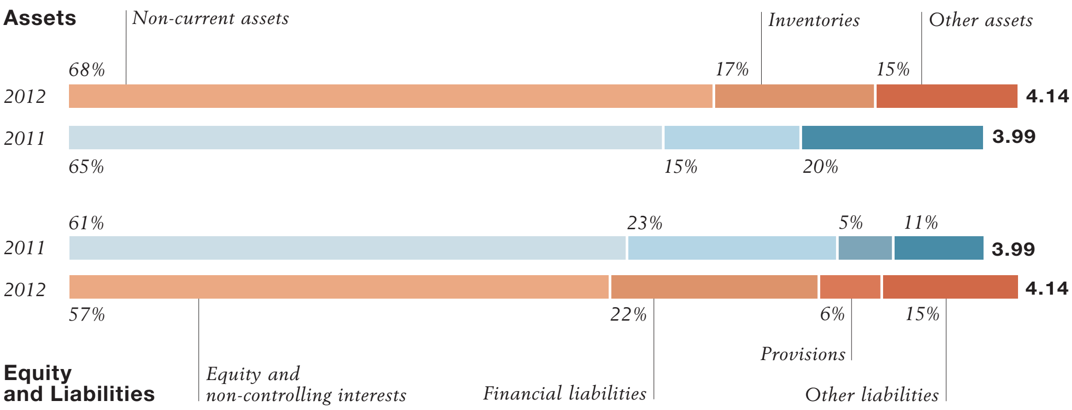
The balance sheet total rose by 4% year-on-year to € 4,139.7 million in 2012, primarily as the result of acquisitions. The balance sheet structure of the Wienerberger Group is typical for the industry, and is characterized by a high fixed asset component and long-term financing.

Balance sheet total of € 4,139.7 million

Non-current assets were slightly higher than the previous year at 68% of total assets (2011: 65%), whereby property, plant and equipment represented 62% (2011: 65%) of capital employed. Inventories rose from € 576.6 million at year-end 2011 to € 772.7 million as of June 30, 2012 due to the seasonality of the building materials business and the initial consolidation of Pipelife, but were reduced to € 700.9 million by the end of the reporting year through strict working capital management. Average trade receivables turnover remained fairly constant in year-on-year comparison at 26 days, while trade payables turnover decreased from 47 to 44 days. Working capital (inventories + net trade receivables – trade payables) increased during the reporting year due to the above-mentioned effects from the initial consolidation of Pipelife and totaled € 589.9 million as of December 31, 2012. This represents 25.0% (2011: 24.2%) of revenues and 20% (2011: 17%) of capital employed. In a difficult market environment, Wienerberger was able to hold working capital at the 25% target that we have defined as sustainable. Average working capital turnover fell to 93 days (2011: 100 days). Wienerberger had strong liquidity reserves of € 314.8 million at year-end 2012, which comprised cash on hand, bank deposits and securities and other financial assets.

Working capital to revenues equals 25% target at year-end

Development of Balance Sheet Structure
in € billion



Group equity equals € 2,363.7 million

Group equity declined 3% to € 2,363.7 million (2011: € 2,430.8 million). Equity was reduced, above all, by the € 32.5 million hybrid coupon payment, the € 13.8 million dividend payment, € 24.5 million of actuarial losses related to defined benefit pension plans and severance compensation provisions as well as the after-tax loss of € 40.5 million. Foreign exchange differences increased equity by € 38.9 million. The change in foreign exchange adjustments recognized directly in equity resulted primarily from the Polish zloty, the Russian ruble and the Hungarian forint.

94% of interest-bearing financial liabilities are long-term

The provision for deferred taxes rose in line with acquisitions. Employee-related provisions increased due to the initial consolidation of the Pipelife Group and as a result of the changes in IAS 19, which require the immediate recognition of actuarial gains and losses in other comprehensive income. The sharp drop in interest rates led to an increase of € 43.4 million in employee-related provisions during the reporting year. Since Wienerberger has not granted any new defined benefit pension commitments and is converting existing commitments into defined contribution plans wherever possible, the provisions for pensions will continue to decrease independent of any changes in parameters. Current provisions increased due to acquisitions as well as provisions created for restructuring measures. Non-current and current provisions represented 6% of the balance sheet total as of December 31, 2012 (2011: 5%). Interest-bearing loans (financial liabilities) declined € 17.8 million to € 916.8 million and include € 898.2 million due to banks, bondholders and other parties, € 18.2 million of derivatives with negative market values, € 0.2 million of leasing liabilities and € 0.2 million of Group liabilities. These liabilities are contrasted by cash, bank deposits and securities of € 314.8 million. Of the € 916.6 million in liabilities (excluding Group liabilities), 94% (2011: 56%) are long-term and 6% (2011: 44%) short-term in nature.

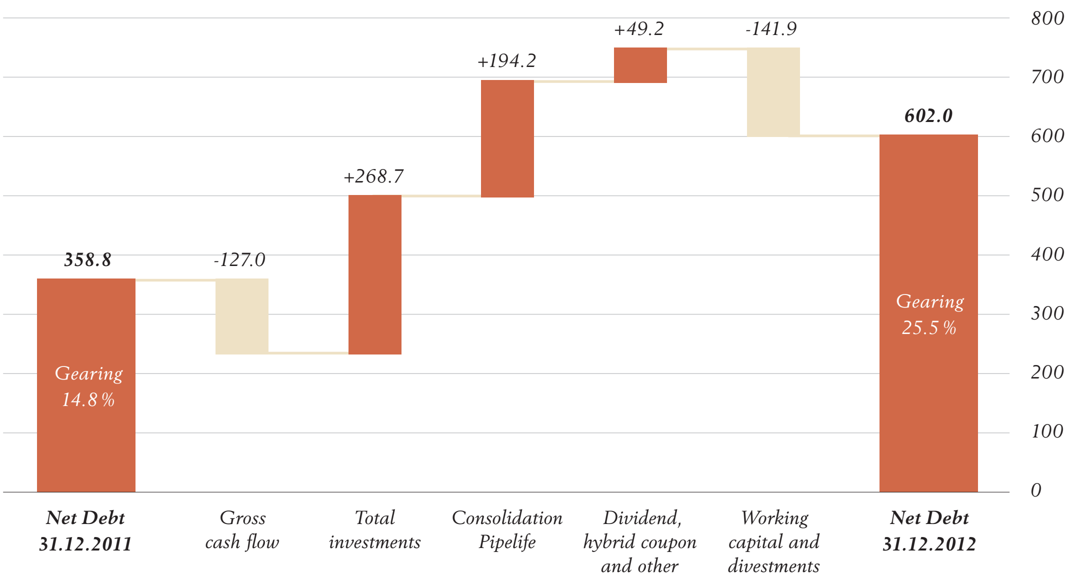
Calculation of Net Debt [1]	2011 [2]	2012	Chg.
	in € mill.	*in € mill.*	*in %*
Long-term interest-bearing financial liabilities	513.7	858.7	+67
Short-term interest-bearing financial liabilities	417.8	57.7	-86
Financial leases	2.9	0.2	-93
- Intercompany receivables and payables from financing	-26.5	-22.2	-16
- Securities and other financial assets	-58.7	-50.1	-15
- Cash and cash at bank	-490.4	-242.3	-51
Net debt	**358.8**	**602.0**	**+68**

1) Excluding the hybrid bond, that is reported under equity in accordance with IFRS
2) The data were adjusted to reflect a change in accounting policies

Pipelife acquisition increases net debt from € 358.8 million in prior year to € 602.0 million at year-end 2012

Net debt amounted to € 602.0 million as of December 31, 2012, or 68% more than the year-end 2011 value of € 358.8 million. This change includes € 268.7 million for investments and acquisitions as well as liabilities in the amount of € 194.2 million assumed through the Pipelife takeover. Net debt was increased by a total of € 49.2 million for the payment of the hybrid coupon, the dividend and other effects related to financial liabilities. Contrasting factors included gross cash flow of € 127.0 million, a reduction of € 102.5 million in working capital and divestments of € 39.4 million. Gearing equaled 25.5% at the end of the reporting year (2011: 14.8%). Long-term financing such as equity, non-current provisions and long-term liabilities covered 126% of fixed and financial assets at year-end 2012 (2011: 122%). The ratio of net debt to operating EBITDA equaled 2.2 as of December 31, 2012 (2011: 1.5) and the EBITDA interest coverage ratio was 5.0 (2011: 6.4).

Development of Net Debt
in € mill.



Increase in balance sheet total due to Pipelife takeover

Balance Sheet Development	2011 [1]	Disposals [2]	Purchases [2]	F/X [3]	Organic	2012
	in € mill.	*in € mill.*	*in € mill.*	*in € mill.*	*in € mill.*	*in € mill.*
Fixed assets	1,727.2	0.0	168.4	22.0	-114.5	1,803.1
Intangible assets	679.5	0.0	220.4	4.7	-22.5	882.1
Other non-current assets	246.7	0.0	-84.6	1.3	-8.3	155.1
Inventories	576.6	0.0	171.1	5.1	-51.9	700.9
Other current assets	761.4	0.0	-31.9	-6.0	-125.0	598.5
Balance sheet total	**3,991.4**	**0.0**	**443.4**	**27.1**	**-322.2**	**4,139.7**
Equity [4]	2,430.8	0.0	-0.2	38.9	-105.8	2,363.7
Provisions	197.2	0.0	37.7	1.0	30.0	265.9
Liabilities	1,363.4	0.0	405.9	-12.8	-246.4	1,510.1

1) The data were adjusted to reflect a change in accounting policies
2) Effects of companies and stakes acquired in 2012
3) Foreign exchange effects
4) Including non-controlling interests and hybrid capital

The acquisition-related growth was related primarily to the initial consolidation of the Pipelife Group. The organic decline in the balance sheet total resulted primarily from the depreciation of fixed assets and a decrease in working capital.

Gearing equals 26% at year-end 2012

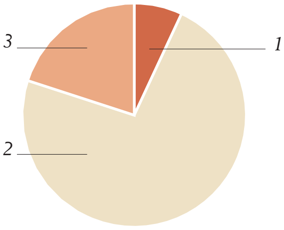
Balance Sheet Ratios		2011 [1]	2012
Capital employed	*in € mill.*	2,652.1	2,931.3
Net debt	*in € mill.*	358.8	602.0
Equity ratio	*in %*	60.9	57.1
Gearing	*in %*	14.8	25.5
Asset coverage	*in %*	93.1	84.4
Working capital to revenues	*in %*	23.9	25.0

1) The data were adjusted to reflect a change in accounting policies

Treasury

The climate on the financial markets was influenced by high uncertainty in the euro zone as well as slight recovery in the US economy during 2012. The first quarter was characterized by an easing on the tense bond market after steps taken by the European Central Bank (ECB) at year-end 2012 supplied the banking sector with sufficient liquidity for the next three years. The elections in Greece as well as discussions over the European recovery packages and stability mechanism led to growing uncertainty during the second and third quarters. The ECB attempted to counter this negative trend with increased purchases of European government bonds and the assurance to provide continuing support for the euro. However, the mood on financial markets only lightened after Germany's decision in favor of the European Stability Pact and the successful bond repurchase by the Greek government.

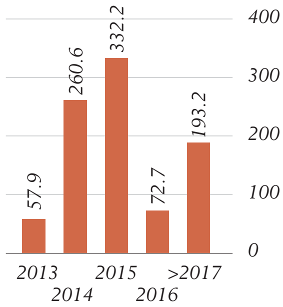
Term Structure of Interest-bearing Financial Liabilities
in %



1 <1 year 6%
2 1–5 years 73%
3 >5 years 21%

Wienerberger used the favorable market window at the beginning of 2012 to issue a € 200 million, 3.5 year bond and thereby covered its refinancing needs for the remainder of the year. Since there will be no major refinancing in 2013, Wienerberger can now concentrate on the integration of Pipelife in the Group treasury system and financing requirements for 2014. The proactive refinancing strategy will be retained and smaller bonds will be issued in the future to cover the financing costs resulting from the Pipelife integration and to optimize the term structure of liabilities.

Term Structure of Interest-bearing Financial Liabilities
in € mill.



Wienerberger will continue to hold sufficient liquidity reserves because cash preservation and a strong capital structure remain top priority. At year-end 2012 Wienerberger had € 430 million of committed, unused credit lines to cover liquidity fluctuations. These lines will be reduced to an adequate € 350 million by the end of 2013 to decrease the "negative carry". The indicators related to the covenants defined in the bank credit agreements remain clearly within the agreed levels. Net debt / operating EBITDA equaled 2.2 at year-end and was therefore far below the defined limit of 3.5. Operating EBITDA / interest result declined from 6.4 in the previous year to 5.0, but is still substantially over the minimum level of 3.75.

Treasury Ratios	31.12.2011 1)	31.12.2012	Threshold
Net debt / operating EBITDA 2)	1.5	2.2	<3.50
Operating EBITDA 2) / interest result 3)	6.4	5.0	>3.75

1) The data were adjusted to reflect a change in accounting policies
2) Adjusted for non-recurring income and expenses; calculated on the basis of 12-month operating EBITDA
3) Calculated on the basis of 12-month interest results

Approx. 70% of liabilities have fixed interest rates

More than 70% of liabilities carry fixed interest rates. The remaining liabilities have variable interest rates and are contrasted by variable interest liquid funds. This limits the Group's interest rate risk. Most of the financing is denominated in euros, but Wienerberger monitors the exchange rate risk connected with balance sheet items based on the net risk position in its most important currencies (USD, CHF, GBP, PLN) and hedges part of this risk with interest rate swaps based on monthly sensitivity tests. As of December 31, 2012, the Group only held derivative positions in the US dollar and Swiss franc.

Cash Flow

Sound improvement in cash flow from operating activities due to working capital reduction at Pipelife

Wienerberger also demonstrated its ability to generate strong cash flows during the difficult 2012 financial year. Gross cash flow was substantially below the prior year at € 127.0 million because of the lower earnings recorded in the Bricks & Tiles Europe Division. However, cash flow from operating activities improved significantly from € 164.0 million in 2011 to € 229.5 million for the reporting year due to a substantial reduction of approx. € 100 million in working capital at Pipelife after the initial consolidation and stable working capital development in the rest of the Wienerberger Group.

Free cash flow increased by 21% to € 163.6 million

Cash outflows for investments and acquisitions were significantly higher due to the takeover of the remaining 50% stake in Pipelife and rose from € 151.7 million in 2011 to € 268.7 million for the reporting year. Cash flow from investing activities in 2011 was influenced by the settlement payment for the sale of the 50% stake in the Bramac Group and the increase in the Tondach Gleinstätten investment. Cash flow from financing activities includes the proceeds from the € 200 million bond issued on February 1, 2012, the payment of the € 32.5 million hybrid coupon, the € 13.8 million dividend and financing for the purchase of the remaining shares in the Pipelife Group. Dividends of € 13.0 million were received from associated companies during the reporting year. Wienerberger generated impressive free cash flow (cash flow from operating activities minus cash flow from investing activities plus growth investments) of € 163.6 million in 2012, compared with € 135.0 million in the previous year. These funds were used, above all, for the value-creating Pipelife acquisition.

Cash Flow Statement	2011 [1]	2012	Chg.
	in € mill.	*in € mill.*	*in %*
Gross cash flow	**184.4**	**127.0**	**-31**
Change in working capital and other	-20.4	102.5	>100
Cash flow from operating activities	**164.0**	**229.5**	**+40**
Normal capex (maintenance, rationalization, environment)	-95.8	-105.3	-10
Growth capex	-55.9	-163.4	<-100
Divestments and other	66.8	39.4	-41
Cash flow from investing activities	**-84.8**	**-229.3**	**<-100**
Growth investments	55.9	163.4	>100
Free cash flow	**135.0**	**163.6**	**+21**

1) The data were adjusted to reflect a change in accounting policies

Investments

The Pipelife acquisition was responsible for an increase in total investments to € 268.7 million for the reporting year (2011: € 151.7 million). This figure includes € 163.4 million (2011: € 55.9 million) of growth investments, whereby € 146.6 million are related to the purchase of the remaining 50% stake in Pipelife. Normal capex, which includes maintenance as well as expenditures for technical upgrading and production equipment for premium products, amounted to € 105.3 million (2011: € 95.8 million) or 54% of depreciation for the year (2011: 52%). The investments made in 2012 were distributed among the divisions as follows: 24% in Bricks & Tiles Europe, 68% in Pipes & Pavers Europe, 6% in North America and 2% in Holding & Others.

Total capex increased due to takeover of Pipelife

Investments in property, plant and equipment are divided among the various asset groups as follows: land and buildings at € 21.2 million, machinery and equipment at € 50.3 million, fixtures, fittings and office equipment at € 7.8 million and construction in progress at € 39.5 million.

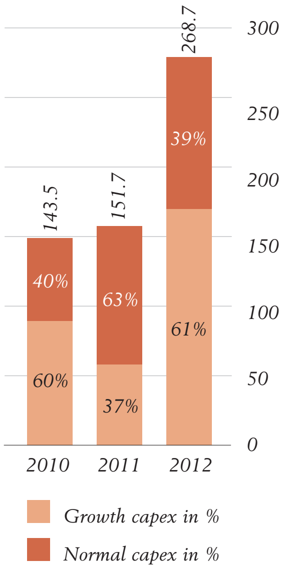
Development of Non-current Assets	Intangible	Tangible	Financial	Total
	in € mill.	*in € mill.*	*in € mill.*	*in € mill.*
31.12.2011 1)	**679.5**	**1,794.3**	**137.5**	**2,611.3**
Capital expenditure 2)	3.1	118.8	0.0	121.9
Changes in the consolidation range	220.4	171.4	-91.8	300.0
Depreciation and amortization	-25.8	-212.7	-2.9	-241.4
Disposals	0.0	-10.3	0.0	-10.3
Currency translation and other	4.9	22.9	-8.5	19.3
31.12.2012	**882.1**	**1,884.4**	**34.3**	**2,800.8**

1) The data were adjusted to reflect a change in accounting policies
2) Additions as per schedule of fixed and financial assets

Total Investments 1)	2011 2)	2012	Chg.
	in € mill.	*in € mill.*	*in %*
Bricks & Tiles Europe	114.2	65.4	-43
Pipes & Pavers Europe	28.0	183.9	>100
North America	8.1	15.3	+89
Holding & Others	1.3	4.1	>100
Wienerberger Group	**151.7**	**268.7**	**+77**

1) Additions to property, plant and equipment, intangible assets and financial assets, including working capital and changes in the consolidation range, or normal capex plus growth investments
2) The data were adjusted to reflect a change in accounting policies

Total Investments
in € mill.

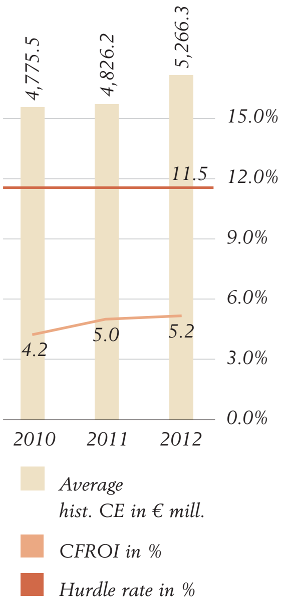


Wienerberger Value Management

CFROI and ROCE are key indicators for management

One of the key elements for our internal operating management is a cash-based pre-tax return, which is calculated for all corporate levels and shows the value added by the Group and its business units. The key ratios are cash flow return on investment (CFROI = Operating EBITDA / average historical capital employed) and cash value added (CVA). The CFROI model allows us to compare the various segments of the Group, independent of the age structure of their plants. Our minimum sustainable target for CFROI, after an adjustment for non-recurring income and expenses, is 11.5% (= hurdle rate) in all segments. For the calculation of CVA, the CFROI of the individual segments is compared with this hurdle rate and then multiplied by average historical capital employed (CE). CVA shows the absolute operating cash value added by the individual segments.

CRFOI vs hist. CE and Hurdle Rate



Calculation of Group CFROI		2011 1)	2012 2)
Operating EBITDA 3)	*in € mill.*	**240.4**	**274.1**
Average capital employed	*in € mill.*	2,685.3	2,984.5
Average accumulated depreciation	*in € mill.*	2,141.0	2,281.8
Average historical capital employed	*in € mill.*	**4,826.2**	**5,266.3**
CFROI 4)	*in %*	**5.0**	**5.2**

CFROI 2012 by Division	Operating EBITDA 3)	Average historical CE 2)	CFROI 4)	CVA 4)
	in € mill.	*in € mill.*	*in %*	*in € mill.*
Bricks & Tiles Europe	183.5	3,813.0	4.8	-255.5
Pipes & Pavers Europe	93.6	685.1	13.7	15.1
North America	12.1	706.2	1.7	-69.2
Holding & Others	-15.1	62.0	-24.4	-22.2
Wienerberger Group	**274.1**	**5,266.3**	**5.2**	**-331.8**

1) The data were adjusted to reflect a change in accounting policy
2) Calculated on pro-forma 12-month basis
3) Adjusted for non-recurring income and expenses (2012 calculated on pro-forma 12-month basis)
4) Calculated on the basis of average historical capital employed (2012 calculated on pro-forma 12-month basis)

Group CFROI rises from 5.0% to 5.2% due to initial consolidation of Pipelife

CFROI was calculated on a pro-forma basis in 2012 due to the full consolidation of the Pipelife Group during the reporting year. Pipelife's results for the full 12 months were used to calculate operating EBITDA and average historical capital employed. Pro-forma CFROI for 2012 exceeded the prior year level because of Pipelife's strong contribution to earnings. However, Group CFROI of 5.2% remained substantially below the 11.5% hurdle rate.

In addition to CFROI, return on capital employed (ROCE) is also calculated at the Group level. This indicator is computed by comparing net operating profit after tax (NOPAT) to average capital employed for the entire Group. The ratio indicates the extent to which Wienerberger meets the yield required by investors. The average cost of capital for the Group is based on the minimum return expected by investors for funds they provide in the form of equity and debt. The weighted average cost of capital (WACC) is determined by adding an appropriate risk premium for stock investments to the actual cost of debt for Wienerberger. The after-tax WACC equaled 6.84% in 2012.

After-tax WACC of 6.84% on Group level

Similar to the calculation of CFROI, ROCE was also determined on a pro-forma basis for the reporting year. The full 12-month results for the Pipelife Group were included in operating EBIT, which formed the basis for the calculation of Net Operating Profit After Tax (NOPAT) and average capital employed. Pro-forma NOPAT amounted to € 11.6 million in 2012 (2011: € 24.3 million). Pro-forma ROCE fell to 0.4% (2011: 0.9%) and resulted in EVA® of € -192.2 million for the reporting year (2011: € -163.3 million).

Pro-forma ROCE of 0.4%

Calculation of Group ROCE		2011 1)	2012
Operating EBIT 2)	in € mill.	40.0	51.5
Income taxes 3)	in € mill.	-8.0	-10.4
Adjusted income taxes 3)	in € mill.	-7.7	-29.5
NOPAT 3)	in € mill.	**24.3**	**11.6**
Equity and non-controlling interests	in € mill.	2,430.8	2,363.7
Financial liabilities and financial leases	in € mill.	934.5	916.6
Intercompany receivables and payables from financing	in € mill.	-26.5	-22.0
Cash and financial assets	in € mill.	-686.8	-327.0
Capital employed	in € mill.	**2,652.1**	**2,931.3**
Average capital employed 3)	in € mill.	**2,685.3**	**2,984.5**
ROCE 4)	in %	**0.9**	**0.4**

Value Ratios		2011 1)	2012 3)
ROCE 4)	in %	0.9	0.4
EVA ® 5) 6)	in € mill.	-163.3	-192.2
CFROI 7)	in %	5.0	5.2
CVA 7)	in € mill.	-313.7	-331.8

ROCE of 0.4% and EVA® of € -192 million

1) The data were adjusted to reflect a change in accounting policy
2) Adjusted for non-recurring income and expenses (2012 calculated on pro-forma 12-month basis)
3) 2012 calculated on pro-forma 12-month basis
4) Calculated on the basis of average capital employed (2012 calculated on pro-forma 12-month basis)
5) EVA® is a registered brand name of Stern Stewart & Co.
6) Calculated on the basis of average capital employed
7) Calculated on the basis of average historical capital employed

Outlook and Goals

Cost savings of approx. € 50 million by year-end 2014 from restructuring program

Wienerberger was able to hold operating EBITDA at the prior year level in 2012 because the earnings decline in the European brick business was offset by the initial consolidation of Pipelife and slightly better development in North America. The Group reacted to the weak brick business in Europe by implementing a restructuring program during the reporting year. This program is expected to produce approx. € 50 million of cost savings by 2014: € 14 million were realized in 2012, approx. € 18 million are expected in 2013 and the remaining € 18 million will make a positive contribution to earnings in 2014. The focus on the brick business in Europe was also strengthened by the appointment of a separate management team for the division. This team will concentrate, above all, on further improving profitability.

Significant revenue and earnings improvement expected for 2013, above all due to initial consolidation of Pipelife

For 2013, we expect a significant improvement in revenues and earnings at the Group level. Forecasts for the Bricks & Tiles Europe Division are limited because of low visibility over the development of the relevant markets. We see additional challenges in the operating environment in Europe and slight weakness in the demand for building materials. Further revenue and earnings declines are therefore probable in the Bricks & Tiles Europe Division, but these developments should be offset by the above-mentioned cost savings. The Pipes & Pavers Europe Division should make a positive contribution of approx. € 30 million to earnings for the full year due to the initial consolidation of Pipelife and moderate growth in the first half of 2013. We also see an improvement in earnings for the North America Division based on a continuation of the positive trend in new residential construction. In total, we expect a significant increase in operating EBITDA for the Group in 2013.

Focus remains on generation of cash flows through organic growth

Our focus will remain on the generation of cash flows through organic growth, an increase in profitability through continuous optimization, a restrictive investment policy and strict working capital management. Normal capex, which includes maintenance as well as technological improvements and expansion for product innovations, is forecasted to total € 115 million in 2013. The ratio of net debt to operating EBITDA should also remain below the targeted 2.5 years at year-end. Our goals for the operating business are to generate further organic growth and expand our market positions by focusing on innovative, high-quality and user-oriented products that create added value for our customers and by providing a comprehensive range of supporting services. We will also utilize opportunities for selective expansion through smaller, value-creating acquisitions with a focus on the renovation segment. Included here are all projects that help us to meet our CFROI goal of over 11.5% at the Group level.

This annual report includes information and forecasts that are based on the future development of the Wienerberger Group and its member companies. These forecasts represent estimates, which were prepared based on the information available at this time. If the assumptions underlying these forecasts are not realized or risks – as described in the risk report – should in fact occur, actual results may differ from the results expected at this time. This annual report is not connected with a recommendation to buy or sell Wienerberger AG securities.

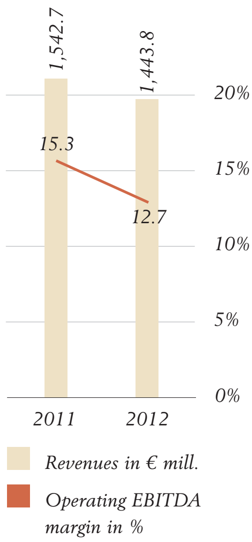
Bricks & Tiles Europe

New segmentation of ceramic business in Bricks & Tiles Europe

The new segmentation of the Wienerberger Group included the combination of ceramic activities in Europe (clay blocks, facing bricks and clay roof tiles) under the Bricks & Tiles Europe Division. In order to improve reporting transparency, results for Western and Eastern Europe are presented separately and the related holding company operating costs are allocated to the respective regions. Our 50% investments in Schlagmann (Western Europe) and Tondach Gleinstätten (Eastern Europe), which were previously included in the operating results, are now reported at equity under financial results in the related segment. The comparable prior year data were adjusted accordingly.

Decline in new residential construction and renovation on nearly all European markets

The development of the construction industry in 2012 was still influenced by the negative effects of the debt crisis, which were reflected in widespread uncertainty, low consumer confidence and restrictive bank lending policies. New residential construction declined on nearly all European markets, in part by a double-digit figure, and pushed the level of residential construction below the 2009 crisis year in some countries. These developments affected several of our largest markets, including the Netherlands, Belgium, France and Poland. The renovation market, a key driver for sales of clay roof tiles, also weakened during the reporting year. In spite of this difficult market environment, Wienerberger was able to implement price increases to offset cost inflation. The shift in the mix to premium products also had a favorable effect on average prices. The Bricks & Tiles Europe Division recorded a 6% year-on-year decline in revenues to € 1,443.8 million for the reporting year and, due to lower capacity utilization, a 22% drop in operating EBITDA to € 183.5 million.



Bricks & Tiles Europe		2011 [1]	2012	Chg. in %
Third party revenues	*in € mill.*	1,542.7	1,443.8	-6
Operating EBITDA [2]	*in € mill.*	236.7	183.5	-22
Operating EBIT [2]	*in € mill.*	84.6	36.4	-57
Total investments	*in € mill.*	114.2	65.4	-43
Capital employed	*in € mill.*	1,956.4	1,895.2	-3
Ø Employees		9,038	8,743	-3

1) The data were adjusted to reflect a change in accounting policies
2) Adjusted for non-recurring income and expenses

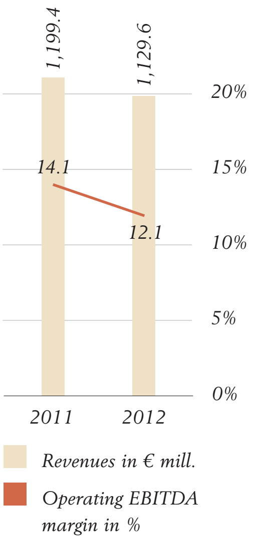
Restructuring program implemented in second half of 2012

Wienerberger reacted to this latest market decline by implementing a restructuring program in summer 2012 and expanding its scope during the fourth quarter of 2012. The program includes the mothballing of plants as well as the adjustment of shift models and further optimization in the administrative area. These measures are expected to produce cost savings of approx. € 50 million by the end of 2014. Investments in the division were also reduced to the necessary minimum. Another important step was the appointment of a dedicated management team for the Bricks & Tiles Europe Division. Johann Windisch resigned from the Managing Board at the end of 2012 to direct his full attention to this division in the future. The goal of the new management team is to sustainably improve the division's profitability through further optimization measures and product and process innovations.

Bricks & Tiles Western Europe

Bricks &Tiles Western Europe covers the former segments Central-West Europe and North-West Europe (incl. Finland and the Baltic States)

The Bricks & Tiles Western Europe Segment comprises the former Central-West Europe and North-West Europe Segments plus Finland and the Baltic States. Revenues in the new segment declined 6% year-on-year to € 1,129.6 million in 2012. Single- and two-family house construction dropped sharply in nearly all countries of the region. Lower volumes in all product groups and the related higher unit costs had a negative effect on earnings, which was only partly offset by an increase in average prices that resulted from price adjustments and shifts in the product mix. Operating EBITDA in this segment therefore fell 19% below the prior year to € 136.5 million in 2012. Appropriate measures were implemented to adjust structures, above all in Germany, the Netherlands, Belgium, France and Great Britain. These measures include the mothballing of plants and longer production standstills during the winter as well as the adjustment of shift models and the optimization of administrative and selling expenses. The 39% decline in total investments during 2012 is explained by a cutback in capital expenditure.



Bricks & Tiles Western Europe		2011 [1]	2012	Chg. in %
Third party revenues	*in € mill.*	1,199.4	1,129.6	-6
Operating EBITDA [2]	*in € mill.*	169.5	136.5	-19
Operating EBIT [2]	*in € mill.*	70.2	31.8	-55
CFROI [3]	*in %*	6.3	5.0	-
Total investments	*in € mill.*	83.6	51.0	-39
Capital employed	*in € mill.*	1,469.3	1,426.2	-3
Ø Employees		6,420	6,227	-3
Sales volumes clay blocks	*in mill. NF*	2,403	2,203	-8
Sales volumes facing bricks	*in mill. WF*	1,413	1,205	-15
Sales volumes clay roof tiles [4]	*in mill. m²*	26.28	23.55	-10

1) The data were adjusted to reflect a change in accounting policies
2) Adjusted for non-recurring income and expenses
3) Calculated on the basis of average historical capital employed
4) Sales volumes of clay roof tiles include accessories

Slight weakness in new residential construction and renovation in Germany

In Germany, the largest market in the region, single- and two-family house construction was slightly weaker. The renovation market, a key driver for sales of roof tiles, also declined during the reporting year. Clay block volumes matched the prior year level due to a steady rise in volumes of perlite- or mineral wool-insulated infill blocks, but roof tile volumes were lower. Wienerberger recorded higher average prices in 2012 as a result of shifts in the mix to premium products and price adjustments to offset cost inflation. The margins in Germany remained constant at the prior year level, also due to a better cost structure.

Difficult market with sharp decline in new residential construction and renovation in the Netherlands

The Netherlands were again faced with a difficult market environment in 2012. Single- and two-family house construction fell by roughly 20% year-on-year from a low level and renovation activity also weakened. New residential construction has reached a historical low that is more than 25% below 2009. The commercial construction market also contracted significantly during the reporting year, chiefly as a result of declining real estate prices, uncertainty over the tax deductibility of mortgage interest payments and restrictive lending policies by banks. Wienerberger recorded substantially lower volumes in all product groups which, in turn, led to a decline in revenues and earnings.

Decline in new residential construction and renovation in Belgium

There was a sharp drop in the construction of new single- and two-family houses in Belgium during 2012. However, Wienerberger was able to improve average prices on this market with price adjustments as well as a shift in the mix to premium products. The renovation market in this country also weakened slightly during the reporting year, which led to a decline in volumes of roof tiles. Revenues and earnings in Belgium therefore remained below the comparable values for 2011.

Strong market drop below 2009 level in France

The prior year recovery on the French residential construction market was followed by a trend reversal during the first half of 2012 that accelerated during the second six months. New residential construction was stable to slightly lower in the first quarter, but housing starts in the single- and two-family segment had fallen 28% below the prior year by the fourth quarter of 2012. Housing starts in this segment of the French market dropped 15% during 2012 to a level below the 2009 crisis year. On a positive note, clay blocks continue to gain market share over concrete products in the wall segment and Wienerberger successfully outperformed the market. Revenues were only slightly lower than the previous year because of successful price adjustments to offset cost inflation. Operating EBITDA was negatively affected by longer plant standstills at the beginning and end of the year.

Weaker construction industry, but stable revenues and earnings in Great Britain

New residential construction and renovation in Great Britain also weakened during 2012. Despite a decline in volumes, revenues and earnings roughly matched the 2011 level due to higher average prices and leaner cost structures.

Slight weakness in renovation on Swiss market

Sales volumes of roof tiles in Switzerland declined slightly in 2012 because of a weaker renovation market, while the stable development of new residential construction supported steady demand for clay blocks.

Stable revenues in Italy despite strong decline in construction sector

Construction activity in Italy fell sharply from a very low level during the reporting year. This market contraction resulted, above all, from growing consumer uncertainty over the high sovereign debt. However, revenues were nearly constant in year-on-year comparison in this difficult market environment based on higher average prices.

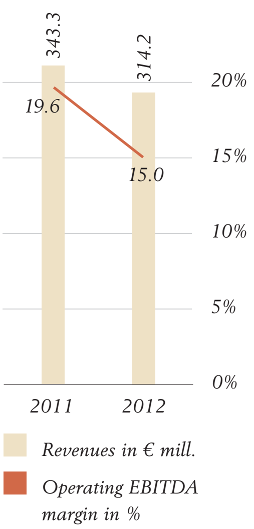
Ongoing market difficulty expected in most West European countries

For 2013, we stay cautious on the single- and two-family house segment in Germany and expect a stable development on the construction market in Switzerland. Residential construction in Great Britain should stabilize at a low level, but we see a continuation of the difficult market climate in the other countries of this region. We can therefore not exclude a further decline in revenues and earnings for the Bricks &Tiles Western Europe Segment, but the measures implemented to reduce costs should support an improvement in margins.

Bricks & Tiles Eastern Europe includes all countries from the former Central-East Europe segment (excl. Finland and the Baltic States)

Bricks &Tiles Eastern Europe

The Bricks & Tiles Eastern Europe Segment covers the countries from the previous Central-East Europe Segment, with the exception of Finland and the Baltic States. The development of new residential construction in Eastern Europe was similar to Western Europe because of the euro crisis. Uncertainty, weaker consumer confidence and limited lending by banks triggered a drop in the demand for building materials throughout the region in 2012. Wienerberger recorded an 8% year-on-year decline in revenues to € 314.2 million based on slightly higher average prices. Operating EBITDA amounted to € 47.0 million and was 30% below the prior year due to lower capacity utilization. We implemented a range of measures in the Bricks & Tiles Eastern Europe Segment to adjust structures to reflect the difficult market conditions and also reduced investments. Plants were mothballed or closed for longer periods during the winter months, above all in Poland and Hungary. Shift models were adjusted and optimization measures were introduced to reduce administrative and selling costs. Total investments in this segment were 53% lower year-on-year in 2012.



Bricks & Tiles Eastern Europe		2011 1)	2012	Chg. in %
Third party revenues	in € mill.	343.3	314.2	-8
Operating EBITDA 2)	in € mill.	67.2	47.0	-30
Operating EBIT 2)	in € mill.	14.4	4.6	-68
CFROI 3)	in %	6.3	4.5	-
Total investments	in € mill.	30.6	14.4	-53
Capital employed	in € mill.	487.1	469.0	-4
Ø Employees		2,618	2,516	-4
Sales volumes clay blocks	in mill. NF	2,930	2,676	-9

1) The data were adjusted to reflect a change in accounting policies
2) Adjusted for non-recurring income and expenses
3) Calculated on the basis of average historical capital employed

Double-digit decline in single- and two-family house construction in Poland, Czech Republic and Slovakia

The markets in Poland and the Czech Republic weakened significantly in the first half of 2012. A double-digit decrease in the construction of single- and two-family houses during 2012 pushed the market below the 2009 level. Wienerberger was faced with a decline in clay block volumes, and the resulting higher unit costs had a negative effect on earnings in both countries. The situation was similar in Slovakia, where construction industry weakness led to a decline in volumes of clay blocks. However, average prices were higher due to a shift in the mix to premium products and price adjustments to offset cost inflation.

Downward trend continues on residential construction market in Hungary

In Hungary, the construction of single- and two-family houses continued to decline from a historically low level in 2012. Only 0.6 single- and two-family houses per thousand residents were completed in this country during the reporting year. Wienerberger recorded substantial declines in clay block volumes in this difficult market environment. Average prices were higher, but Wienerberger recorded lower revenues and earnings for the reporting year.

Stable development in Austria

Construction activity in Austria followed a weather-related weak start with sound development and roughly matched the prior year level in 2012. The Austrian business unit reported stable revenues based on higher average prices and a slight volume decline.

Floor-building possible in Romania and Bulgaria

In Romania and Bulgaria, new residential construction may be bottoming out at a very low level. Revenues were stable in 2012, but earnings improved as a result of the successful focus on new, premium products (above all high thermal insulating clay blocks) and leaner cost structures.

Dynamic momentum in Russia

Russia was the only market in the region to generate dynamic growth in 2012. Although the demand for building materials slowed during the second half of the year, the Russian unit was able to record a solid year-on-year improvement in revenues and earnings based on higher volumes and average prices.

Continued momentum expected in Russia; no trend reversal in other East European markets

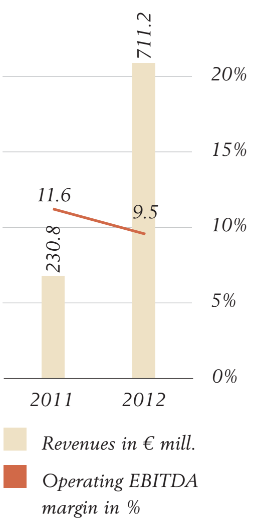
Forecasts for Eastern Europe point to a continuation of the difficult market environment for bricks in 2013. We are expecting further dynamic growth in Russia, while Romania and Bulgaria should stabilize at a low level after bottoming out in the past year. Business development in Austria should also remain stable. However, we see no signs of a turnaround in the other markets of the region and cannot exclude a further decline in the demand for building materials in Eastern Europe. Revenues and earnings in the Bricks & Tiles Eastern Europe Segment may be lower in 2013, but the implementation of cost reduction measures should support an improvement in margins.

Pipes & Pavers Europe

The new segmentation of the Wienerberger Group included the combination of the European pipe business (Pipelife Group plastic pipes and Steinzeug-Keramo ceramic pipes) and concrete paver activities (Semmelrock Group) under the Pipes & Pavers Europe Division. In order to improve reporting transparency, results for Western and Eastern Europe are presented separately and the related holding company operating costs are allocated to the respective regions. The Steinzeug Group, whose products and system solutions are marketed throughout the world, is assigned to the Pipes & Pavers Western Europe Segment because its plants and the group headquarters are located in Western Europe. Concrete pavers, which were previously reported under the brick segment Central-East Europe, are now integrated in Pipes & Pavers Eastern Europe. The comparable prior year data were adjusted accordingly.

Strong revenue and earnings growth in Pipes & Pavers Europe due to initial consolidation of Pipelife

Revenues in the Pipes & Pavers Europe Division rose from € 230.8 million in 2011 to € 711.2 million in the reporting year and operative EBITDA increased from € 26.7 million to € 67.4 million. This growth was supported by the continued sound development of business at Steinzeug-Keramo, our ceramic pipe specialist, as well as the revenue and earnings contribution from the Pipelife Group, which was fully consolidated as of May 31, 2012. This plastic pipe producer generated revenues of € 478.8 million and operating EBITDA of € 45.5 million in the seven months following the initial consolidation. In addition to organic volume growth and successful price management during the reporting year, Pipelife benefited from the May 2011 acquisition of Alphacan's French plastic pipe division. Cost reduction measures implemented in 2011 helped to further improve margins. Business development at Steinzeug-Keramo was supported by organic growth in the core markets as well as the acquisition of Euroceramic in July 2011. The export business also proved to be a driver for profitable growth. Our concrete paver business, which operates exclusively in Central-East Europe, was faced with a weak construction industry and increased pressure on prices throughout the region. Appropriate measures were therefore implemented to adjust cost structures to better reflect the market conditions, which led to non-recurring cash outflows of € 1.1 million in 2012. These costs are reported separately under restructuring expenses.



Pipes & Pavers Europe		2011 1)	2012	Chg. in %
Third party revenues	*in € mill.*	230.8	711.2	>100
Operating EBITDA 2)	*in € mill.*	26.7	67.4	>100
Operating EBIT 2)	*in € mill.*	9.8	31.6	>100
Total investments	*in € mill.*	28.1	183.9	>100
Capital employed	*in € mill.*	191.9	568.6	>100
Ø Employees		1,522	3,044	+100

1) The data were adjusted to reflect a change in accounting policies
2) Adjusted for non-recurring income and expenses

We expect steady positive growth for this division in 2013. Effects of approx. € 30 million from the initial consolidation of Pipelife in the first half-year and moderate organic growth in the pipe business should support a sound increase in revenues and earnings for the Pipes & Pavers Europe Division. In the first five months of 2012, Pipelife generated revenues of € 347.2 million and EBITDA of € 28.5 million. The concrete paver business is expected to face a continuation of the difficult market environment in Eastern Europe, but margins should be strengthened by the measures implemented in 2012 to optimize the cost structure.

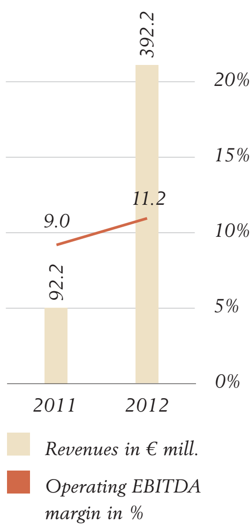
Moderate growth expected for 2013

Pipes & Pavers Western Europe

In the Pipes & Pavers Western Europe Segment, revenues rose to € 392.2 million (2011: € 92.2 million) and operating EBITDA to € 44.1 million (2011: € 8.3 million) due to the initial consolidation of Pipelife.

Pipes & Pavers Western Europe		2011 1)	2012	Chg. in %
Third party revenues	*in € mill.*	92.2	392.2	>100
Operating EBITDA 2)	*in € mill.*	8.3	44.1	>100
Operating EBIT 2)	*in € mill.*	4.1	27.9	>100
CFROI 3)	*in %*	15.2	19.1	-
Total investments	*in € mill.*	16.3	171.3	>100
Capital employed	*in € mill.*	58.4	302.4	>100
Ø Employees		470	1,604	>100

1) The data were adjusted to reflect a change in accounting policies
2) Adjusted for non-recurring income and expenses
3) Calculated on the basis of average historical capital employed (2012 calculated on pro-forma 12-month basis)



Pipelife recorded strong earnings growth in Western Europe during the reporting year, with cost savings supporting a further improvement in margins. Norway, Sweden, Finland, the Netherlands and France are the most important markets for Pipelife in this region and were responsible for nearly 50% of the group's revenues in 2012. Business in Norway was driven, above all, by rising exports of LLLD pipes. Pipelife is the only supplier in the world for these products, which have a diameter of up to 2.5 meters and a length of up to 600 meters. In 2012 these pipes brought the group one of the largest orders in its history with a volume of approx. € 20 million: by August 2013, 8.8 kilometers of 600 meter HDPE pipes with a diameter of 2.5 meters will be delivered for a power plant project in Ghana.

Soluforce product line leads to largest order in the company's history

In the Netherlands, the construction industry recession and public sector budget consolidation measures triggered a decline in the demand for pipes and led to stagnating revenues and lower earnings. These developments were contrasted by a positive year-end announcement by the Soluforce business unit over the largest order since its founding. The global energy company Shell placed an order with Pipelife for the delivery of steel wire-reinforced "Soluforce Heavy" pipes for a 27 kilometer high pressure water pipeline. The contract has an estimated volume of € 8 million; it will be carried out by our Dutch subsidiary and included in revenues and earnings for 2013. In Ireland, extensive reorganization measures in earlier years were followed by the turnaround in 2012 despite a continuation of the difficult economic environment.

Different developments on other pipe markets in Western Europe

Sweden and Finland reported a slight drop in market activity from a good level. This led to moderate volume declines in both countries, but earnings remained nearly stable in Finland and, following the implementation of improvement measures, rose slightly in Sweden. Germany recorded lower earnings in a very competitive market. In Belgium, volumes fell slightly but margins improved. The Baltic States recorded moderate improvement in both revenues and earnings.

Double-digit volume growth for Steinzeug-Keramo in 2012

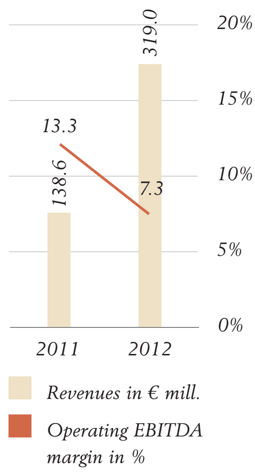
Steinzeug-Keramo generated double-digit volume growth in 2012 based on slightly higher average prices, which led to a substantial improvement in operating earnings for the year. This specialist for ceramic wastewater pipes recorded solid organic growth for the reporting year. The company also benefited from the acquisition of Euroceramic in July 2011 and the resulting contribution to earnings after the recognition of integration costs in the previous year. The most important individual markets of the Steinzeug-Keramo Group – Germany, Poland, Italy, the Czech Republic and Belgium – were responsible for roughly 80% of total revenues in 2012. Revenues and earnings were higher in all countries with the exception of Poland, where revenues remained at the 2011 level in a difficult market environment. Double-digit volume growth in the export business during the reporting year, above all in the Middle East, confirmed the successful sales strategy with a focus on export markets outside Europe.

Further revenue and earnings growth expected for Western Europe in 2013

We are expecting a significant increase in revenues and earnings for the Pipes & Pavers Western Europe Segment in 2013 due to the initial consolidation of Pipelife. This company should continue the positive revenue and earnings trend during the coming year. Our optimism is based on the fact that Pipelife's end markets are more stable than the European brick business due to the higher share of revenues generated by public sector contracts and infrastructure projects. Moreover, the economic outlook for the North European core markets is comparatively favorable. The major orders received in 2012 also confirm the strategy to enter new market segments with innovative products like extra-long, large diameters pipes or special pipes for high pressure applications and to generate growth through the extension of market shares. We also see further sound development for Steinzeug-Keramo, which should be supported by the company's stable core markets, the major orders received during the second half of 2012 and the export business.

Pipes & Pavers Eastern Europe

Revenues in the Pipes & Pavers Eastern Europe Segment rose from € 138.6 million in 2011 to € 319.0 million for the reporting year, while operating EBITDA increased from € 18.4 million to € 23.3 million. The strong earnings improvement in this segment also resulted from the initial consolidation of Pipelife.



Pipes & Pavers Eastern Europe		2011 1)	2012	Chg. in %
Third party revenues	*in € mill.*	138.6	319.0	>100
Operating EBITDA 2)	*in € mill.*	18.4	23.3	+27
Operating EBIT 2)	*in € mill.*	5.7	3.7	-35
CFROI 3)	*in %*	8.3	8.9	-
Total investments	*in € mill.*	11.7	12.6	+8
Capital employed	*in € mill.*	133.5	266.2	+99
Ø Employees		1,052	1,440	+37

1) The data were adjusted to reflect a change in accounting policies
2) Adjusted for non-recurring income and expenses
3) Calculated on the basis of average historical capital employed (2012 calculated on pro-forma 12-month basis)

Pipelife with moderate EBITDA decline in Eastern Europe

Pipelife recorded minor volume declines, but a slight improvement in revenues in Eastern Europe during 2012. Operating EBITDA was moderately lower in year-on-year comparison, above all due to structural adjustments. In Austria, Pipelife's largest market in Eastern Europe, both volumes and operating earnings were relatively constant and the excellent market position remained stable in an increasingly competitive environment. Poland proved to be the most challenging market in the region because of a sharp drop in the public sector demand for pipes. The result was a decline in both revenues and earnings below the previous year. Earnings were also lower in the Czech Republic. In contrast, Pipelife benefited from the dynamic development of the construction industry in Russia. The resulting strong demand for water and wastewater systems brought sound growth in revenues and earnings for the Russian unit. In Hungary and Slovakia, Pipelife held its position in a challenging environment and recorded a slight improvement in operating earnings. Business in Turkey was negatively affected by bad weather and a change in value added tax regulations during 2012. In Greece, revenues were stable and market shares increased despite the deep recession. The decline in operating results in this country resulted chiefly from structural adjustments in the Greek subsidiary. Revenue development in Southeastern Europe differed significantly by country, whereby individual projects had a strong impact on earnings due to the size of the respective local organizations.

Lower concrete paver volumes due to difficult markets in Eastern Europe

The market environment for the concrete paver business in Central and Eastern Europe was characterized by a sharp drop in demand from the private and public sectors as well as strong competitive pressure in 2012. These factors resulted in lower volumes as well as a decline in revenues and earnings. Austria and Poland, two of the most important markets for Wienerberger's concrete pavers, were hardest hit by these negative developments. Higher earnings in smaller markets like the Czech Republic or Croatia were unable to offset these declines. Cost reduction measures were implemented in summer 2012 as a reaction to this weak development. In addition to streamlining administrative structures, the resulting measures focused on the optimization of production capacity to reflect the market conditions. The related cash restructuring measures amounted to € 1.1 million in 2012 and are reported separately under restructuring expenses.

Improvement in margins expected for 2013

We are expecting an improvement in margins in the Pipes & Pavers Eastern Europe Segment during 2013. The market environment for the concrete paver business in the Central and East European core countries should remain challenging, but the measures implemented in 2012 to streamline organizational structures and adjust capacity should support an increase in profitability. In the plastic pipe business we see different market trends in the various countries, but generally stable demand for pipes and pipe systems in 2013. The restructuring measures implemented in Greece during 2012 and smaller structural adjustments in other countries of this segment should have a positive effect on profitability.

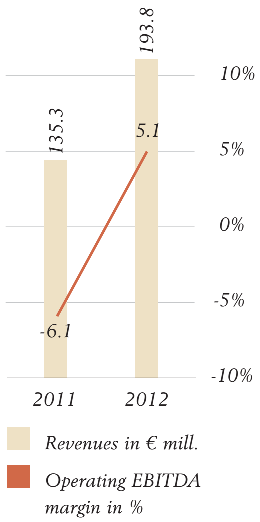
North America

Sound revenue and earnings improvement in North America

The takeover of Pipelife (initially consolidated as of May 31, 2012) was followed by the allocation of plastic pipe activities in the USA to the North America Division. Revenues in this division rose by 43% year-on-year to € 193.8 million in 2012. This strong growth was supported by the initial consolidation of Pipelife with a contribution of € 32.9 million as well as the recovery of the US residential construction market from a low level and the resulting positive effect on the demand for building materials. Cost savings from measures implemented in 2011 as well as higher volumes brought not only the expected turnaround, but also a substantial improvement in operating EBITDA for the US brick business. Including € 4.0 million of consolidation effects from Pipelife, operating EBITDA rose significantly from € -8.2 million in 2011 to € 9.8 million.

North America		2011 1)	2012	Chg. in %
Third party revenues	*in € mill.*	135.3	193.8	+43
Operating EBITDA 2)	*in € mill.*	-8.2	9.8	>100
Operating EBIT 2)	*in € mill.*	-31.6	-14.7	+53
CFROI 3)	*in %*	-1.2	1.7	-
Total investments	*in € mill.*	8.1	15.3	+89
Capital employed	*in € mill.*	480.9	458.7	-5
Ø Employees		1,127	1,064	-6
Sales volumes facing bricks	*in mill. WF*	266	297	+12

1) The data were adjusted to reflect a change in accounting policies
2) Adjusted for non-recurring income and expenses
3) Calculation based on average historical capital employed (2012 calculated on pro-forma 12-month basis)



Turnaround completed in North American brick business

Following the stabilization of residential construction at a very low level during 2011, housing starts in the USA increased significantly in 2012. This growth was concentrated more in the multi-family house segment than in single- and two-family housing, which is more important for Wienerberger. We were able to benefit from the recovering market environment and, based on slightly higher average prices, increased facing brick volumes by 12% year-on-year. Slightly higher capacity utilization and leaner cost structures also supported the sound improvement of earnings on our North American brick activities. The US plastic pipe business, which operates from its base in Arkansas, generated record results in 2012 due to strong growth in volumes of water management products. Increased selling activities as well as the substitution trend in favor of plastic pipes formed the basis for this success.

Continued recovery in residential construction expected for 2013; growth potential for fiber-reinforced pipes

In the North America Division, we are forecasting an increase in revenues and earnings for 2013. The positive trend in US residential construction should continue and lead to a further rise in the demand for bricks. We also see additional opportunities for growth in the area of plastic pipes with the fiber-reinforced products from the Soluforce® line, which are particularly well suited for oil and gas plants as well as high-pressure uses due to their wide range of applications. We plan to steadily expand the customer base in the plastic pipe business over the coming years. Our objective is not only to take part in the substitution process to plastic pipes, but to actively drive this development and thereby realize further growth.

Holding & Others

Reclassification of Pipelife and Steinzeug-Keramo, reallocation of holding company costs

The Holding & Others Division includes the costs for the corporate headquarters as well as brick activities in India. Pipelife (included at equity for the first five months of 2012) and Steinzeug-Keramo (previously fully consolidated and included in this segment) were reclassified to the new Pipes & Pavers Europe Segment in 2012, and the prior year data were adjusted accordingly. This change was also connected with the allocation of directly attributable holding company costs to the Bricks & Tiles Europe Division. Accordingly, the Holding & Others Division now only includes the costs for the corporate headquarters and brick activities in India.

Holding & Others		2011 1)	2012	Chg. in %
Third party revenues	*in € mill.*	4.4	5.4	+23
Operating EBITDA 2)	*in € mill.*	-14.8	-15.2	-3
Operating EBIT 2)	*in € mill.*	-22.8	-22.3	+2
Total investments	*in € mill.*	1.3	4.1	>100
Capital employed	*in € mill.*	22.9	8.8	-62
Ø Employees		206	209	+1

1) The data were adjusted to reflect a change in accounting policies
2) Adjusted for non-recurring income and expenses

Revenue growth driven by sound business development in India

The brick business in India recorded strong volume growth during the reporting year. This development, combined with better capacity utilization and higher average prices, supported a solid increase in operating results for 2012. In spite of the earnings improvement in India, EBITDA in this division fell slightly from € -14.8 million in 2011 to € -15.2 million due to non-recurring expenses in the holding company. The increase in total investments during the reporting year is explained by smaller investments for capacity expansion in India.

Improvement in EBITDA expected for 2013

For 2013, we are expecting an improvement in operating EBITDA based on continued growth momentum in India and restrictive cost management in the holding company.

Contents

Income Statement

Notes		2012 in TEUR	2011 [1] in TEUR
(10)	Revenues	2,355,549	1,915,400
(11-13, 17)	Cost of goods sold	-1,660,985	-1,301,389
	Gross profit	**694,564**	**614,011**
(11-13, 15, 17)	Selling expenses	-486,637	-429,626
(11-13, 15, 17)	Administrative expenses	-144,909	-124,249
(15)	Other operating expenses	-83,778	-76,488
(16)	Other operating income	51,793	56,380
	Profit/loss before restructuring costs and impairment charges to property, plant and equipment and goodwill	**31,033**	**40,028**
(12, 18)	Restructuring costs and impairment charges to property, plant and equipment	-42,983	0
(12)	Impairment charges to goodwill	-9,768	-2,565
	Profit/loss after restructuring costs and impairment charges to property, plant and equipment and goodwill	**-21,718**	**37,463**
(4)	Income from investments in associates and joint ventures	4,539	7,209
(19)	Interest and similar income	10,664	13,149
(19)	Interest and similar expenses	-61,355	-50,938
(19)	Other financial results	31,682	40,551
	Financial results	**-14,470**	**9,971**
	Profit/loss before tax	**-36,188**	**47,434**
(20)	Income taxes	-4,348	-8,009
	Profit/loss after tax	**-40,536**	**39,425**
	Thereof attributable to non-controlling interests	-2,744	-743
	Thereof attributable to hybrid capital holders	32,500	32,500
	Thereof attributable to equity holders	**-70,292**	**7,668**
(21)	**Earnings per share (in EUR)**	**-0.61**	**0.07**
(21)	**Diluted earnings per share (in EUR)**	**-0.61**	**0.07**

1) The prior year data were adjusted to reflect the premature application of IAS 19 Employee Benefits and the change to the equity method for companies previously included through proportionate consolidation.

Statement of Comprehensive Income

Notes		2012 in TEUR	2011 1) in TEUR
	Profit/loss after tax	**-40,536**	**39,425**
(8, 27)	Foreign exchange adjustments	30,978	-30,249
	Foreign exchange adjustments to investments in associates and joint ventures	7,942	-4,072
(25, 27)	Changes in the fair value of available-for-sale financial instruments	2,957	-896
(27)	Changes in hedging reserves	-385	-4,549
(3, 29)	Actuarial gains/losses	-24,125	-4,557
	Actuarial gains/losses from investments in associates and joint ventures	-415	-15
	Other comprehensive income	**16,952**	**-44,338**
	Total comprehensive income	**-23,584**	**-4,913**
	Thereof comprehensive income attributable to non-controlling interests	-2,827	-755
	Thereof attributable to hybrid capital holders	32,500	32,500
	Thereof comprehensive income attributable to equity holders	**-53,257**	**-36,658**

1) The prior year data were adjusted to reflect the premature application of IAS 19 Employee Benefits and the change to the equity method for companies previously included through proportionate consolidation.

Cash Flow Statement

Notes		2012 in TEUR	2011 [1] in TEUR
	Profit/loss before tax	-36,188	47,434
(12)	Depreciation and amortization	194,663	183,957
(12)	Impairment charges to goodwill	9,768	2,565
	Impairment of assets	37,003	17,313
	Write-ups of fixed and financial assets	-175	-188
	Increase/decrease in long-term provisions and deferred taxes	-17,830	-15,079
(4)	Income from investments in associates and joint ventures	-4,539	-7,209
	Gain/loss from the disposal of fixed and financial assets	-53,413	-40,847
(19)	Interest result	50,691	37,789
	Interest paid	-52,108	-39,496
	Interest received	9,048	10,380
	Income taxes paid	-9,969	-12,213
	Gross cash flow	**126,951**	**184,406**
	Increase/decrease in inventories	46,758	-15,015
	Increase/decrease in trade receivables	48,874	-19,208
	Increase/decrease in trade payables	-39,320	6,050
	Increase/decrease in other net current assets	43,174	23,216
	Changes in non-cash items resulting from foreign exchange translation	3,073	-15,473
	Cash flow from operating activities	**229,510**	**163,976**
	Proceeds from the sale of assets (including financial assets)	21,467	67,522
	Purchase of property, plant and equipment and intangible assets	-121,955	-115,155
	Payments made for investments in financial assets	0	-507
	Increase/decrease in securities and other financial assets	17,946	-913
	Net payments made for the acquisition of companies	-146,779	-36,008
	Net proceeds from the sale of companies	0	229
(22)	**Cash flow from investing activities**	**-229,321**	**-84,832**
	Increase/decrease long-term financial liabilities	210,864	-240,336
	Increase/decrease short-term financial liabilities	-429,250	274,722
(27)	Dividends paid by Wienerberger AG	-13,808	-11,741
(27)	Hybrid coupon paid	-32,500	-32,500
	Dividends paid to and other changes in non-controlling interests	3,000	0
	Dividend payments from associates and joint ventures	13,041	3,953
(27)	Purchase of treasury stock	0	-20,756
	Cash flow from financing activities	**-248,653**	**-26,658**
	Change in cash and cash equivalents	**-248,464**	**52,486**
	Effects of exchange rate fluctuations on cash held	379	-195
	Cash and cash equivalents at the beginning of the year	490,373	438,082
	Cash and cash equivalents at the end of the year	**242,288**	**490,373**

1) The prior year data were adjusted to reflect the premature application of IAS 19 Employee Benefits and the change to the equity method for companies previously included through proportionate consolidation.

Balance Sheet

Notes		31.12.2012 *in TEUR*	31.12.2011 1) *in TEUR*	31.12.2010 1) *in TEUR*
	Assets			
(23)	Intangible assets and goodwill	882,060	679,522	674,443
(23)	Property, plant and equipment	1,803,067	1,727,177	1,829,844
(23)	Investment property	81,297	67,157	56,645
	Investments in associates and joint ventures	33,039	132,132	141,467
	Other financial assets	1,329	5,383	5,698
(30)	Deferred tax assets	39,490	41,976	29,832
	Non-current assets	**2,840,282**	**2,653,347**	**2,737,929**
(24)	Inventories	700,925	576,579	555,854
(25)	Trade receivables	199,166	108,933	84,446
(26)	Other current receivables	84,566	76,659	94,670
(25, 34)	Securities and other financial assets	72,504	85,462	90,358
	Cash and cash equivalents	242,288	490,373	438,082
	Current assets	**1,299,449**	**1,338,006**	**1,263,410**
	Total Assets	**4,139,731**	**3,991,353**	**4,001,339**
	Equity and Liabilities			
	Issued capital	117,527	117,527	117,527
	Share premium	1,083,973	1,084,180	1,085,605
	Hybrid capital	492,896	492,896	492,896
	Retained earnings	855,998	940,098	944,171
	Other reserves	-165,782	-182,817	-138,491
	Treasury stock	-24,324	-24,324	-3,568
	Controlling interests	**2,360,288**	**2,427,560**	**2,498,140**
	Non-controlling interests	3,396	3,259	5,123
(27)	**Equity**	**2,363,684**	**2,430,819**	**2,503,263**
(30)	Deferred taxes	105,822	82,673	77,447
(28, 29)	Employee-related provisions	132,277	88,837	87,852
(28)	Other non-current provisions	53,001	55,347	55,560
(31, 33)	Long-term financial liabilities	858,708	513,913	752,784
(31)	Other non-current liabilities	9,896	13,674	21,949
	Non-current provisions and liabilities	**1,159,704**	**754,444**	**995,592**
(28)	Other current provisions	80,618	53,019	61,878
(31, 33, 34)	Short-term financial liabilities	58,062	420,693	137,984
(31)	Trade payables	253,149	188,342	177,922
(31)	Other current liabilities	224,514	144,036	124,700
	Current provisions and liabilities	**616,343**	**806,090**	**502,484**
	Total Equity and Liabilities	**4,139,731**	**3,991,353**	**4,001,339**

1) The prior year data were adjusted to reflect the premature application of IAS 19 Employee Benefits and the change to the equity method for companies previously included through proportionate consolidation.

Changes in Equity Statement

Notes	*in TEUR*	Issued capital	Share premium	Hybrid capital	Retained earnings
	Balance on 31.12.2010	**117,527**	**1,085,605**	**492,896**	**943,869**
	Adjustments	**0**	**0**	**0**	**302**
	Balance on 31.12.2010 adjusted	**117,527**	**1,085,605**	**492,896**	**944,171**
	Profit/loss after tax				40,168
(8, 27)	Foreign exchange adjustments				
	Foreign exchange adjustments to investments in associates and joint ventures				
	Changes in hedging reserves				
	Changes in other reserves				
	Total comprehensive income				**40,168**
(27)	Dividend payment/hybrid coupon				-44,241
	Capital increase/decrease	0	0		
	Increase/decrease in non-controlling interests		-1,425		
	Changes in treasury stock		0		
	Balance on 31.12.2011 [1)]	**117,527**	**1,084,180**	**492,896**	**940,098**
	Profit/loss after tax				-37,792
(8, 27)	Foreign exchange adjustments				
	Foreign exchange adjustments to investments in associates and joint ventures				
	Changes in hedging reserves				
	Changes in other reserves				
	Total comprehensive income				**-37,792**
(27)	Dividend payment/hybrid coupon				-46,308
	Capital increase/decrease	0	0		
	Increase/decrease in non-controlling interests		-207		
	Balance on 31.12.2012	**117,527**	**1,083,973**	**492,896**	**855,998**

1) The prior year data were adjusted to reflect the premature application of IAS 19 Employee Benefits and the change to the equity method for companies previously included through proportionate consolidation.

2) AfS (available-for-sale) financial instruments

Other Reserves							
Actuarial gains/losses	**AfS reserve [2)]**	**Hedging reserve**	**Translation reserve**	**Treasury stock**	**Controlling interests**	**Non-controlling interests**	**Total**
0	**-926**	**52,830**	**-167,681**	**-3,568**	**2,520,552**	**5,123**	**2,525,675**
-22,714	**0**	**0**	**0**	**0**	**-22,412**	**0**	**-22,412**
-22,714	**-926**	**52,830**	**-167,681**	**-3,568**	**2,498,140**	**5,123**	**2,503,263**
					40,168	-743	39,425
			-30,237		-30,237	-12	-30,249
			-4,072		-4,072	0	-4,072
		-4,549			-4,549	0	-4,549
-4,572	-896				-5,468	0	-5,468
-4,572	**-896**	**-4,549**	**-34,309**		**-4,158**	**-755**	**-4,913**
					-44,241	0	-44,241
					0	0	0
					-1,425	-1,109	-2,534
				-20,756	-20,756	0	-20,756
-27,286	**-1,822**	**48,281**	**-201,990**	**-24,324**	**2,427,560**	**3,259**	**2,430,819**
					-37,792	-2,744	-40,536
			30,969		30,969	9	30,978
			7,942		7,942	0	7,942
		-385			-385	0	-385
-24,448	2,957				-21,491	-92	-21,583
-24,448	**2,957**	**-385**	**38,911**		**-20,757**	**-2,827**	**-23,584**
					-46,308	0	-46,308
					0	3,000	3,000
					-207	-36	-243
-51,734	**1,135**	**47,896**	**-163,079**	**-24,324**	**2,360,288**	**3,396**	**2,363,684**

Table of Non-Current Assets

in TEUR	Acquisition or Production Costs						
	Balance on 1.1.2012	Change in consolidation range	Foreign exchange incr./decr.	Additions	Disposals	Transfers	Balance on 31.12.2012
Goodwill	**764,150**	42,175	1,280	0	0	1	**807,606**
Other intangible assets	**122,736**	178,222	3,950	3,146	3,690	79	**304,443**
Intangible assets and goodwill	**886,886**	**220,397**	**5,230**	**3,146**	**3,690**	**80**	**1,112,049**
Land and buildings	**1,156,010**	53,967	14,227	20,984	5,215	-21,024	**1,218,949**
Technical equipment and machinery	**2,341,339**	96,078	26,654	50,334	59,498	11,209	**2,466,116**
Fixtures, fittings, tools and equipment	**91,773**	7,478	1,111	7,779	6,513	804	**102,432**
Prepayments and assets under construction	**49,494**	10,916	719	39,479	690	-47,686	**52,232**
Property, plant and equipment	**3,638,616**	**168,439**	**42,711**	**118,576**	**71,916**	**-56,697**	**3,839,729**
Investment property	**132,458**	**2,922**	**2,317**	**233**	**19,947**	**56,617**	**174,600**
Investments in associates and joint ventures	**73,089**	**-44,097**	**486**	**0**	**0**	**0**	**29,478**
Investments in subsidiaries	**1,291**	-685	0	0	0	0	**606**
Other investments	**5,208**	24	5	0	14	0	**5,223**
Other financial assets	**6,499**	**-661**	**5**	**0**	**14**	**0**	**5,829**
	4,737,548	**347,000**	**50,749**	**121,955**	**95,567**	**0**	**5,161,685**

in TEUR	Acquisition or Production Costs						
	Balance on 1.1.2011 1)	Change in consolidation range	Foreign exchange incr./decr.	Additions	Disposals	Transfers	Balance on 31.12.2011 1)
Goodwill	**751,266**	5,086	7,798	0	0	0	**764,150**
Other intangible assets	**119,332**	1,278	433	2,137	1,714	1,270	**122,736**
Intangible assets and goodwill	**870,598**	**6,364**	**8,231**	**2,137**	**1,714**	**1,270**	**886,886**
Land and buildings	**1,175,172**	12,395	-13,073	15,719	25,628	-8,575	**1,156,010**
Technical equipment and machinery	**2,325,907**	6,377	-30,223	49,894	62,279	51,663	**2,341,339**
Fixtures, fittings, tools and equipment	**102,648**	444	-1,563	6,940	8,611	-8,085	**91,773**
Prepayments and assets under construction	**43,715**	-103	-490	40,445	618	-33,455	**49,494**
Property, plant and equipment	**3,647,442**	**19,113**	**-45,349**	**112,998**	**97,136**	**1,548**	**3,638,616**
Investment property	**140,699**	**-1,475**	**-612**	**20**	**3,356**	**-2,818**	**132,458**
Investments in associates and joint ventures	**84,374**	**0**	**-1,956**	**7,982**	**17,311**	**0**	**73,089**
Investments in subsidiaries	**828**	-35	0	504	6	0	**1,291**
Other investments	**5,054**	193	-5	3	37	0	**5,208**
Other financial assets	**5,882**	**158**	**-5**	**507**	**43**	**0**	**6,499**
	4,748,995	**24,160**	**-39,691**	**123,644**	**119,560**	**0**	**4,737,548**

1) The prior year data were adjusted to reflect the premature application of IAS 19 Employee Benefits and the change to the equity method for companies previously included through proportionate consolidation.

Note: Rounding differences may arise from the automatic processing of data.

Depreciation and Amortization

Balance on 1.1.2012	Change in consolidation range	Foreign exchange incr./decr.	Depreciation/ amortization	Impairments	Write-ups	Disposals	Transfers	Balance on 31.12.2012	Carrying amount 31.12.2012
150,953	0	-81	0	9,768	0	0	0	**160,640**	**646,966**
56,411	0	590	14,523	1,530	0	3,685	-20	**69,349**	**235,094**
207,364	**0**	**509**	**14,523**	**11,298**	**0**	**3,685**	**-20**	**229,989**	**882,060**
409,164	0	4,258	36,785	6,772	0	4,500	-25,786	**426,693**	**792,256**
1,434,568	0	15,680	133,830	24,937	145	58,264	-11,726	**1,538,880**	**927,236**
67,422	0	770	8,830	32	0	5,921	-370	**70,763**	**31,669**
285	0	-1	70	0	30	0	2	**326**	**51,906**
1,911,439	**0**	**20,707**	**179,515**	**31,741**	**175**	**68,685**	**-37,880**	**2,036,662**	**1,803,067**
65,301	**0**	**1,515**	**625**	**802**	**0**	**12,840**	**37,900**	**93,303**	**81,297**
-59,043	**47,006**	**9**	**0**	**-450**	**4,124**	**-13,041**	**0**	**-3,561**	**33,039**
175	0	0	0	0	0	0	0	**175**	**431**
941	0	4	0	3,380	0	0	0	**4,325**	**898**
1,116	**0**	**4**	**0**	**3,380**	**0**	**0**	**0**	**4,500**	**1,329**
2,126,177	**47,006**	**22,744**	**194,663**	**46,771**	**4,299**	**72,169**	**0**	**2,360,893**	**2,800,792**

Depreciation and Amortization

Balance on 1.1.2011 1)	Change in consolidation range	Foreign exchange incr./decr.	Depreciation/ amortization	Impairments	Write-ups	Disposals	Transfers	Balance on 31.12.2011 1)	Carrying amount 31.12.2011 1)
145,770	0	2,618	0	2,565	0	0	0	**150,953**	**613,197**
50,385	0	-104	7,821	0	0	1,691	0	**56,411**	**66,325**
196,155	**0**	**2,514**	**7,821**	**2,565**	**0**	**1,691**	**0**	**207,364**	**679,522**
394,236	-8	-4,751	37,673	6,348	3	19,608	-4,723	**409,164**	**746,846**
1,346,085	0	-18,560	129,183	10,027	183	60,704	28,720	**1,434,568**	**906,771**
77,213	0	-1,121	8,147	0	2	8,140	-8,675	**67,422**	**24,351**
64	0	-4	435	0	0	135	-75	**285**	**49,209**
1,817,598	**-8**	**-24,436**	**175,438**	**16,375**	**188**	**88,587**	**15,247**	**1,911,439**	**1,727,177**
84,054	**-1,195**	**-926**	**698**	**0**	**0**	**2,083**	**-15,247**	**65,301**	**67,157**
-57,093	**0**	**1,291**	**0**	**0**	**7,194**	**-3,953**	**0**	**-59,043**	**132,132**
175	0	0	0	0	0	0	0	**175**	**1,116**
8	0	-5	0	938	0	0	0	**941**	**4,267**
183	**0**	**-5**	**0**	**938**	**0**	**0**	**0**	**1,116**	**5,383**
2,040,897	**-1,203**	**-21,562**	**183,957**	**19,878**	**7,382**	**88,408**	**0**	**2,126,177**	**2,611,371**

Operating Segments

Operating Segments	Bricks & Tiles Western Europe		Bricks & Tiles Eastern Europe		Pipes & Pavers Western Europe	
in TEUR	2012	2011 1)	2012	2011 1)	2012	2011 1)
Third party revenues	1,129,633	1,199,403	314,211	343,273	392,164	92,166
Inter-company revenues	7,561	8,668	4,582	5,167	4,269	0
Total revenues	1,137,194	1,208,071	318,793	348,440	396,433	92,166
Operating EBITDA 2)	136,472	169,483	46,991	67,183	44,090	8,294
Depreciation and amortization	104,723	99,289	42,403	52,758	16,145	4,194
Restructuring costs and impairment charges to property, plant and equipment	38,578	0	3,291	0	0	0
Impairment charges to goodwill	202	0	9,566	2,565	0	0
EBIT	-7,031	70,194	-8,269	11,860	27,945	4,100
Income from investments in associates and joint ventures	1,636	1,185	-2,877	-5,159	5,780	11,183
Investments in associates and joint ventures	10,831	12,203	22,208	25,394	0	49,226
Interest result	-16,738	-17,368	-11,634	-10,902	-4,369	-1,206
Income taxes	13,194	-19	-3,927	-4,912	-3,894	-2,309
Profit/loss after tax	-19,725	52,377	-27,126	-5,632	75,113	44,830
Liabilities	1,318,352	1,394,147	274,334	306,166	414,225	82,041
Capital employed	1,426,159	1,469,349	468,961	487,086	302,446	58,358
Assets	2,382,088	2,515,855	664,051	671,663	721,864	259,354
Normal capex	48,649	60,330	14,125	19,869	24,715	1,557
Growth capex 3)	2,409	23,247	244	10,776	146,637	14,792
Ø Employees	6,227	6,420	2,516	2,618	1,604	470

Products	Revenues		Operating EBITDA 2)		Capital employed	
in TEUR	2012	2011 1)	2012	2011 1)	2012	2011 1)
Wall 4)	627,666	660,687	60,931	81,286	848,441	937,894
Facade	574,363	586,486	47,937	49,968	965,115	981,720
Roof	414,577	443,199	95,102	110,380	549,666	542,832
Pavers	121,285	132,298	6,030	17,048	141,528	136,044
Pipes	617,283	92,166	64,142	8,405	445,096	58,359
Other	375	564	-28,596	-26,727	-18,552	-4,774
Wienerberger Group	**2,355,549**	**1,915,400**	**245,546**	**240,360**	**2,931,294**	**2,652,075**

Revenues	Bricks & Tiles Western Europe		Bricks & Tiles Eastern Europe		Pipes & Pavers Western Europe	
in TEUR	2012	2011 1)	2012	2011 1)	2012	2011 1)
Austria			48,920	49,074	102	
Czech Republic			41,574	49,578		
Poland			104,343	122,581		
Russia			38,142	30,537		
Germany	257,113	263,352			44,416	25,518
Switzerland	73,713	81,264				
Belgium	223,012	244,164			73,916	54,268
Netherlands	159,330	192,409			52,205	3,253
France	162,016	168,306			45,556	
Great Britain	160,663	156,631			3,928	
Sweden	6,947	6,850			45,843	
Norway	13,806	12,648			64,599	
Finland	13,096	13,232			24,591	
USA						
Other	60,881	62,281	81,507	91,826	37,008	9,127
Wienerberger Group	**1,130,577**	**1,201,137**	**314,486**	**343,596**	**392,164**	**92,166**

1) The prior year data were adjusted to reflect the premature application of IAS 19 Employee Benefits and the change to the equity method for companies previously included through proportionate consolidation.

2) Adjusted for restructuring costs and impairment charges to goodwill and property, plant and equipment

Pipes & Pavers Eastern Europe		North America		Holding & Others 4)		Reconciliation 5)		Wienerberger Group	
2012	2011 1)	2012	2011 1)	2012	2011 1)	2012	2011 1)	2012	2011 1)
318,984	138,619	193,774	135,308	5,393	4,406	0	0	**2,354,159**	**1,913,175**
6,044	0	100	0	8,713	8,834	-29,879	-20,444	**1,390**	**2,225**
325,028	138,619	193,874	135,308	14,106	13,240	-29,879	-20,444	**2,355,549**	**1,915,400**
23,309	18,364	9,781	-8,215	-15,097	-14,749	0	0	**245,546**	**240,360**
19,628	12,613	24,466	23,385	7,148	8,093	0	0	**214,513**	**200,332**
1,114	0	0	0	0	0	0	0	**42,983**	**0**
0	0	0	0	0	0	0	0	**9,768**	**2,565**
2,567	5,751	-14,685	-31,600	-22,245	-22,842	0	0	**-21,718**	**37,463**
0	0	0	0	0	0	0	0	**4,539**	**7,209**
0	0	0	0	0	45,309	0	0	**33,039**	**132,132**
-8,951	-4,531	-28,430	-25,496	19,431	21,714	0	0	**-50,691**	**-37,789**
-219	-539	-1,920	379	-7,582	-609	0	0	**-4,348**	**-8,009**
-6,396	537	-45,952	-57,726	13,894	47,217	-30,344	-42,178	**-40,536**	**39,425**
233,467	103,191	534,654	506,176	981,210	1,181,735	-1,980,195	-2,012,922	**1,776,047**	**1,560,534**
266,148	133,527	458,742	480,877	8,838	22,878	0	0	**2,931,294**	**2,652,075**
419,040	176,511	530,060	540,977	3,936,262	4,172,435	-4,513,634	-4,345,442	**4,139,731**	**3,991,353**
5,049	6,186	8,704	6,519	4,076	1,309	0	0	**105,318**	**95,770**
7,540	5,489	6,586	1,596	0	0	0	0	**163,416**	**55,900**
1,440	1,052	1,064	1,127	209	206	0	0	**13,060**	**11,893**

Total investments	
2012	2011 1)
36,194	49,124
31,039	44,468
15,979	28,480
12,589	11,675
171,352	16,349
1,581	1,574
268,734	**151,670**

Pipes & Pavers Eastern Europe		North America		Holding & Others 4)		Wienerberger Group	
2012	2011 1)	2012	2011 1)	2012	2011 1)	2012	2011 1)
98,249	33,995			290	276	**147,561**	**83,345**
21,420	6,630					**62,994**	**56,208**
72,484	50,771					**176,827**	**173,352**
23,564						**61,706**	**30,537**
						301,529	**288,870**
						73,713	**81,264**
						296,928	**298,432**
						211,535	**195,662**
						207,572	**168,306**
						164,591	**156,631**
						52,790	**6,850**
						78,405	**12,648**
						37,687	**13,232**
		164,302	108,349			**164,302**	**108,349**
103,267	47,223	29,472	26,959	5,274	4,298	**317,409**	**241,714**
318,984	**138,619**	**193,774**	**135,308**	**5,564**	**4,574**	**2,355,549**	**1,915,400**

3) Including investments in financial assets

4) India is assigned to the operating segment Holding & Others, but is reported under the wall product segment.

5) The 'reconciliation' column includes eliminations between Group companies.

Notes to the Financial Statements

General Information

1. Basis for preparation of the consolidated financial statements

Wienerberger AG, which is headquartered in Vienna, Austria, is the parent company of an international building materials Group whose business activities are classified into six segments according to management responsibilities: Bricks & Tiles Western Europe, Bricks & Tiles Eastern Europe, Pipes & Pavers Western Europe, Pipes & Pavers Eastern Europe, North America and Holding & Others. The address of Wienerberger AG is Wienerbergstrasse 11, 1100 Vienna, Austria.

The consolidated financial statements were prepared pursuant to § 245a of the Austrian Commercial Code and in accordance with the International Financial Reporting Standards (IFRSs) and Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) that were valid as of the balance sheet date and had been adopted by the European Union (EU). Wienerberger applied all International Financial Reporting Standards that were announced by the IASB and required mandatory application in 2012.

Independent auditors have examined the annual financial statements of all major Austrian and foreign companies to confirm their agreement with International Financial Reporting Standards. The financial statements of all consolidated companies were principally based on historical acquisition and production costs, and prepared as of the balance sheet date. An exception to this policy is the accounting treatment applied to certain financial instruments as defined in IAS 39, which are recorded at fair value. The amounts reported in the consolidated financial statements and notes are rounded to thousand euros, while some amounts in the risk report are rounded to hundred thousand euros.

2. Effects of new and revised standards

The following table provides an overview of the new standards and interpretations that were adopted by the EU as of the balance sheet date.

Standards/ Interpretations		Published by IASB	Latest application for Wienerberger
IFRS 7	Financial Instruments: Disclosures – Transfers of Financial Assets	07.10.2010	01.01.2012
IFRS 1	First time adoption of International Financial Standards: Severe Hyperinflation	20.12.2010	01.01.2012
IAS 12	Income Taxes - Deferred Tax: Recovery of an Underlying Asset	20.12.2010	01.01.2012
IAS 27	Separate Financial Statements (2011)	12.05.2011	01.01.2014
IAS 28	Investments in Associates and Joint Ventures	12.05.2011	01.01.2014
IFRS 10	Consolidated Financial Statements	12.05.2011	01.01.2014
IFRS 11	Joint Arrangements	12.05.2011	01.01.2014
IFRS 12	Disclosures of Interests in Other Entities	12.05.2011	01.01.2014
IFRS 13	Fair Value Measurement	12.05.2011	01.01.2013
IAS 19	Employee Benefits (2011)	17.06.2011	01.01.2013
IAS 1	Presentation of Items of Other Comprehensive Income	17.06.2011	01.01.2013
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	19.10.2011	01.01.2013
IAS 32	Offsetting Financial Assets and Financial Liabilities	16.12.2011	01.01.2014
IFRS 7	Financial Instruments: Disclosures - Offsetting of Financial Assets and Financial Liabilities	16.12.2011	01.01.2013

The changes to IFRS 7 Financial Instruments: Disclosures concerning the transfer of financial assets, IFRS 1 First-time Adoption of International Financial Reporting Standards and IAS 12 Income Taxes had no effect on the consolidated financial statements.

The changes to IAS 19 Employee Benefits (June 17, 2011), which require mandatory application beginning with the 2013 financial year, were applied prematurely. The effects are described in detail under note 3.

The new consolidation standards IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interests in Other Entities were adopted by the EU as of December 11, 2012 and require mandatory application as of January 1, 2014. The premature application of these standards also requires the concurrent application of IAS 27 Separate Financial Statements (2011) and IAS 28 Investments in Associates and Joint Ventures (2011). One major effect is the change in the accounting treatment of joint ventures under IFRS 11, which generally requires the presentation of proportionately consolidated companies at equity.

3. Changes in accounting policies

The changes to IAS 19 Employee Benefits (June 17, 2011), which require mandatory application beginning in 2013 were applied prematurely by the Wienerberger Group. The most important changes involve the immediate recognition of actuarial gains and losses under other comprehensive income in accounting for defined benefit pension plans and other similar post-employment benefits as well as the calculation of net interest expense, which comprises the imputed interest expense on the obligation and the income on plan assets. Moreover, any past service cost must be recognized immediately to profit or loss and may no longer be distributed over the remaining term. The previously allowed corridor method, which was used by Wienerberger to distribute actuarial gains and losses in the income statement, is no longer permitted. The effects of this change on the consolidated financial statements involve the provisions for pensions and severance payments and the recognition of actuarial gains and losses under other comprehensive income. Net interest expense is now reported under financial results instead of expenses for pensions. The changes in accounting policy relating to IAS 19 were applied retrospectively in accordance with the transition rules specified by IAS 19.

In the amounts reported in the financial statements, the premature application of IAS 19 (2011) led to an increase of TEUR 17,459 in the provisions for pensions as of December 31, 2010 and TEUR 23,879 as of December 31, 2011 compared with the financial statements previously published for these balance sheet dates. These changes reflect the recognition of all actuarial gains and losses. The recognition of actuarial gains and losses and the related deferred taxes under other comprehensive income reduced other reserves by TEUR 22,714 as of December 31, 2010 and by TEUR 27,286 as of December 31, 2011.

In preparation for the new IFRS 11 Joint Arrangements (May 12, 2011), which was adopted by the EU on December 11, 2012 and generally prohibits the proportionate consolidation of joint ventures, the Wienerberger Group changed over to the equity method to account for companies previously included through proportionate consolidation. The application of the equity method is permitted as an alternative by the current governing standard, IAS 31 Joint Ventures. In accordance with IAS 8 Accounting Policies, this change in the consolidation method was applied retrospectively. It involved the presentation of the Schlagmann and Tondach Group joint ventures, which are now included on the balance sheet under investments in associates and joint ventures. The results of their operations are reported in financial results under income from investments in associates and joint ventures. The Bramac Group, which was included in previous financial statements using proportionate consolidation and was sold as of June 30, 2011, is also reported at equity in the balance sheet of the earliest comparable period as of December 31, 2010. Consequently, the proceeds on sale are reported under financial results instead of operating results in the adjusted income statement.

The following tables show the adjustments to the income statement and balance sheet that resulted from the change to the equity method to account for companies previously included through proportionate consolidation. Net debt was TEUR 12,165 lower as of December 31, 2010 and TEUR 83,695 lower as of December 31, 2011 compared with the financial statements previously published for these balance sheet dates.

in TEUR	**2012**	**2011**
Revenues	86,538	108,306
Operating EBITDA	16,665	19,587
Operating EBIT	4,420	9,774
Profit after tax	112	44

Assets			**Equity and Liabilities**		
in TEUR	**31.12.2011**	**31.12.2010**	*in TEUR*	**31.12.2011**	**31.12.2010**
Non-current assets	76,496	21,742	Equity	179	0
Current assets	48,019	30,333	Non-current provisions and liabilities	66,606	39,840
			Current provisions and liabilities	57,730	12,235
	124,515	**52,075**		**124,515**	**52,075**

4. Consolidation range

An overview of the fully consolidated companies and companies valued at equity is provided in the List of Companies at the end of the notes. The following table shows the changes in the consolidation range of the Wienerberger Group during the reporting year and comprises subsidiaries as well as associates and joint ventures accounted for at equity:

Consolidation range	**Full consolidation**	**Equity consolidation**
Balance on 31.12.2011	**115**	**7**
Change in consolidation method	0	-1
Included during reporting year for the first time	39	0
Merged/liquidated during reporting year	-6	0
Divested during reporting year	0	0
Balance on 31.12.2012	**148**	**6**
Thereof foreign companies	124	5
Thereof domestic companies	24	1

Subsidiaries

In addition to Wienerberger AG, the 2012 financial statements include 24 (2011: 21) Austrian and 124 (2011: 94) foreign subsidiaries in which Wienerberger AG is able to directly or indirectly govern financial and operating policies through the majority of voting rights. The investments in subsidiaries are fully consolidated as of the date control is obtained and deconsolidated when control ceases to exist. Sixteen subsidiaries were not consolidated in 2012 (2011: 16) because their influence on the Group's financial position and financial performance is immaterial.

Investments in associates and joint ventures

Six (2011: 7) investments held by Wienerberger under joint control or over which Wienerberger exercises significant influence are included in the consolidated financial statements at equity. The following table shows the proportional values resulting from the aggregation of associates and joint ventures (above all the Tondach Group and Schlagmann), whereby the reporting year includes the proportional share of Pipelife Group results for the first five months and the prior year the proportional share of Bramac Group results for the first six months.

in TEUR	**2012**	**2011**
Revenues	288,276	531,149
Operating EBITDA	30,918	54,327
Operating EBIT	12,423	26,698
Profit after tax	4,539	7,209

Assets			**Equity and Liabilities**		
in TEUR	**31.12.2012**	**31.12.2011**	*in TEUR*	**31.12.2012**	**31.12.2011**
Non-current assets	104,288	219,284	Equity	30,026	128,643
Current assets	49,924	184,179	Non-current provisions and liabilities	54,676	83,486
			Current provisions and liabilities	69,510	191,334
	154,212	**403,463**		**154,212**	**403,463**

5. Acquisitions and disposals

The following companies were consolidated for the first time in 2012:

Name of Company	Based in	Issued capital	Currency	Share in %
Pipelife Group				
PIPELIFE International GmbH	Wiener Neudorf	29,000,000	EUR	100.00%
Pipelife Asset Management Ges.m.b.H	Wiener Neudorf	35,000	EUR	100.00%
Pipelife Austria GmbH & Co KG	Wiener Neudorf	4,360,370	EUR	100.00%
Pipelife Austria GmbH	Wiener Neudorf	36,337	EUR	100.00%
Pipelife Belgium NV	Kalmthout	4,950,000	EUR	100.00%
Pipelife Bulgaria EOOD	Botevgrad	30,000	BGN	100.00%
Pipelife Czech s r.o.	Otrokovice-Kucovaniny	202,971,000	CZK	100.00%
PIPELIFE Deutschland Asset Management GmbH	Bad Zwischenahn	26,000	EUR	100.00%
PIPELIFE Deutschland GmbH & Co. KG Bad Zwischenahn	Bad Zwischenahn	5,000	EUR	100.00%
Pipelife Deutschland Verwaltungs-GmbH Bad Zwischenahn	Bad Zwischenahn	5,726,469	EUR	100.00%
Pipelife Eesti AS	Harjumaa Eesti Vabariik	2,422,400	EUR	100.00%
Propipe OY	Ii	33,638	EUR	100.00%
Pipelife Finland OY	Oulu	33,637	EUR	100.00%
Pipelife France SNC	Gaillon	19,743,000	EUR	100.00%
Pipelife Hellas S.A.	Thiva-Halkida	24,089,735	EUR	100.00%
Pipelife Hrvatska d.o.o.	Sv. Nedjelja	47,171,500	HRK	100.00%
Pipelife Hungaria Kft.	Debrecen	3,123,520,000	HUF	100.00%
Quality Plastics Holdings Limited	Cork	635,000	EUR	100.00%
Quality Plastics Limited	Cork	254	EUR	100.00%
Quality Plastics Sales Limited	Cork	127	EUR	100.00%
Dromalour Plastics Limited	Cork	3	EUR	100.00%
Pipelife UK Ltd	Corby	244,001	GBP	100.00%
UAB Pipelife Lietuva	Vilnius	1,600,000	LTL	100.00%
Pipelife Latvia SIA	Riga	300,000	LVL	100.00%
Pipelife Nederland B.V.	Enkhuizen	11,344,505	EUR	100.00%
Pipelife Finance B.V.	Enkhuizen	18,000	EUR	100.00%
Twebotube B.V.	Enschede	36,302	EUR	100.00%
Pipelife Norge AS	Surnadal	50,000,000	NOK	100.00%
Pipelife Polska S.A.	Karlikowo	112,243,963	PLN	100.00%
Pipelife Romania S.R.L.	Bucharest	7,323,115	RON	100.00%
Pipelife Serbia d.o.o.	Belgrade	97,197,855	RSD	100.00%
Pipelife RUS LLC	Moscow	104,458,072	RUB	100.00%
Pipelife Hafab AB	Haparanda	3,000,000	SEK	100.00%
Pipelife Nordic AB	Ölsremma	167,000,000	SEK	100.00%
Pipelife Sverige AB	Ölsremma	3,600,000	SEK	100.00%
Pipelife Slovenija d.o.o.	Trzin	843,258	EUR	100.00%
Pipelife Slovakia s r.o.	Piestany	6,700	EUR	100.00%
Arili Plastik Sanayii A.S.	Pendik/Istanbul	7,000,000	TRY	100.00%
Pipelife Jet Stream, Inc.	Siloam Springs	0	USD	100.00%

Société du Terril d'Hulluch (STF) SNC and AGRO Property Bulgaria EOOD, which were previously reported under other investments, were consolidated as of June 1, 2012 and September 1, 2012, respectively.

Ziegelwerk B GmbH, a German company, was sold and deconsolidated at the end of December 2011.

On February 15, 2012 Wienerberger announced the acquisition of the 50% stake in Pipelife from the joint venture partner Solvay for TEUR 162,000. Pipelife, an international producer of plastic pipes, pipe systems and high-quality plastic fittings, operates 27 plants in Europe and the USA and has 2,689 employees in 27 countries. The acquisition of Pipelife expanded the core business of the Wienerberger Group and thereby reduced the dependence on new residential construction. Following the approval of the transaction by the antitrust authorities at the end of May 2012, the Pipelife Group was initially consolidated as of May 31, 2012. The Pipelife acquisition increased the consolidation range of the Wienerberger Group by four Austrian and 35 foreign companies.

Wienerberger's equity investment in the Pipelife Group had a fair value of TEUR 140,870 up to the acquisition date. The change in the consolidation method applied to the Pipelife Group resulted in a valuation effect of TEUR 42,303 to the previous at-equity investment, which was subsequently reported under other financial results. This valuation effect is presented net of the realization of TEUR -7,464 in foreign exchange differences previously recorded under other comprehensive income. Transaction costs of TEUR 459 were included under administrative expenses.

The transition from the carrying amounts before the acquisition of the remaining 50% stake in the Pipelife Group to the IFRS values after the purchase price allocation is shown in the following table:

in TEUR	Carrying amount	Adjustments	Total
Intangible assets	27,529	150,694	178,223
Property, plant and equipment and financial assets	176,145	-4,849	171,296
Deferred tax assets	14,729	-10,604	4,125
Non-current assets	**218,403**	**135,241**	**353,644**
Inventories	172,070	-1,350	170,720
Trade receivables	140,970	-1,868	139,102
Other current receivables	40,886	-249	40,637
Current assets	**353,926**	**-3,467**	**350,459**
Deferred taxes	11,063	31,697	42,760
Non-current provisions	8,278	13,299	21,577
Long-term financial liabilities	130,147	5,790	135,937
Other non-current liabilities	1,136	21	1,157
Non-current provisions and liabilities	**150,624**	**50,807**	**201,431**
Current provisions	11,358	4,536	15,894
Short-term financial liabilities	63,021	-4,764	58,257
Trade payables	104,149	-25	104,124
Other current liabilities	60,824	4,575	65,399
Current provisions and liabilities	**239,352**	**4,322**	**243,674**
Net assets	**182,353**	**76,645**	**258,998**
Goodwill			43,872
Cash and cash equivalents			-15,363
Fair value of investment in associates			-140,870
Net payments made for the acquisition of Pipelife			**146,637**

The above reconciliation of the carrying amounts of acquired non-current assets to the respective Group amounts consists primarily of identified intangible assets such as the customer base and the Pipelife brand. The adjustments to non-current provisions and liabilities are related, above all, to deferred taxes and are connected with the adjustments to non-current assets.

During the period from January 1, 2012 to December 31, 2012 Pipelife generated revenues of TEUR 859,920 and operating EBITDA of TEUR 77,984.

The effects of the above-mentioned changes in the consolidation range on the 2012 income statement and balance sheet are as follows (from/as of the date of initial consolidation or deconsolidation):

in TEUR	2012
Revenues	523,610
Operating EBITDA	51,487
Operating EBIT	31,645

Assets		**Equity and Liabilities**	
in TEUR	**31.12.2012**	*in TEUR*	**31.12.2012**
Non-current assets	304,119	Equity	49,766
Current assets	188,973	Non-current provisions and liabilities	199,647
		Current provisions and liabilities	243,679
	493,092		**493,092**

6. Basis of consolidation

The acquisition method of accounting is applied to all companies included through full consolidation. Under this method, the acquisition value of the investment is compared with the revalued net assets (shareholders' equity) on the date of purchase. All identifiable assets, liabilities and contingent liabilities are initially recognized at fair value in accordance with IFRS 3; any remaining positive difference between the purchase price and revalued equity is recognized in local currency as goodwill in the relevant segment. Negative differences are recognized to the income statement under other comprehensive income. Goodwill and the cash-generating unit to which it is allocated are tested for impairment at least once each year and reduced to the lower applicable fair value in the event of impairment. Impairment tests are also performed more frequently if there are indications of a lasting decline in value of a cash-generating unit (see note 9, Significant accounting policies).

The basic methodology applies to associates and joint ventures consolidated at equity, whereby local valuation methods are retained if the variances are immaterial.

All revenues, income and expenses as well as receivables and liabilities arising between companies included through full consolidation are eliminated. Discounts and other unilateral transactions affecting profit and loss are eliminated, and the related deferred taxes are recognized. Inter-company gains and losses on the sale of goods or services between Group companies that affect current or non-current assets are eliminated unless they are immaterial.

Any put options granted to the sellers in connection with a business combination that allows for the transfer of the remaining non-controlling interest in a Group company to Wienerberger are recognized at fair value and recorded as a liability. Accordingly, the non-controlling interest in Sandtoft Ltd., which was acquired in 2008, is reported under non-current financial liabilities.

7. Operating segments

The definition of business segments and the presentation of segment results are based on the management approach prescribed in IFRS 8, and follow internal reports to the Managing Board of Wienerberger AG as the chief operating decision maker who decides on the allocation of resources to the individual segments.

The full takeover of Pipelife, which was finalized at the end of May 2012, led to a change in the definition of operating segments for reporting purposes to reflect the new assignment of management responsibilities. The business activities of the Wienerberger Group are still managed on a regional basis, whereby the new segmentation also reflects the different building material solutions. The Bricks & Tiles Europe Division covers activities in the areas of clay blocks, facing bricks and roof tiles in two segments: Bricks & Tiles Western Europe and Bricks & Tiles Eastern Europe. The Pipes & Pavers Europe Division contains the activities of the plastic pipe producer Pipelife, the ceramic pipe producer Steinzeug-Keramo and the concrete paver producer Semmelrock, and includes the Pipes & Pavers Western Europe and Pipes & Pavers Eastern Europe Segments. Activities in North America are reported together under the North America Segment. The Holding & Others Segment consists primarily of Wienerberger's brick business in India and activities at the corporate headquarters.

Reports to the responsible chief operating decision maker include operating EBITDA as the key indicator for the management of the business segments as well as revenues, EBIT, financial results and profit after tax. Accordingly, these indicators are also presented in the segment report. The allocation of revenues, operating EBITDA, EBIT, financial results, income taxes, profit after tax, assets, liabilities, capital employed and capital expenditure is based on the headquarters of the individual companies.

The reconciliation of segment results to Group results only includes the elimination of revenues, income and expenses as well as receivables and liabilities arising between the operating segments. Wienerberger does not generate more than 10% of revenues with any single external customer.

8. Foreign exchange translation

The accounts of foreign companies are translated into the euro based on the functional currency method. The relevant local currency is the functional currency in all cases since these companies operate independently from a financial, economic, and organizational standpoint. All balance sheet positions, with the exception of equity, are translated at the closing rate at the end of the reporting year (i.e. December 31, 2012). Goodwill is recorded as an asset in local currency and is also translated at the closing rate on the balance sheet date for the financial statements. Expense and revenue items are translated at the average exchange rate for the year.

Unrealized currency translation differences arising from non-current Group loans are offset against the translation reserve without recognition to profit or loss. Currency translation differences arising from the use of the closing rate for the balance sheet and the average exchange rate for the income statement are also reported under other comprehensive income.

Foreign currency swaps are used to limit the translation risk arising from the Group's brick activities in the USA, Switzerland, United Kingdom and certain countries in Eastern Europe. These transactions involve the conclusion of a foreign currency-euro swap equal to the value of the foreign currency assets to be hedged.

Currency translation differences (including the translation differences related to non-controlling interests) of TEUR 38,920 were recorded under other comprehensive income in 2012 (2011: TEUR -34,321). A total of TEUR -385 (2011: TEUR -4,549) from hedges was recognized under other comprehensive income.

The major exchange rates used for foreign currency translation developed as follows during the reporting year:

	Closing rate on		Average rate for the year	
in EUR	**31.12.2012**	**31.12.2011**	**2012**	**2011**
100 British Pound	122.53400	119.71747	123.30979	115.22639
100 Bulgarian Lev	51.12997	51.12997	51.12997	51.12997
100 Danish Krone	13.40303	13.45135	13.43427	13.42163
100 Canadian Dollar	76.12088	75.67159	77.85998	72.67798
100 Croatian Kuna	13.23189	13.26788	13.29481	13.44298
100 Norwegian Krone	13.60859	12.89657	13.37589	12.83137
100 Polish Zloty	24.54590	22.43158	23.89029	24.27157
100 Romanian Lei	22.49972	23.13048	22.42766	23.58949
100 Russian Ruble	2.47957	2.39435	2.50417	2.44593
100 Swedish Krone	11.65230	11.22083	11.48782	11.07469
100 Swiss Franc	82.83632	82.26390	82.96582	81.12445
100 Czech Koruna	3.97599	3.87792	3.97590	4.06643
100 Turkish Lira	2.35510	2.44320	2.31404	2.33677
100 Hungarian Forint	0.34211	0.31788	0.34560	0.35795
100 US Dollar	75.79203	77.28573	77.83166	71.85255

9. Significant accounting policies

The consolidated financial statements were prepared in accordance with the following accounting policies:

Realization of revenue: Revenue arising from the provision of goods or services is realized when all major risks and opportunities arising from the delivered objects have been transferred to the buyer.

Construction contracts: When the results of construction contracts can be reliably estimated, the respective revenues and costs are recognized in accordance with the percentage of completion method. Construction contracts are found in Pipelife's business and involve the production of LLLD (long length large diameter) pipes. The percentage of completion is based on the number of tons produced. If the costs for a specific contract are expected to exceed the agreed revenues, a provision for impending losses is recognized.

Intangible assets: Identifiable intangible assets purchased by the Group are recorded at acquisition cost less amortization and any necessary impairment charges. Intangible assets with an indefinite useful life are tested annually for signs of impairment.

Property, plant and equipment: Property, plant and equipment are recorded at acquisition cost less straight-line depreciation or usage-based depletion (clay pits). The recognition of internally generated plant or equipment includes an appropriate component of material and production overheads, but excludes general administrative and selling expenses. In accordance with IAS 23, borrowing costs incurred during the production of qualified assets are capitalized as part of acquisition cost and depreciated over the applicable useful life.

Depreciation is based on the useful economic lives of the various assets (component approach) as shown in the following table:

Production plants (incl. warehouse)	40 years	Other machinery	5 – 15 years
Administrative and residential buildings	40 – 50 years	Fittings, furniture and office equipment	3 – 10 years
Building infrastructure	15 – 30 years	Customer base	15 years
Kilns and dryers	8 – 20 years	Other intangible assets	3 – 10 years

Repairs that do not increase the presumed useful life of assets are expensed as incurred. In accordance with IFRS 5, scheduled depreciation is discontinued when assets are classified as held for sale.

When plant or equipment is sold or retired, the gain or loss arising from the difference between the proceeds on sale and the remaining carrying amount or impairment charge is recorded under other operating income or expenses if the transaction reflects similar annually recurring events.

In accordance with IAS 17 Leases, leased fixed assets that represent purchases with long-term financing (finance leases) are recorded at the price that would have been paid if the asset had been purchased. Depreciation is calculated over the lesser of the useful life of the asset or the term of the lease.

Goodwill: In accordance with IFRS 3, goodwill arising through a business combination is allocated to cash-generating units and not reduced through scheduled amortization, but tested at least once each year for indications of impairment.

Impairment of goodwill and assets: The Wienerberger Group aggregates plants into cash-generating units based on the country in which they are located. In accordance with IAS 36, these cash-generating units – together with other assets – are tested for impairment on a regular basis or additionally when there are indications of a lasting decline in value. These tests are performed at least once each year in the cash-generating unit. They involve comparing the carrying amount of the goodwill and assets allocated to the unit with the sum of the present values (discounted at the weighted average cost of capital after tax – WACC) of the expected future cash flows to be derived from the asset (value in use) and, if necessary, reducing the carrying amount to the value in use or to a possible sale price or liquidation value. The after-tax WACC for the Wienerberger Group is calculated on the basis of recognized financial methods.

The expected future cash flows are based on the latest internal forecasts, which were recently prepared for the following four years (2013-2016). The quality of these forecasts is evaluated on a regular basis through a variance analysis that compares the data with actual figures, and the results of the analysis are incorporated into the subsequent planning process. The calculation reflects detailed planning for the period from 2013 to 2016, whereby the future cash inflows in later planning periods are assumed to be realizable over the long-term based on the going concern principle and form the basis for determining a perpetual yield. Wienerberger tests its assets for impairment at least once each year after the conclusion of the corporate planning process. If interim forecasts or analyses show a possible negative variance from the original plan, the involved cash-generating unit is tested again for impairment. In such cases, the impairment tests are recalculated on the basis of updated planning data and expanded to include stress tests.

The decisive factor for determining the value in use is formed by assumptions for the future development of the local market, sales volumes and prices. Therefore, the value in use is determined on the basis of forecasts published by statistical agencies (e.g. Euroconstruct) and the experience of management. Estimates for cost structures in the Wienerberger Group reflect the extrapolation of values from past experience and also incorporate macroeconomic forecasts.

The carrying amount of a fixed asset that was previously written down is increased to the recoverable amount if the reasons for impairment cease to exist or a possible use is found for the item. In accordance with IFRS 36 and IFRIC 10, previously recognized impairment losses to goodwill are not reversed.

Investment property is carried at depreciated cost.

Investments in associates, joint ventures and other companies: Investments in associates and joint ventures are carried at equity. Investments in other companies are recognized at cost, and are only written down to reflect impairment. Impairment losses and write-ups are included under financial results.

Inventories: Inventories are carried at the lower of cost or net realizable value, whereby valuation is based on the moving average method. Cost includes direct expenses as well as allocated overhead and depreciation based on normal capacity usage (between 85 and 100% of capacity). Interest charges as well as selling and administrative expenses are not included in the production cost of current assets. Risks resulting from the length of storage or other impairments in value are reflected through appropriate write-downs.

Emission certificates: In accordance with IAS 20 and IAS 38, Wienerberger uses the acquisition cost of zero to record the emission certificates allocated free of charge based on EU Emission Trading Directives 2003/87/EC and 2009/29/EC. If actual emissions exceed the free certificates, the additional certificates required are recognized at their market price on the balance sheet date. Purchased certificates are recorded at cost or the lower market price on the balance sheet date.

Financial instruments: A financial instrument is a contract that gives rise to a financial asset in one company and a financial liability or equity instrument in another company. IAS 39 distinguishes between the category of loans and receivables, financial instruments held to maturity, financial instruments available for sale and financial instruments at fair value through profit or loss which, in turn, are classified further into financial assets/liabilities held for trading and financial instruments designated as at fair value through profit or loss upon initial recognition.

Cash transactions relating to financial assets are recognized as of the settlement date. A financial asset is derecognized when the contractual rights to receive any related cash flows expire.

Loans and receivables are carried at cost, whereby recognizable individual risks are reflected in appropriate valuation adjustments. Non-interest bearing receivables with a remaining term in excess of one year are recorded at their discounted present value. Foreign exchange receivables are translated at the exchange rate in effect on the balance sheet date.

Wienerberger has no ***held-to-maturity financial instruments.***

Financial instruments held for trading are measured at fair value, with any gains and losses resulting from changes in fair value recognized to profit or loss. Wienerberger holds no primary financial instruments for trading purposes.

Wienerberger has not elected to use the option provided by IAS 39, which permits the initial recognition of financial assets at fair value through profit or loss. Therefore, the primary financial instruments held by the Group that are not classified as liquid funds and cash equivalents or loans and receivables are recognized as ***available-for-sale financial instruments***. These assets are measured at fair value, and any gains and losses resulting from changes in fair value are recorded under other comprehensive income without recognition to profit or loss up to the date of derecognition. An exception to this procedure is formed by impairment losses that are recognized to reflect significant and lasting impairment. The fair value of listed securities is based on the relevant market prices, whereby non-quoted financial assets are carried at cost less any changes in market value. When a financial instrument is derecognized, all gains and losses accumulated in other comprehensive income are immediately recognized to profit or loss.

Cash and cash equivalents include cash on hand, checks received, demand deposits and short-term investments as well as fixed-term deposits with financial institutions.

Provisions: The provisions for severance payments – primarily for employees of the Austrian companies – are calculated according to actuarial principles based on a retirement age of 65 (men) and 60 (women), using a discount rate of 3.4%, respectively 3.6% for Pipelife (2011: 4.75%). The projected unit credit method is used for this calculation.

The Wienerberger Group has both defined contribution and defined benefit pension plans. Defined contribution plans carry no further obligation after the payment of premiums. Under defined benefit plans, the employee is promised a certain retirement benefit. The risk related to the actual retirement benefit is carried by the company up to the point of payment. The provisions for defined benefit pension plans are calculated according to the projected unit credit method. The valuation of pension commitments includes future wage/salary increases as well as increases in defined benefit commitments. These calculations are based on a country-specific discount rate that lies between 2.2% and 4.7% (2011: 3.2% – 5.0%), an expected increase of 1.0% – 4.2% (2011: 1.8% – 3.0%) in income, an expected increase of 1.5% – 3.0% (2011: 2.4% – 7.5%) in pensions and average employee turnover of 1.5% – 6.5% (2011: 1.5% – 2.3%). The provisions for pensions are calculated by actuaries.

Commitments by US companies to cover medical costs for retired employees are recorded under provisions for pensions because of their pension-like character.

The provisions for pensions are netted out with the pension plan assets that are held to cover commitments. Actuarial gains and losses are recognized under other comprehensive income as incurred in accordance with IAS 19 (revised in 2011). The interest component of post-employment benefits is included under financial results.

In accordance with IAS 16, a provision for site restoration is created when a clay pit is purchased. The underlying assumptions for these obligations are generally based on the regulations applicable in the respective countries. The provisions for site restoration on clay pits purchased before 2005 are based on depletion and reflect the transition rule to IAS 16. Other liabilities whose due dates or amounts are uncertain are recorded as liabilities in accordance with IAS 37.

Deferred taxes: In accordance with IAS 12, the provision for deferred taxes includes all temporary valuation and accounting differences arising between the financial statements prepared for tax purposes and the IFRS financial statements as well as loss carryforwards whose future use is probable. The provision for deferred taxes is calculated using the tax rate expected to be in effect when these differences reverse in the future, and is based on the local tax rate applicable to the individual Group company. Future changes in tax rates are included if the relevant legal amendment has been enacted as of the balance sheet date.

Liabilities: Liabilities are stated at the actual amount received, less transaction costs. Any premium, discount or other difference between the amount received and the repayment amount is distributed over the term of the liability according to the effective interest rate method and recorded under financial results. Therefore, the measurement of these items reflects amortized cost. Foreign currency liabilities are translated at the exchange rate in effect on the balance sheet date. Wienerberger has not elected to use the option provided by IAS 39, which permits the initial recognition of a financial liability at fair value through profit or loss.

Government grants: Wienerberger records government grants at their fair value under liabilities, and reports their release during the relevant accounting period under other income.

Hedges: Wienerberger applies the IAS 39 rules for hedges to transactions that serve as hedges for translation risk as well as the transaction risk associated with future cash flows. A cash flow hedge is defined as an instrument that provides protection against fluctuations in the future cash flows attributable to recognized assets or liabilities. Changes in the market value of an effective hedge are recognized directly in other comprehensive income (hedging reserve), while the non-effective components are recognized to profit or loss and shown under financial results. The accounting treatment applied to a hedge of a net investment in a foreign operation is similar: changes in the effective portion of the hedge are charged or credited to the hedging reserve, while any gain or loss on the foreign currency translation of the hedged instrument is recorded under equity through other comprehensive income. The accounting treatment applied to fair value hedges differs in that the change in the value of the derivative used as a hedging instrument and any gain or loss on the hedged item attributable to the hedged risk are recognized to profit or loss.

Derivative financial instruments are concluded only to hedge the risks arising from business operations. Foreign exchange futures are used to hedge transaction risks, and interest rate swaps to optimize the fixed, respectively variable interest rate component of financial liabilities. Cross currency swaps are used to hedge the net investments in foreign subsidiaries that maintain their accounting in a currency other than the euro. All derivative financial instruments are recorded at cost when the contract is concluded, and measured at fair value in subsequent periods. The fair value of quoted securities is based on the actual market price. The fair value of non-quoted interest instruments is based on the discounted value of future payments, and is calculated using a current market interest rate. Derivative financial instruments that are not included in a hedge are classified as held for trading in accordance with IAS 39. For derivative financial instruments included in a hedge, only the derivatives that are not part of an effective hedge (ineffective portion) are valued through profit or loss; the relevant amounts are reported under financial results.

Earnings per share: The calculation of earnings per share is based on Group profit after tax less non-controlling interests and the planned component of earnings attributable to hybrid bondholders, divided by the weighted number of shares outstanding (less treasury shares).

Estimates: In preparing the consolidated financial statements, management must estimate certain figures and make assumptions that influence the recognition and measurement of assets and liabilities, the disclosure of other obligations as of the balance sheet date, and the recognition of revenues and expenses during the reporting period. The actual figures that become known at a later date may differ from these estimates.

The valuation of pension plans and severance claims by actuaries include assumptions concerning the expected discount rate, increase in salaries and pensions, employee turnover rates and the development of the costs for medical care. Determining the useful life of property, plant and equipment involves the use of estimates that are derived from the operation of comparable equipment. The provisions for site restoration are based on the best possible estimate of the expected costs to restore clay pits as well as a long-term discount rate. In assessing whether deferred taxes will actually be realized, management also makes estimates concerning the utilization of deferred tax assets.

In particular, the impairment testing of goodwill and other assets involves estimates and forward-looking assumptions by management concerning the expected cash surpluses and the cost of capital for the Wienerberger Group and its cash-generating units during the planning period. The estimates made during the preparation of these consolidated financial statements reflect the best knowledge and belief of management in accordance with the going concern principle. They are based on experience and incorporate the remaining uncertainty in an appropriate form. A sensitivity analysis was performed to show the influence of changes in macroeconomic parameters on forecasts for the income statement. This analysis is explained in detail under note 12. Depreciation, amortization and impairment of assets and goodwill.

Transfer prices: The regional exchange of goods and services between the individual operating segments is immaterial. Prices for the sale of goods between Group companies are established at arm's length based on the resale price method. Prices for the provision of services between Group companies are established at arm's length based on the cost-plus method.

Notes to the Income Statement

10. Revenues

Consolidated revenues rose by 23% to TEUR 2,355,549 in 2012. An adjustment for changes in the consolidation range and currency translation effects resulted in an organic revenue decline of -5% (2011: 10%). The Bricks & Tiles Europe Division, which comprises the Bricks & Tiles Western Europe and Bricks & Tiles Eastern Europe Segments, recorded lower revenues due to volume declines in a difficult market environment with weaker construction activity. Revenues in the Pipes & Pavers Europe Division increased, above all due to the initial consolidation of Pipelife. However, concrete paver volumes in the Pipes & Pavers Eastern Europe Segment were negatively affected by the same general economic weakness that influenced the development of the brick business in this region. The Pipes & Pavers Western Europe Segment recorded revenues of TEUR 20,145 on construction orders in 2012 (2011: TEUR 0) in accordance with IAS 11. In the North America Segment, revenues substantially increased as the result of higher sales volumes and the initial consolidation of Pipelife's pipe business in the USA. The Holding & Others Segment reported higher revenues due to positive volume and price development in India. Detailed information on revenues by region is provided in the presentation of operating segments on pages 112 and 113.

11. Material expenses

The cost of goods sold, selling and administrative expenses include expenses for materials, maintenance, merchandise and energy totaling:

in TEUR	2012	2011
Cost of materials	422,041	274,843
Maintenance expenses	99,111	93,309
Cost of merchandise	246,087	137,808
Cost of energy	284,526	290,582
Total	**1,051,765**	**796,542**

The reported expenses were increased by a change of TEUR 35,528 in inventories of semi-finished and finished goods (2011: TEUR 5,340). This was contrasted by income of TEUR 1,364 (2011: TEUR 2,815) from the capitalization of own work and a proportional share of borrowing costs, including foreign exchange differences, related to the construction of qualified plant and equipment.

The cost of materials consists mainly of expenses for clay, sand, plastics, sawdust and other additives, pallets and other packaging materials. Maintenance expenses involve the use of maintenance materials, other low-value spare parts and third party services.

12. Depreciation, amortization and impairment of assets and goodwill

Production, selling and administrative expenses and other operating expenses for the reporting year include TEUR 194,663 of scheduled depreciation and amortization (2011: TEUR 183,958). Impairment charges to property, plant and equipment and intangible assets totaled TEUR 19,850 for the reporting year (2011: TEUR 16,375) and comprise special write-downs for the mothballing of plants in prior periods as well as impairment charges to real estate and other assets. The restructuring program resulted in an additional TEUR 14,223 (2011: TEUR 0) of impairment charges to assets, which are directly related to capacity adjustments implemented in 2012. These adjustments focused primarily on the mothballing of plants in the Bricks & Tiles Western Europe Segment.

in TEUR	2012	2011
Depreciation of property, plant and equipment and amortization of intangible assets	**194,663**	**183,958**
Impairment charges to goodwill	9,768	2,565
Impairment charges to assets	19,850	16,375
Impairment charges to assets from 2012 restructuring	14,223	0
Impairment charges	**43,841**	**18,940**
Depreciation, amortization and impairment charges to goodwill, other intangible assets and property, plant and equipment	**238,504**	**202,898**

In accordance with IFRS 3, goodwill is not amortized on a regular basis but tested at least once each year for indications of impairment together with the assets defined in IAS 36. Wienerberger defines plants as cash-generating units; these plants are aggregated by country and, in larger countries, further differentiated on the basis of regional criteria. This process led to the definition of roughly 65 cash-generating units in the Wienerberger Group for the reporting year.

Impairment tests carried out in December 2012 based on the latest approved mid-term planning data for 2013-2016 resulted in impairment charges of TEUR 9,768 (2011: TEUR 2,565). An after-tax WACC of 6.84% (2011: 6.98%) was used for the Wienerberger Group in the impairment tests, whereby specific national WACC rates were applied to the USA (6.03%; 2011: 6.07%), Great Britain (5.53%; 2011: 5.69%), Russia (11.63%; 2011: 10.72%), India (9.69%; 2011: 9.81%) and Turkey (8.77%). The assumptions for the growth rates generally remained constant at 1%, but higher rates of up to approx. 4% (2011: 5%) were applied to the growth markets of Russia, India and Turkey.

In connection with the impairment testing process, the country budgets were subjected to stress tests that included changes in individual macroeconomic parameters as part of a sensitivity analysis. An increase of 100 basis points in the risk-free interest rate underlying the cost of capital indicated a potential need for an impairment charge of MEUR 39. In addition, if the growth rates in all Wienerberger markets were cut in half, the potential impairment charge would rise to MEUR 92 (2011: MEUR 25).

13. Personnel expenses

The cost of goods sold, selling and administrative expenses include the following personnel expenses:

in TEUR	2012	2011
Wages	234,158	202,783
Salaries	213,290	188,865
Leased personnel (permanently)	9,572	15,614
Expenses for severance payments	4,492	8,206
Expenses for pensions	8,512	1,585
Expenses for mandatory social security and payroll-related taxes and contributions	107,944	95,976
Other employee benefits	14,535	12,352
Personnel expenses	**592,503**	**525,381**

The remuneration for the members of the Managing Board totaled TEUR 1,667 in 2012 (2011: TEUR 3,567). Of this amount, TEUR 1,667 (2011: TEUR 1,621) represents fixed components and TEUR 0 (2011: TEUR 1,946) variable components. For the active members of the Managing Board, pension expenses in the form of contributions to pension funds (defined contribution plans) totaled TEUR 1,190 in 2012 (2011: TEUR 495). Payments of TEUR 816 (2011: TEUR 794) were made to former members of the Managing Board or their surviving dependents.

The members of the Supervisory Board received remuneration of TEUR 501 in 2012 for their activities during the 2011 financial year (2011: TEUR 174).

The company has not provided any guarantees for loans, and no companies in the Wienerberger Group have granted loans to the members of the Managing Board or Supervisory Board.

14. Employees

The average number of employees in 2012 and 2011 is shown in the following table:

	2012	2011
	Total	Total
Production	8,673	8,048
Administration	1,142	980
Sales	3,245	2,865
Total	**13,060**	**11,893**
Thereof apprentices	95	59

Changes in the consolidation range increased the number of employees in the Wienerberger Group by 1,531.

15. Other operating expenses

The cost of goods sold, selling and administrative expenses include the following other operating expenses:

in TEUR	2012	2011
Non-income based taxes	23,659	23,470
Loss on the disposal of fixed assets, excluding financial assets	946	2,424
Transportation costs for customer deliveries	149,181	127,880
Internal transport	53,241	52,649
Environmental protection measures	4,583	6,270
Uncollectible receivables	4,175	1,403
Services	101,449	96,494
Rental and leasing charges	39,593	39,435
Miscellaneous	115,691	59,005
Other operating expenses	**492,518**	**409,030**

A reconciliation of expenses under the total cost method to expenses under the cost of sales method is provided on page 133.

The cost of services is comprised primarily of expenses for business trips and travel, legal advising and consulting, advertising, insurance and telecommunications. Expenses for the auditor and members of the auditor's network totaled TEUR 1,999 (2011: TEUR 1,220) for the audit of the consolidated financial statements in 2012 and TEUR 516 (2011: TEUR 228) for other services.

Miscellaneous other expenses consist mainly of commissions, patent and trademark rights, business entertainment, customer claims and research and development. Research and development expenses at Wienerberger also include the costs for product development, process technology, the improvement of environmental standards and laboratory activities. The development costs for successful research programs are generally capitalized under the related asset category. Research expenses amounted to TEUR 9,008 for the reporting year (2011: TEUR 7,287). A total of TEUR 414 was capitalized for internally generated intangible assets in 2012 (2011: TEUR 572).

16. Other operating income

in TEUR	2012	2011
Income from the disposal and write-up of tangible assets, excluding financial assets	12,230	10,116
Income from rental and leasing contracts	4,465	3,722
Subsidies	2,127	4,226
Insurance compensation	508	549
Miscellaneous	41,617	39,825
Other operating income	**60,947**	**58,438**

Miscellaneous other operating income represents sales-like revenues that are not part of the direct business activities of the Wienerberger Group.

17. Reconciliation of results according to the cost of sales and total cost method

In the income statement prepared according to the cost of sales method, expenses are classified by functional area. Under the total cost method, the amounts for each individual category of expenses are shown and then adjusted to reflect the increase or decrease in finished and semi-finished goods in order to present the expenses related to the actual volume of goods sold. The relationship of these two methods is explained below, whereby changes in inventories and the capitalization of costs relating to the construction of qualified fixed assets are included under the cost of materials:

2012 *in TEUR*	**Cost of freight**	**Cost of materials**	**Cost of merchandise**	**Depreciation**	**Cost of energy**	**Personnel expenses**	**Other income**	**Other expenses**	**Total**
Cost of goods sold	0	538,224	245,188	152,485	275,281	336,487	-4,681	118,001	**1,660,985**
Selling expenses	149,803	17,092	899	6,757	5,148	167,026	-3,347	143,259	**486,637**
Administrative expenses	0	0	0	8,207	1,014	88,990	-1,126	47,824	**144,909**
Other operating expenses	0	0	0	47,064	3,083	0	0	33,631	**83,778**
Other operating income	0	0	0	0	0	0	-51,793	0	**-51,793**
	149,803	**555,316**	**246,087**	**214,513**	**284,526**	**592,503**	**-60,947**	**342,715**	**2,324,516**

2011 *in TEUR*	**Cost of freight**	**Cost of materials**	**Cost of merchandise**	**Depreciation**	**Cost of energy**	**Personnel expenses**	**Other income**	**Other expenses**	**Total**
Cost of goods sold	0	356,677	137,063	150,886	279,300	303,016	-1,608	76,055	**1,301,389**
Selling expenses	128,360	14,000	745	7,289	7,050	144,834	-441	127,789	**429,626**
Administrative expenses	0	0	0	8,051	1,210	77,531	-9	37,466	**124,249**
Other operating expenses	0	0	0	34,106	3,022	0	0	39,360	**76,488**
Other operating income	0	0	0	0	0	0	-56,380	0	**-56,380**
	128,360	**370,677**	**137,808**	**200,332**	**290,582**	**525,381**	**-58,438**	**280,670**	**1,875,372**

18. Restructuring costs

As a reaction to the steady decline in new residential construction throughout Europe, Wienerberger implemented further optimization measures and adjusted its plant network to reflect the declining demand for building materials. This program includes the mothballing of plants and the adjustment of shift models as well as optimization steps in the administrative area.

Costs totaling TEUR 42,983 for restructuring and impairment charges to assets are reported separately in these consolidated financial statements. These costs comprise cash expenses of TEUR 28,760 related to the mothballing of plants and the adjustment of shift models. Impairment testing of the involved plants resulted in impairment charges of TEUR 14,223.

Most of the restructuring costs were recognized in the Bricks & Tiles Western Europe Segment (TEUR 38,578), in particular to plants in Germany, the Netherlands, Belgium, France and Great Britain. Restructuring costs and impairment charges of TEUR 3,291 were also recognized in the Bricks & Tiles Eastern Europe Segment.

19. Interest and other financial results

In accordance with the categories defined by IAS 39, interest and other financial results comprise the following items:

2012 *in TEUR*	**Total**	**Loans and receivables**	**FLAC [1]**	**AfS [2]**	**Derivative liabilities**
Interest and similar income	10,664	7,974	0	1,451	1,239
Interest and similar expense	-61,355	0	-59,157	0	-2,198
Interest result	**-50,691**	**7,974**	**-59,157**	**1,451**	**-959**
Income from third parties (dividends)	131	0	0	131	0
Income from subsidiaries	0	0	0	0	0
Income from subsidiaries	**131**	**0**	**0**	**131**	**0**
Gains on the disposal of financial instruments	110	0	0	110	0
Income from the disposal of joint ventures	42,303				
Valuation of fair value hedges	3,477	0	0	0	3,477
Impairment of financial instruments	-9,900	-6,970	0	-2,930	0
Foreign exchange differences	-1,981				
Net result	**34,009**	**-6,970**	**0**	**-2,820**	**3,477**
Banking fees	-2,458				
Other financial results	**31,682**	**-6,970**	**0**	**-2,689**	**3,477**
Total	**-19,009**	**1,004**	**-59,157**	**-1,238**	**2,518**

2011 *in TEUR*	**Total**	**Loans and receivables**	**FLAC [1]**	**AfS [2]**	**Derivative liabilities**
Interest and similar income	13,149	9,791	0	1,380	1,978
Interest and similar expense	-50,938	0	-49,784	0	-1,154
Interest result	**-37,789**	**9,791**	**-49,784**	**1,380**	**824**
Income from third parties (dividends)	131	0	0	131	0
Income from subsidiaries	8	0	0	8	0
Income from subsidiaries	**139**	**0**	**0**	**139**	**0**
Gains on the disposal of financial instruments	-209	0	-341	132	0
Income from the disposal of joint ventures	33,213				
Valuation of fair value hedges	2,306	0	0	0	2,306
Impairment of financial instruments	-938	0	0	-938	0
Valuation of financial instruments held for trading	-444	0	0	0	-444
Foreign exchange differences	9,626				
Net result	**43,554**	**0**	**-341**	**-806**	**1,862**
Banking fees	-3,142				
Other financial results	**40,551**	**0**	**-341**	**-667**	**1,862**
Total	**2,762**	**9,791**	**-50,125**	**713**	**2,686**

1) Financial liabilities at amortized cost
2) Available-for-sale financial instruments

The sale of financial instruments generated income of TEUR 110 (2011: TEUR 132), whereby results from the sale of joint ventures are presented separately. The purchase of the remaining 50% stake in Pipelife during 2012 and the resulting adjustment of the consolidation range led to a net valuation effect of TEUR 42,303 in the original at equity investment. In the previous year, the change in the accounting policy applied to joint ventures (IAS 31) resulted in the reclassification of TEUR 33,213 in proceeds from the sale of the Bramac Group to this position. Loans and receivables include impairment charges of TEUR 6,970 (2011: TEUR 0) to receivables due from associates. Available-for-sale financial instruments also include losses of TEUR 2,930 (2011: TEUR 938) that were recognized to profit or loss and resulted from lasting impairment. The loss resulting from the repurchase of bonds is reported under financial liabilities at amortized cost and amounted to TEUR 0 in 2012 (2011: TEUR 341). The market valuation of fair value hedges contributed TEUR 3,477 (2011: TEUR 2,306) to net profit.

Transaction costs and discounts incurred in connection with the issue of bonds are released over the terms of the respective securities and reported under interest result in accordance with the effective interest rate method.

20. Income taxes

This item includes income taxes paid and owed by Group companies as well as provisions for deferred taxes.

in TEUR	2012	2011
Current tax expense	13,839	16,055
Deferred tax income	-9,491	-8,046
Income taxes	**4,348**	**8,009**

The effective tax rate for 2012 was -12.0% (2011: 16.9%). This rate represents a weighted average of the effective local income tax rates of all companies included in the consolidation.

The difference between the applicable Austrian corporate tax rate of 25% (2011: 25%) and the Group tax rate shown in these statements is due to the following factors:

in TEUR	2012	2011
Profit/loss before tax	**-36,188**	**47,434**
Tax expense at tax rate of 25%	9,047	-11,859
Other foreign tax rates	6,741	7,049
Tax income and expense from prior periods	-2,717	-2,829
Effect of tax free income from investments in associates and joint ventures	1,203	1,975
Change in valuation allowance for deferred tax assets	-30,181	-24,036
Non-temporary differences	11,255	20,094
Changes in tax rates	304	1,597
Effective tax expense	**-4,348**	**-8,009**
Effective tax rate in %	-12.0	16.9

Deferred tax assets of TEUR 4,086 (2011: TEUR 1,008) were recognized under other comprehensive income for actuarial gains and losses arising from the valuation of defined benefit pension plans and other similar post-employment benefits (IAS 19). Tax effects were not calculated on the other components of comprehensive income, e.g. for the fair value measurement of available-for-sale financial instruments and changes resulting from hedges. These transactions only involve Wienerberger AG and Wienerberger Finanzservice GmbH, which are headquartered in Vienna, and presently have an effective tax rate of 0% due to tax loss carryforwards from prior periods.

21. Earnings per share, recommendation for the distribution of profit/loss

The number of shares issued totaled 117,526,764 as of December 31, 2012. The number of shares held as treasury stock equaled 2,464,138 as of this same date (2011: 2,464,138). The calculation of earnings per share for 2012 was based on a weighted average of 115,062,626 shares outstanding, and reflects the deduction of treasury shares.

Number of shares	2012	2011
Outstanding	117,526,764	117,526,764
Treasury stock	2,464,138	2,464,138
Weighted average	115,062,626	116,762,102

Based on the definition provided in IAS 33, the options granted in 2007 did not have a diluting effect on earnings per share in 2012.

Earnings per share of EUR -0.61 were calculated by dividing the after-tax profit of the parent company by the weighted average number of shares outstanding. Diluted earnings per share of EUR -0.61 represent basic earnings per share for 2012.

In accordance with the provisions of the Austrian Stock Corporation Act, the financial statements of Wienerberger AG as of December 31, 2012 form the basis for the dividend payment.

These financial statements show net profit of EUR 15,152,854.56. The Managing Board recommends the Annual General Meeting approve a dividend payment of EUR 0.12 per share, for a total payment of EUR 14,103,211.68 on issued capital of EUR 117,526,764, less a proportional amount of EUR 295,696.56 for treasury stock, or a total distribution of EUR 13,807,515.12. The Managing Board also recommends that the Annual General Meeting approve the carryforward of the remaining EUR 1,345,339.44.

Notes to the Statement of Comprehensive Income

The statement of comprehensive income provides a reconciliation of profit after tax to comprehensive income as defined in IAS 1. The reconciliation items consist primarily of foreign exchange adjustments, actuarial gains and losses from the measurement of defined benefit pension plans and other long-term employee benefits, the change in the hedging reserve and the results from the valuation of available-for-sale securities. The components of comprehensive income are presented after tax (see note 20. Income taxes).

Positive currency translation differences of TEUR 38,920 (2011: TEUR -34,321) were generated primarily by the Polish zloty, Hungarian forint and British pound. Of this total, currency translation differences of TEUR -7,464 (2011: TEUR 4,727) that were previously reported under the translation reserve were recognized to the income statement. These reclassification adjustments reflect the realization of accumulated currency translation differences following the change in the consolidation method applied to the Pipelife Group, which was reported as an associate under financial assets prior to the initial consolidation.

Gains of TEUR 2,957 (2011: TEUR -896) on the sale of available-for-sale financial assets were recorded under other comprehensive income without recognition through profit or loss in 2012. The market valuation of hedges of net investments in foreign operations and cash flow hedges reduced the hedging reserves by a total of TEUR 385 after tax (2011: TEUR -4,549). In 2012 there were no transfers of market value changes in hedges or available-for-sale financial instruments from other comprehensive income to the income statement.

Based on the after-tax loss of TEUR -40,536 recorded in 2012 (2011: TEUR 39,425), total comprehensive income after tax led to a decrease of TEUR 23,584 in equity (2011: TEUR -4,913).

Notes to the Cash Flow Statement

The cash flow statement for the Wienerberger Group shows the changes in cash and cash equivalents resulting from the inflow and outflow of funds during the reporting year. Cash and cash equivalents (liquid funds) include cash on hand and deposits with banks. Securities and current liabilities owed to financial institutions are not part of cash and cash equivalents. The effects of company acquisitions are eliminated and shown separately under net payments made for the acquisition of companies. Data from foreign Group companies are generally translated at the average exchange rate for the year. In contrast to this practice, cash and cash equivalents are valued at the exchange rate in effect on the balance sheet date.

22. Cash flow from investing activities

The acquisition of property, plant and equipment and intangible assets resulted in an outflow of funds totaling TEUR 121,955 (2011: TEUR 115,155). This amount includes TEUR 105,318 (2011: TEUR 95,770) of normal capex, maintenance and investments in technical upgrades. A total of TEUR 163,416 (2011: TEUR 55,900) was spent on acquisitions, plant expansion and environmental investments. Net cash outflows for acquisitions of TEUR 146,779 (2011: TEUR 36,008) include the purchase price for the proportional share of equity, less cash and cash equivalents acquired. Investments of TEUR 0 (2011: TEUR 507) were made in financial assets.

Net payments for the acquisition of companies totaled:

in TEUR	2012	2011
Payments made for companies acquired	146,536	33,473
Acquisition of non-controlling interests	243	2,535
Net payments made for the acquisition of companies	**146,779**	**36,008**

Cash inflows from the disposal of fixed and financial assets amounted to TEUR 21,467 (2011: TEUR 67,522) and include the disposal of property, plant and equipment and intangible assets as well as the sale of financial assets. These disposals generated net gains of TEUR 11,110 (2011: TEUR 40,847). The sale of companies generated net cash inflows of TEUR 0 (2011: TEUR 229).

The reconciliation of total investments to normal capex and growth investments made by the Wienerberger Group is as follows:

in TEUR	2012	2011
Payments made for investments in tangible and intangible assets	121,955	115,155
Net payments made for the acquisition of companies	146,779	36,008
Investments in financial assets	0	507
Total investments including financial assets	**268,734**	**151,670**
Maintenance and investments in technical upgrades	105,318	95,770
Maintenance capex	**105,318**	**95,770**
Payments made for plant expansions and environmental investments	16,637	19,385
Net payments made for the acquisition of companies	146,779	36,008
Growth investments	**163,416**	**55,393**
Investments in financial assets	0	507
Growth investments including financial assets	**163,416**	**55,900**

Notes to the Balance Sheet

23. Non-current assets

The development of non-current assets is shown on pages 110 and 111. The effects of changes in the consolidation range are shown in a separate column. The figures shown for foreign exchange rate increases and decreases represent amounts arising from the use of different exchange rates to translate the assets of foreign companies at the beginning of the year and year-end.

Goodwill is distributed among the individual segments of business as follows:

in TEUR	**2012**	**2011**
Bricks & Tiles Western Europe	363,479	363,394
Bricks & Tiles Eastern Europe	44,020	51,900
Pipes & Pavers Western Europe	46,930	13,089
Pipes & Pavers Eastern Europe	17,123	6,214
North America	174,277	177,404
Holding & Others	1,137	1,196
Goodwill	**646,966**	**613,197**

Goodwill in the Bricks & Tiles Western Europe Segment resulted, above all, from the acquisition of brick activities in Great Britain (TEUR 58,214) and the clay roof tile producer Sandtoft (TEUR 27,805) as well as the roof tile business in Belgium, the Netherlands and France (total: TEUR 222,757). In the segment Pipes & Pavers Western Europe, goodwill resulted from the acquisition of the Pipelife Group in 2012 (TEUR 33,840) and the Steinzeug-Keramo Group (TEUR 13,090) which was initially consolidated in 2010. The segment Pipes & Pavers Eastern Europe comprises a goodwill from the Pipelife Group of TEUR 10,747. In North America goodwill is attributable to General Shale in the USA (TEUR 162,257) and to Arriscraft in Canada (TEUR 12,020).

Miscellaneous non-current intangible assets are comprised primarily of acquired customer bases and acquired trademark rights, patents and concessions.

Non-current assets include land with a value of TEUR 389,633 (2011: TEUR 367,726). Borrowing costs and foreign exchange differences capitalized up to the completion of new plant construction amounted to TEUR 84 (2011: TEUR 172).

In addition to operating leases, the Wienerberger Group also uses ***finance leases*** to a limited extent. Property, plant and equipment include the following assets obtained through finance leases:

in TEUR	**2012**	**2011**
Acquisition costs	13,458	12,638
Depreciation (accumulated)	3,348	3,048
Carrying amount	10,110	9,590

Obligations arising from operating leases, license agreements and rental contracts for the use of property, plant and equipment not shown on the balance sheet represent liabilities of:

in TEUR	**2012**	**2011**
For the following year	22,363	16,450
For the next two to five years	55,725	37,759
Over five years	34,241	34,050

Payments arising from operating leases, license and rental agreements totaled TEUR 39,593 (2011: TEUR 39,435).

The balance sheet item investment property includes real estate and buildings with a carrying amount of TEUR 81,297 (2011: TEUR 67,157), which are not used in current business operations. These assets are scheduled for sale over the medium- to long-term, and are therefore classified as ***investment property***. Based on comparable transactions, the fair value of these assets is estimated at TEUR 147,655 (2011: TEUR 116,699). This property generated rental and other income of TEUR 765 in 2012 (2011: TEUR 638). In 2012 Wienerberger sold investment property with a carrying amount of TEUR 7,107 (2011: TEUR 1,273). Of the total non-current assets, equipment with a combined carrying amount of TEUR 3,184 (2011: TEUR 508) and a fair value of TEUR 2,668 (2011: TEUR 739) is designated for sale; the majority of these items represent land and buildings at plant locations that have been permanently closed. However, management does not expect to conclude any sales within the next 12 months because of the generally unfavorable situation on the industrial property market. Therefore, these assets were not classified as ***non-current assets held for sale and discontinued operations*** in accordance with IFRS 5.

24. Inventories

in TEUR	**2012**	**2011**
Raw materials and consumables	120,210	89,147
Semi-finished goods	85,056	76,982
Finished goods and merchandise	492,898	408,717
Prepayments	2,761	1,733
Inventories	**700,925**	**576,579**

Palettes are included under raw materials and consumables. Clay purchased from third parties is shown together with clay extracted from Group pits under semi-finished goods. Impairment losses of TEUR 10,025 (2011: TEUR 10,496) were recognized to products in cases where the net realizable value (selling price less selling and administrative expenses) was less than the acquisition or production cost. Inventories written down to net realizable value totaled TEUR 47,393 as of December 31, 2012 (2011: TEUR 39,211).

25. Receivables, securities and other financial assets

Loans and receivables

	2012			2011		
in TEUR	**Total**	**Remaining term < 1 year**	**Remaining term > 1 year**	**Total**	**Remaining term < 1 year**	**Remaining term > 1 year**
Trade receivables from third party	198,328	198,260	68	108,206	108,068	138
Trade receivables from subsidiaries	838	838	0	727	727	0
Trade receivables	**199,166**	**199,098**	**68**	**108,933**	**108,795**	**138**
Financial receivables from subsidiaries	22,270	22,270	0	26,552	26,552	0
Receivables arising from loans	4,464	3,447	1,017	10,051	9,028	1,023
Loans granted	**26,734**	**25,717**	**1,017**	**36,603**	**35,580**	**1,023**
Loans and receivables	**225,900**	**224,815**	**1,085**	**145,536**	**144,375**	**1,161**

Loans and receivables are carried at amortized cost, which is adjusted to reflect any necessary individual valuation adjustments. Any necessary individual valuation adjustments to receivables and other assets are deducted directly from the carrying amount. In 2012 individual valuation adjustments totaled TEUR 4,175 (2011: TEUR 1,403). Individual valuation adjustments to receivables during the reporting year equaled 1.8% of trade receivables and originated loans as well as less than 2% of total receivables, and are therefore not shown separately. Sold receivables (factoring) are derecognized as required by IAS 39. As of December 31, 2012, trade receivables totaling TEUR 81,800 (2011: TEUR 63,040) had been sold to third parties. The receivables due from Group companies reflect loans granted to companies included in the consolidation at equity and loans granted to other holdings. Trade receivables totaling TEUR 1,784 (2011: TEUR 4,820) are secured by notes payable.

Available-for-sale financial instruments

	2012				2011			
	Carrying amount	**Market value**	**Market value changes recog. to equity**	**Ø Effective interest rate**	**Carrying amount**	**Market value**	**Market value changes recog. to equity**	**Ø Effective interest rate**
	in TEUR	*in TEUR*	*in TEUR*	*in %*	*in TEUR*	*in TEUR*	*in TEUR*	*in %*
Shares in funds	7,432	7,432	122	0.69	6,780	6,780	100	0.46
Corporate bonds	21,828	21,828	2,835	6.43	28,970	28,970	-996	5.01
Stock	6,452	6,452	0	-	6,452	6,452	0	-
Other	1,860	1,860	0	-	936	936	0	-
Available-for-sale financial instruments	**37,570**	**37,570**	**2,957**		**43,138**	**43,138**	**-896**	

In addition to the available-for-sale financial instruments included under securities and other financial assets, other non-current financial assets include TEUR 1,329 (2011: TEUR 5,383) that are also assigned to this category. The resulting total of available-for-sale financial instruments is TEUR 38,899 (2011: TEUR 48,521).

Financial instruments held for trading

	2012		2011	
	Carrying amount *in TEUR*	**Market value** *in TEUR*	**Carrying amount** *in TEUR*	**Market value** *in TEUR*
Derivatives from cash flow hedges	1,859	1,859	1,969	1,969
Derivatives from fair value hedges	6,287	6,287	3,292	3,292
Other derivatives	54	54	460	460
Derivatives with positive market value	**8,200**	**8,200**	**5,721**	**5,721**

The carrying amounts of securities and other financial assets totaled TEUR 72,504 (2011: TEUR 85,462). This amount includes TEUR 26,734 (2011: TEUR 36,603) of loans granted, TEUR 37,570 (2011: TEUR 43,138) of available-for-sale financial instruments and TEUR 8,200 (2011: TEUR 5,721) of derivatives with a positive market value.

26. Other receivables, prepaid expenses and deferred charges

	2012			2011		
in TEUR	**Total**	**Remaining term < 1 year**	**Remaining term > 1 year**	**Total**	**Remaining term < 1 year**	**Remaining term > 1 year**
Prepaid expenses and deferred charges	13,384	13,384	0	11,927	11,927	0
Miscellaneous receivables	71,182	70,431	751	64,732	61,597	3,135
Other current receivables, prepaid expenses and deferred charges	**84,566**	**83,815**	**751**	**76,659**	**73,524**	**3,135**

Miscellaneous receivables consist primarily of receivables due from tax authorities and social security carriers.

27. Capital and reserves

The development of capital and reserves in 2012 and 2011 is shown on pages 108 and 109.

The Annual General Meeting of Wienerberger AG on May 14, 2009 approved the creation of authorized capital at an amount equal to 50% of current share capital (which then equaled EUR 83,947,689). This approval covers an ordinary capital increase in exchange for contributions in cash or in kind within a period of five years, contingent upon the consent of the Supervisory Board. Share capital can be increased by a maximum of EUR 41,973,844 or 50% of share capital through the issue of up to 41,973,844 new bearer or registered shares. This increase can also be carried out in multiple segments. The type of shares, the issue price and the issue conditions are to be determined by the Managing Board and approved by the Supervisory Board. The legal subscription rights of shareholders are given, but the Managing Board is authorized to exclude these subscription rights in two special cases with the approval of the Supervisory Board: first, for contributions in kind for the granting of shares to acquire companies, segments of companies or investments in companies; and second, for multiple allotments in connection with the placement of new shares by the company (greenshoe).

The Annual General Meeting on May 14, 2009 also authorized the Managing Board to issue convertible bonds in one or more segments with the approval of the Supervisory Board. These bonds are to include subscription or exchange rights or subscription or exchange obligations for up to 41,973,844 shares or 50% of the company's share capital. The shares can be drawn from conditional capital and/or from treasury shares. The issue price and terms are to be determined by the Managing Board with the approval of the Supervisory Board. This authorization is valid up to May 13, 2014. It also authorizes the Managing Board, contingent upon the approval of the Supervisory Board, to exclude the legal subscription rights of shareholders. The Managing Board is also authorized to carry out a conditional capital increase for the issue of new shares to the holders of the convertible bonds. Share capital can be increased by a maximum of EUR 41,973,844 by the issue of up to 41,973,844 new bearer or registered shares. Share capital may only be increased to the extent that the holders of the convertible bonds utilize their subscription or exchange rights to shares in the company and in accordance with a decision by the Managing Board to service the exercise of these rights with new shares. The exercise of subscription or exchange rights by the holders of the convertible bonds may also be serviced by treasury shares. The number of new shares issued in connection with the above-mentioned capital measures may not exceed 41,973,844 (50% of share capital in 2009).

The 140th Annual General Meeting also authorized the Managing Board, contingent upon the approval of the Supervisory Board, to issue participation rights in one or more segments with a total nominal value of up to EUR 200,000,000 through the issue of up to 200,000 participation certificates and to determine the terms of issue. This authorization is valid up to May 13, 2014.

Authorized capital totaled EUR 8,394,769 (7% of share capital in 2012) after the capital increase of 33,579,075 shares in 2009; this authorized capital may be increased through the issue of up to 8,394,769 new bearer or registered shares.

The 141st Annual General Meeting of Wienerberger AG on May 20, 2010 authorized the Managing Board to repurchase up to 10% of share capital in form of treasury shares within a period of 30 months at a maximum price equal to twice the stock market quotation on May 20, 2010 and not lower than € 1.00 per share. Wienerberger used this authorization between August 22, 2011 and November 17, 2011 to repurchase 2,350,535 of its shares. No shares were repurchased during the reporting year.

The 143rd Annual General Meeting of Wienerberger AG on May 11, 2012 authorized the Managing Board to repurchase the company's shares, up to the legally defined limit, during a period of 30 months beginning on the day the resolution was passed. The price for these share purchases may not exceed twice the stock market quotation on May 11, 2012 and may not be lower than € 1.00 per share. The Managing Board was also empowered, without obtaining further authorization from the Annual General Meeting, to withdraw or resell these shares and to sell treasury shares in another manner than over the stock exchange or through a public offer. This authorization replaced the authorization for the repurchase of treasury shares that was granted by the Annual General Meeting on May 20, 2010.

Group equity totaled TEUR 2,363,684 as of December 31, 2012, compared to TEUR 2,430,819 in the previous year. Equity was reduced, above all, by the loss recorded for the reporting year and the subsequent decrease in retained earnings as well as by the payment of the hybrid coupon and the dividend. Actuarial losses of TEUR 24,540 related to post-employment benefits as defined in IAS 19 (2011) also led to a reduction in equity. Equity was increased during the reporting year by positive currency translation differences. In addition, a capital increase by the minority shareholder of Semmelrock Stein + Design GmbH & Co KG led to a slight increase in equity.

The share capital of Wienerberger AG totaled EUR 117,526,764 as of December 31, 2012 and is divided into 117,526,764 zero par value shares that all carry the same rights. All shares are fully paid in.

On February 9, 2012 Wienerberger AG paid the TEUR 32,500 coupon for the hybrid bond that was issued on February 9, 2007 and is reported as hybrid capital in the balance sheet. This hybrid bond is subordinated to all other creditors, and is a perpetual bond with a volume of TEUR 500,000 and a coupon of 6.5%, which can also be suspended if the dividend is postponed. After ten years Wienerberger AG may call the hybrid bond or extend the term at a variable interest rate (EURIBOR +325 bps). This instrument meets the criteria defined by IAS 32 for classification as equity, and the coupons are shown as part of the use of earnings on the changes in equity statement. In accordance with IAS 32, this data is presented after tax. Wienerberger AG has an effective tax rate of 0% due to loss carryforwards from prior periods, and the distribution after tax therefore equals TEUR 32,500. In 2012 the coupon interest reduced earnings per share by EUR 0.28.

Retained earnings of TEUR 855,998 (2011: TEUR 940,098) include the retained earnings of Wienerberger AG and the retained earnings of subsidiaries not eliminated during the capital consolidation. Group results for 2012, excluding the share of profit due to non-controlling interests, are shown under retained earnings.

The translation reserve includes all differences from foreign currency translation that are recognized under other comprehensive income, whereby the differences from companies accounted for at equity are shown separately. The hedging reserve includes changes in the value of hedges that are reported under other comprehensive income. These instruments comprise hedges of net investments in foreign operations (net investment hedges) as well as hedges for foreign currency transactions (cash flow hedges).

Change of control clauses are included in the employment contracts with the members of the Managing Board, in the terms of the 2010, 2011 and 2012 corporate bonds, in the 2007 hybrid bond and in the syndicated term loans and other loans concluded 2006, 2008 and 2012.

Free float is distributed among Austrian and international investors. The US firm Dodge & Cox Inc. held more than 10% and First Eagle Investment Management LLC, New York, and Black Creek Investment Management Inc., Canada, each held more than 5% of the company's shares in 2012. The Wienerberger share is traded in the Prime Market Segment of the Vienna Stock Exchange as well as an ADR Level 1 Program of the Bank of New York on the OTC market in the USA.

28. Provisions

in TEUR	1.1.2012	Foreign exchange incr./decr.	Chg. in consolidation range	Reversal	Use	Addition	31.12.2012
Provisions for severance payments	17,168	25	5,518	53	5,364	7,118	24,412
Provisions for pensions	68,266	-409	13,537	2,042	14,609	37,159	101,902
Provisions for service anniversary bonuses	3,403	73	1,429	75	159	1,292	5,963
Employee-related provisions	**88,837**	**-311**	**20,484**	**2,170**	**20,132**	**45,569**	**132,277**
Provisions for warranties	12,936	76	1,094	1,832	1,819	2,800	13,255
Provisions for site restoration	39,474	827	222	3,589	3,881	3,964	37,017
Provisions for environmental measures	2,937	27	2	59	952	774	2,729
Other non-current provisions	**55,347**	**930**	**1,318**	**5,480**	**6,652**	**7,538**	**53,001**
Non-current provisions	**144,184**	**619**	**21,802**	**7,650**	**26,784**	**53,107**	**185,278**
Provisions for current taxes	3,806	33	3,199	651	282	927	7,032
Other current provisions	49,213	256	12,695	9,061	17,603	38,086	73,586
Current provisions	**53,019**	**289**	**15,894**	**9,712**	**17,885**	**39,013**	**80,618**
Provisions	**197,203**	**908**	**37,696**	**17,362**	**44,669**	**92,120**	**265,896**

29. Pensions and employee benefits

Wienerberger has made pension commitments to selected managers as well as employees in the Netherlands, Great Britain, Scandinavia, the USA and Switzerland. Defined contribution plans represent the goal for future pension agreements. In 2004 a number of ***defined benefit*** pension agreements with active managers were converted to ***defined contribution*** pension models through the transfer of previously earned claims to a pension fund. Wienerberger has also made a number of defined pension commitments mainly to former managers, which are not tied to plan assets; the length of service forms the basis for retirement benefits under these plans. The employees of General Shale Inc. (USA) have a funded defined benefit pension plan as well as non-funded health insurance. ZZ Wancor (Switzerland) has a defined benefit pension plan through an external pension fund, whereby the company is de facto obliged to make additional contributions if the collective foundation should become insolvent. Claims earned by Dutch employees are satisfied through a defined contribution pension plan, primarily through contributions to an industry-wide pension fund in the Netherlands. In Great Britain a defined contribution pension plan covers all employees. The member companies of thebrickbusiness, which was acquired during 2004, had a defined benefit model up to the end of 2003; a provision was created to reflect these obligations. The acquisition of Baggeridge in 2007 also led to the takeover of a defined benefit pension plan. The employees of the Steinzeug-Keramo Group have three defined benefit pension plans. The acquisition of the Pipelife Group in 2012 added a further nine defined benefit pension plans to the provision through the change in the consolidation range. The Belgian plan was converted to a defined contribution model during the reporting year and the Irish plan was terminated, which generally explains the settlement payments. The Pipelife Group now has seven defined benefit pension plans for individual members of management in the Netherlands, Norway, Austria, France, Germany and Bulgaria. In 2012 the provisions for pensions equaled TEUR 101,902 and the provisions for post-employment benefits TEUR 126,314.

The major actuarial parameters and relevant accounting principles are described on pages 126 and 127.

Total pension expenses for 2012 cover both defined contribution and defined benefit pension plans. The current and past service cost and the effects of plan settlements are reported under operating results and the net interest effect under interest result.

in TEUR	2012	2011
Defined contribution plans		
Expenses for defined contribution pension plans	**6,585**	**4,998**
Defined benefit plans		
Service costs for defined benefit pension plans	2,858	1,033
Past service cost	-479	-4,446
Effects of plan curtailments and settlements	-452	0
Net interest cost	3,292	2,961
Expenses for defined benefit plans	**5,219**	**-452**
Total expenses for pensions	**11,804**	**4,546**

The gross pension obligations can be reconciled with net obligations as shown on the balance sheet by deducting the fair value of plan assets.

Of the total net obligations, TEUR 11,714 (2011: TEUR 12,905) are related to the US (retirement) health insurance program. A change in the cost trend for medical services would not have any major impact on the interest cost or the defined benefit pension obligation.

The components of pension obligations and their coverage through plan assets are shown below:

	Defined benefit obligations		Fair value of plan assets	
in TEUR	**2012**	**2011**	**2012**	**2011**
Value as of 1.1.	**248,919**	**238,176**	**180,653**	**170,795**
Changes in consolidation range	64,699	534	51,162	0
Foreign exchange increase/decrease	268	5,387	677	3,805
Service costs for defined benefit pension plans	2,858	2,281	0	0
Interest cost	13,049	10,779	0	0
Expected income from plan assets	0	0	9,757	6,913
Effects of plan curtailments and settlements	-452	0	0	0
Actuarial gains/losses	43,939	5,686	16,080	846
Past service cost	-479	-4,549		
Payments to retirees	-15,398	-10,050	-15,398	-9,644
Payments received from employees	1,754	1,247	1,754	1,247
Settlements	-8,915	-572	-5,213	0
Payments received from employers	0	0	8,868	6,691
Value as of 31.12.	**350,242**	**248,919**	**248,340**	**180,653**
Fair value of plan assets (funded)	-248,340	-180,653		
Present value of unfunded obligations as of 31.12.	**101,902**	**68,266**		
Defined benefit obligation as of 31.12	**350,242**	**248,919**		
Fair value of plan assets (funded)	248,340	180,653		
Defined benefit obligation as of 31.12 (unfunded)	**101,902**	**68,266**		
Actuarial gains/losses resulting from pension plans				
Actuarial gains/losses resulting from actuarial parameters	43,939	5,686		
Return on plan assets greater than expected	-16,080	-846		
Actuarial gains/losses in other comprehensive income	**27,859**	**4,840**		

Pension plan assets consist mainly of the assets from the fund-linked defined contribution pension plans in the USA, Great Britain, Switzerland and Pipelife's plan in the Netherlands. The plan assets are invested in stocks (32%), bonds (52%) and other assets (16%).

A change of 25 basis points in the interest rates would have increased the defined benefit obligation by TEUR 14,841, respectively decreased the obligation by TEUR 12,937.

Legal regulations grant Austrian employees the right to a lump-sum payment at retirement or termination by the employer, whereby the amount of the payment is dependent on the length of service. These future obligations are reflected in provisions for severance payments. There are similar obligations in France and Italy.

30. Deferred taxes

Deferred tax assets and deferred tax liabilities as of December 31, 2012 and December 31, 2011 are the result of the following temporary valuation and accounting differences between carrying amounts in the consolidated financial statements and the respective tax bases:

	2012		2011	
in TEUR	**Assets**	**Equity and Liabilities**	**Assets**	**Equity and Liabilities**
Intangible assets	5,716	-66,457	5,059	-26,488
Property, plant and equipment	11,102	-123,223	7,302	-117,956
Inventories	3,356	-4,704	3,170	-4,255
Receivables	14,315	-15,262	4,554	-7,060
Deferred charges	57,347	-64	36,443	-65
	91,836	**-209,710**	**56,528**	**-155,824**
Untaxed reserves	1,626	-20,982	0	-18,021
Provisions	34,102	-9,412	25,039	-1,678
Liabilities	15,038	-3,375	6,441	-1,524
Deferred income	888	-518	2,053	-1,318
	51,654	**-34,287**	**33,533**	**-22,541**
Tax loss carryforwards	224,780		189,441	
Deferred tax assets/provisions	**368,270**	**-243,997**	**279,502**	**-178,365**
Valuation allowance for deferred tax assets	-190,605		-141,834	
Offset within legal tax units and jurisdictions	-138,175	138,175	-95,692	95,692
Net deferred tax assets and provisions	**39,490**	**-105,822**	**41,976**	**-82,673**

In the consolidated financial statements, deferred tax assets were not calculated on deductible temporary differences and tax loss carryforwards of TEUR 671,800 (2011: TEUR 455,460) because medium-term planning did not reliably demonstrate their use as tax relief. This was reflected in a valuation allowance of TEUR 190,605 (2011: TEUR 141,834), whereby the initial consolidation of the Pipelife Group led to a reduction of TEUR 18,590 in deferred tax assets.

In accordance with IAS 12.39, deferred taxes were not calculated on temporary differences related to shares owned in subsidiaries. The cumulative value of shares in subsidiaries exceeds the proportional share of equity owned in these subsidiaries by TEUR 538,337 (2011: TEUR 452,949).

31. Liabilities

Liabilities are generally measured at amortized cost. An exception is formed by derivatives with negative market values, which are measured at fair value. The remaining terms of the various categories of liabilities are shown in the following tables:

2012 *in TEUR*	**Total**	**Remaining term <1 year**	**Remaining term 1-5 years**	**Remaining term > 5 years**	**Thereof secured by collateral**
Interest-bearing loans	916,421	57,726	667,192	191,503	4,596
Finance leases	193	180	13	0	0
Financial liabilities owed to subsidiaries	156	156	0	0	0
Financial liabilities	**916,770**	**58,062**	**667,205**	**191,503**	**4,596**
Trade payables owed to third parties	252,848	252,536	312	0	0
Trade payables owed to subsidiaries	301	301	0	0	0
Trade payables	**253,149**	**252,837**	**312**	**0**	**0**
Prepayments received on orders	2,693	2,693	0	0	0
Amounts owed to tax authorities and social security carriers	57,614	57,390	224	0	0
Deferred income	14,663	10,374	1,228	3,061	0
Miscellaneous	159,440	154,057	5,340	43	0
Other liabilities	**234,410**	**224,514**	**6,792**	**3,104**	**0**
Total liabilities	**1,404,329**	**535,413**	**674,309**	**194,607**	**4,596**

2011 *in TEUR*	**Total**	**Remaining term <1 year**	**Remaining term 1-5 years**	**Remaining term > 5 years**	**Thereof secured by collateral**
Interest-bearing loans	931,632	417,884	357,845	155,903	3,637
Finance leases	2,888	2,723	165	0	0
Financial liabilities owed to subsidiaries	86	86	0	0	0
Financial liabilities	**934,606**	**420,693**	**358,010**	**155,903**	**3,637**
Trade payables owed to third parties	187,742	187,471	218	53	0
Trade payables owed to subsidiaries	600	600	0	0	0
Trade payables	**188,342**	**188,071**	**218**	**53**	**0**
Prepayments received on orders	2,278	2,278	0	0	0
Amounts owed to tax authorities and social security carriers	55,983	55,624	302	57	0
Deferred income	11,596	6,901	4,106	589	0
Miscellaneous	87,853	79,233	8,573	47	0
Other liabilities	**157,710**	**144,036**	**12,981**	**693**	**0**
Total liabilities	**1,280,658**	**752,800**	**371,209**	**156,649**	**3,637**

Non-current financial liabilities include put options, whose exercise could result in the transfer of non-controlling interests in Group companies to Wienerberger (see note 6. Basis of consolidation) as well as a derivative liability connected with the purchase of the remaining 25% stake in the Semmelrock Group in 2010.

Other liabilities include TEUR 49,771 (2011: TEUR 40,417) due to employees and TEUR 53,772 (2011: TEUR 31,671) of accruals for bonuses and other sales deductions due to customers. Deferred income includes TEUR 3,701 (2011: TEUR 4,297) of subsidies and investment allowances granted by third parties, which are released to the income statement over the useful life of the related assets. The amounts owed to tax authorities and social security carriers include tax liabilities totaling TEUR 36,649 (2011: TEUR 36,528).

Financial liabilities also include the following derivative financial instruments with negative market values.

Financial instruments held for trading

in TEUR	2012	2011
Derivatives from cash flow hedges	12,350	11,620
Derivatives from fair value hedges	864	0
Other derivatives	5,031	5,919
Derivatives with negative market value	**18,245**	**17,539**

Total liabilities include TEUR 1,386,084 of financial liabilities at amortized cost, TEUR 13,214 of derivatives in hedges, a derivative liability of TEUR 5,000 connected with the purchase of the remaining 25% stake in the Semmelrock Group and TEUR 31 of other derivatives.

In 2012 Wienerberger held no financial liabilities carried at fair value through profit or loss, with the exception of the derivatives with negative market values.

Liabilities are expected to result in the following cash flows:

Analysis of contractual cash flows

2012

in TEUR	Total	<6 months	6-12 months	1-2 years	2-5 years	>5 years
Bonds	-635,876	0	-27,438	-277,438	-225,750	-105,250
Commercial paper	-12,000	-12,000	0	0	0	0
Liabilities to banks	-324,379	-16,905	-10,814	-5,594	-237,714	-53,352
Liabilities to non-banks	-26,645	-113	-118	-20,296	-5,845	-273
Original financial instruments	**-998,900**	**-29,018**	**-38,370**	**-303,328**	**-469,309**	**-158,875**
Interest rate derivatives	-183	-56	-31	-50	-46	0
Forward exchange contracts, interest rate swaps and derivative liability	-14,485	-5,340	-455	-253	-8,437	0
Derivative financial instruments	**-14,668**	**-5,396**	**-486**	**-303**	**-8,483**	**0**
Contractual cash flows	**-1,013,568**	**-34,414**	**-38,856**	**-303,631**	**-477,792**	**-158,875**

Analysis of contractual cash flows

2011

in TEUR	Total	<6 months	6-12 months	1-2 years	2-5 years	>5 years
Bonds	-674,890	-251,576	-17,438	-17,438	-277,938	-110,500
Commercial paper	0	0	0	0	0	0
Liabilities to banks	-395,912	-103,029	-115,967	-31,071	-132,290	-13,555
Liabilities to non-banks	-48,183	0	-1,326	-14,686	-24,541	-7,630
Original financial instruments	**-1,118,985**	**-354,605**	**-134,731**	**-63,195**	**-434,769**	**-131,685**
Interest rate derivatives	9,493	-1,044	1,649	1,482	4,442	2,964
Forward exchange contracts, interest rate swaps and derivative liability	15,162	29,652	-239	-5,000	-9,251	0
Derivative financial instruments	**24,655**	**28,608**	**1,410**	**-3,518**	**-4,809**	**2,964**
Contractual cash flows	**-1,094,330**	**-325,997**	**-133,321**	**-66,713**	**-439,578**	**-128,721**

32. Contingent liabilities and guarantees

Contingent liabilities result from obligations to third parties, and include the following:

in TEUR	31.12.2012	31.12.2011
Sureties	49	49
Guarantees	16,889	2,924
Other contractual obligations	2,313	2,328
Contingent liabilities	**19,251**	**5,301**

All events recorded under contingent liabilities reflect possible future obligations whose existence can only be confirmed by the occurrence of a future event that is completely uncertain as of the balance sheet date.

Financial Instruments

33. Financial instruments

Financial liabilities comprise the following items:

	Currency	Nominal value	Market value	Carrying amount per 31.12.2012	Effective interest rate
		in 1,000 local currency	*in TEUR*	*in TEUR*	*in %*
Loans	*EUR*	132,906	147,247	128,064	5.63
			147,247	**128,064**	
Roll-over	*TRY*	617	261	261	11.50
			261	**261**	
Current loans	*EUR*	10,000	1,018	1,010	3.95
			1,018	**1,010**	
Fixed interest loans due to financial institutions			**148,526**	**129,335**	

	Currency	Nominal value	Market value	Carrying amount per 31.12.2012	Effective interest rate
		in 1,000 local currency	*in TEUR*	*in TEUR*	*in %*
Loans	*EUR*	146,090	154,846	146,108	1.91
	CZK	83,000	3,303	3,300	1.64
	GBP	1,500	1,839	1,838	1.80
	HUF	1,300,000	4,435	4,447	7.05
	SEK	40,000	4,662	4,661	2.63
	USD	5,000	3,793	3,790	1.53
			172,878	**164,144**	
Roll-over	*EUR*	3,726	3,736	3,726	3.23
	CZK	10,121	403	402	1.28
	HRK	14,572	1,933	1,928	4.25
	RON	1,416	318	319	9.30
	RSD	44,118	385	393	11.95
	TRY	9,157	3,863	3,888	6.60
	Other		201	201	-
			10,839	**10,857**	
Current loans	*EUR*	1,874	1,874	1,842	0.16
	HRK	201	27	27	-
	USD	1,152	873	873	-
			2,774	**2,742**	
Derivatives	*EUR*	13,245	13,245	13,245	
			13,245	**13,245**	
Variable interest loans due to financial institutions			**199,736**	**190,988**	

	Currency	Nominal value	Market value	Carrying amount per 31.12.2012	Effective interest rate
		in 1,000 local currency	*in TEUR*	*in TEUR*	*in %*
Bonds – fixed interest	*EUR*	550,000	571,946	546,705	4.61
	EUR	12,625	12,625	12,625	–
Loans – fixed interest	*EUR*	6,187	6,773	6,187	3.69
	USD	370	268	280	
Commercial paper – fixed interest	*EUR*	11,982	11,982	11,986	0.59
Loans – variable interest	*GBP*	10,866	13,315	13,315	–
Derivative liabilities	*EUR*	5,000	5,000	5,000	–
Financial liabilities due to non-banks			**621,909**	**596,098**	

In January 2012 Wienerberger AG issued a new bond with a volume of TEUR 200,000 and a term of three and one-half years (due on August 1, 2015), in part to refinance a bond that matured during the reporting year. The new bond has a denomination of TEUR 1,000 and a fixed coupon of 5%. Bonds are recorded under non-current or current borrowings in accordance with their remaining term. The related expenses of TEUR 5,726 (bank charges and interest rate hedges) were recorded together with the respective bond and not recognized to profit or loss. These differences are recognized as interest expense or bank charges over the term of the bond in accordance with the effective interest rate method. The carrying amount of the bonds includes accrued interest of TEUR 12,625.

Interest rates (variable, fixed) can be exchanged through the conclusion of interest rate swaps. The structure of financial liabilities (variable and fixed interest rates), including the effects of interest rate swaps, is shown on page 160.

IFRS 7 requires the classification of financial instruments in three levels of disclosure that reflect the significance of the items. Wienerberger uses the following hierarchy to classify financial instruments at fair value to a valuation method:

Level 1: Valuation based on the market price for a specific financial instrument

Level 2: Valuation based on the market prices for similar instruments or on valuation models that only use parameters that can be monitored on the market

Level 3: Valuation based on models with significant parameters that cannot be monitored on the market

All financial instruments carried at fair value by the Wienerberger Group are classified under level 1 (shares in funds, corporate bonds and stock; see note 25) or level 2 (derivative financial instruments; see note 34). There were no reclassifications between hierarchy levels during the reporting year.

34. Derivative financial instruments

Forward exchange contracts in the form of individual OTC contracts are valued in line with the prices for comparable transactions. The fair value of interest rate swaps represents the value the company would receive or be required to pay on settlement as of the balance sheet date. Current market conditions, above all current interest rates and the credit standing of the swap partner, are taken into account in the determination of value. These valuation parameters can be monitored on the market and are available to all market participants.

	2012			2011		
	Currency	**Nominal value** *31.12.2012 in 1,000 local currency*	**Market value** *31.12.2012 in TEUR*	**Currency**	**Nominal value** *31.12.2011 in 1,000 local currency*	**Market value** *31.12.2011 in TEUR*
Forward exchange contracts	*EUR*	28,997	-28	*EUR*	41,707	134
	CAD	3,000	30	*CAD*	0	0
	CHF	3,000	-3	*CHF*	0	0
	CZK	60,000	-9	*CZK*	80,000	88
	DKK	6,000	-1	*DKK*	11,000	0
	GBP	13,757	113	*GBP*	37,343	-1,205
	HUF	100,000	1	*HUF*	130,000	15
	PLN	8,101	-19	*PLN*	15,000	18
	SEK	6,287	-4	*SEK*	0	0
	TRY	19,693	-808	*TRY*	0	0
Interest rate swaps	*EUR*	77,000	5,656	*EUR*	50,000	3,292
Cross currency swaps	*CAD/EUR*	42,500	-556	*CAD/EUR*	42,500	-1,575
	CZK/EUR	745,000	-379	*CZK/EUR*	351,800	662
	CHF/EUR	75,000	-10,430	*CHF/EUR*	80,000	-9,313
	GBP/EUR	10,000	24	*GBP/EUR*	4,320	-256
	DKK/EUR	108,000	-50	*DKK/EUR*	78,000	26
	HUF/EUR	0	0	*HUF/EUR*	96,000	15
	USD/EUR	60,000	1,172	*USD/EUR*	0	0
	PLN/EUR	72,750	246	*PLN/EUR*	50,000	1,281
Derivative liability	*EUR*	5,000	-5,000	*EUR*	5,000	-5,000
			-10,045			**-11,818**

Risk Report

Principles of risk management

The conduct of global operations exposes the Wienerberger Group to a variety of risks that are inseparable from entrepreneurial activities. These risks have an effect on the business segments of the Group and on its assets, liabilities and planned commercial decisions.

The Wienerberger Group follows a policy that is designed to identify and actively manage risks in the operating environment. This policy is based on principles, which are defined by the Managing Board and monitored by the Supervisory Board. The implementation of the risk strategy and the use of hedging instruments are coordinated centrally for the entire Group.

Risk situation and operating risks relating to the Group's markets

As a producer of building materials, Wienerberger operates in a cyclical branch and is therefore affected by developments in the major economies that form the backdrop for its business activities. The business environment is shaped, above all, by macroeconomic developments, construction activity in both the residential and public (infrastructure) sectors and renovation. The development of business is also influenced by consumer confidence, the unemployment rate, long-term interest rates, the availability of financing, tax policies, building regulations and subsidies for housing construction as well as other factors outside the Group's control.

The unfavorable development of any or all of these factors can have a negative influence on the demand for Wienerberger products, both in terms of the volumes sold and the price levels. Cyclical fluctuations in demand lead to a risk of excess capacity, which may result in increased pressure on prices as well as a decline in margins and/or revenues that fails to cover production costs. The building materials industry – and, as a part of this industry, also Wienerberger – is characterized by a high share of fixed costs as a percentage of total costs due to its capital-intensive nature, and active capacity management therefore represents a central instrument for corporate management. Production capacity is analyzed on a continuous basis, and adjusted to reflect market demand through medium-term measures that include temporary or permanent plant closings as well as the relocation of production to more efficient facilities.

Wienerberger views the markets in Central and Eastern Europe – including Hungary, the Czech Republic, Poland, Slovakia, Slovenia, Croatia and above all Bulgaria, Romania and Russia – as long-term growth markets due to the high pent-up demand for new residential construction. Weaker demand and increased pressure on prices in these growth markets can lead to increased risk for the Wienerberger Group.

Furthermore, Wienerberger competes with other roof and wall materials such as concrete, wood, limestone, glass, steel, aluminum and other wall and roofing materials, which exposes the Group to a risk of substitution. Our strong position as a quality leader and investments in the development of premium products should allow us to minimize price and substitution risks. In particular, these developments involve improvements in the physical properties as well as the economy of our products.

The building materials industry is subject to seasonal fluctuations, whereby substantially higher volumes are sold during the months from April to October than in the rest of the year. Similar to the building materials industry, the earnings of the Wienerberger Group are in part dependent on the weather, since long frost and rain periods have a negative influence on demand through a decline in construction activity.

In order to avoid earnings fluctuations wherever possible, Wienerberger pursues a strategy of geographical diversification with parallel concentration on the core business. This core business covers bricks and roof tiles as well as pavers and pipe systems, and positions Wienerberger as a supplier of building material solutions for residential construction and infrastructure projects. Our activities are subject to the usual risks inherent in local markets, where positions must be repeatedly defended against competitors and substitute products. The Group's most important customer group is the building materials sector, and further market adjustments in this branch are expected to increase pressure on prices in the future. Specific market situations can also have a negative impact on price levels, and Wienerberger therefore monitors its price strategy on a continuous basis.

As a multinational corporation, Wienerberger operates in countries that are in different stages of economic and social development. Unfavorable changes in political or economic conditions therefore represent additional sources of risk. The activities of the Wienerberger Group could also be materially affected by the following factors: changes in tax laws on individual markets, in the taxation of energy sources or in labor law; the effect of language and cultural differences on the coordination of international activities; the limitation of opportunities for the repatriation of profits; an increase in legal requirements for the utilization of raw materials; product standards and product liability law; and environmental and safety standards. The growth markets of Russia and India also carry a risk that production equipment may be expropriated without proper compensation. Especially in these markets, Wienerberger is additionally exposed to tax risks that could arise from a change in tax laws or the interpretation of existing tax laws. However, the company is not able to quantify the probability of occurrence or the extent of these potential risks at the present time.

The plastic pipe business is substantially influenced by the development of raw material prices, which correlates closely with the price of crude oil. Synthetic polymers comprise a major part of the production cost 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, coordinated price management is also a decisive factor for the sustainable protection of earnings. In addition to price risk, this business is exposed to a raw material supply risk. Any interruption in supplies would invariably disrupt production. This risk is met, with few exceptions, by developing alternative suppliers for raw materials.

Procurement, production, investment and acquisition risks

The majority of the Wienerberger plants were constructed or modernized in recent years, and many older plants were permanently closed as part of the 2008 and 2009 action plan. Therefore, the risk of operating breakdowns or a longer loss of production due to technical problems is low. Supplies of clay raw materials for the production of bricks and clay roof tiles are guaranteed on a lasting basis by sufficient deposits and long-term supply contracts.

The cost of energy for the firing of bricks represents a significant percentage of the Group’s cost structure. In 2012 energy costs for the Wienerberger Group totaled TEUR 284,526 (2011: TEUR 290,582), or 12.1% (2011: 15.2%) of revenues. These expenses consist of 61% for natural gas, 29% for electricity and 10% for coal and other materials. Energy prices are dependent on international and local market developments, and are subject to fluctuations.

Wienerberger works to minimize the risk connected with rising energy prices in liberalized markets (in total, 80% of energy costs) by concluding futures contracts as well as fixed-price agreements or other contracts with national and international suppliers, in which prices are determined using formulas that are tied to substitute products (such as heating oil). These prices are in part established for longer periods of time. Therefore, futures can be concluded as a hedge against risk using a link to these substitute products. In numerous East European countries (in total, 20% of energy costs) the prices for natural gas are regulated by the federal government and contracts with local suppliers are negotiated each year.

Wienerberger was awarded carbon leakage status for its European brick activities in 2011 and expects the resulting allocation of CO_2 certificates will be sufficient to cover emissions. This status will be reviewed in 2014.

In addition to price risk Wienerberger is also exposed to an energy supply risk, in particular with respect to natural gas and electricity. Any disruption of energy supplies would invariably lead to the standstill of production, and could therefore have a negative effect on operating profit if demand cannot be met from inventories.

Continuing optimization (operational excellence) and product innovations as well as internal and external growth projects are required to increase the value of Wienerberger. The future profitability of these projects is dependent to a large degree on the investment volume and/or acquisition price as well as the development of the market. For this reason, all growth projects must meet the defined return on investment criteria for the Group's bolt-on and strategic projects. The entry into new markets is also connected with risks involving competition, planning accuracy and the evaluation of the political situation as well as the successful, profitable development of business. New projects are therefore analyzed extensively in advance, both from a qualitative and quantitative standpoint.

Financial risks

In addition to financing risk, operating activities expose Wienerberger to interest rate and exchange rate risks. Derivative financial instruments, in particular forward exchange contracts and interest swaps, are used to limit and manage this risk. All cash flow hedges and hedges of investments in foreign operations are classified as highly effective in accordance with IAS 39.88 as a means of offsetting the hedged risks in keeping with risk management objectives. No derivatives are held for speculative purposes.

The refinancing sources open to Wienerberger are determined by numerous financial, macroeconomic and other factors beyond the control of management. These factors include covenants in the existing and future debt arrangements as well as the maintenance of the current rating. According to these covenants, the ratio of net debt to operating EBITDA may not exceed 3.5 years; this indicator equaled 2.2 years as of December 31, 2012. Moreover, operating EBITDA/net interest result equaled 5.0 for the reporting year and substantially exceeded the threshold of 3.75 that was defined in 2011. Part of earnings is used for the payment of interest on debt and is therefore not available for other purposes. If the Group's rating should deteriorate or covenants are not met, interest expense could rise due to an increase in the credit risk premium and lead to higher financing costs and lower cash flow. The failure to comply with covenants could also result in a loan becoming due immediately.

Exchange rate risks

A significant portion of the revenues and earnings of the Wienerberger Group are generated by subsidiaries whose headquarters are not located in the euro zone. Wienerberger recorded 44% of its revenues for the reporting year in currencies other than the euro, predominately East European currencies (19%) and the US dollar (7%). The exchange rate risk connected with cash flows is immaterial due to the local nature of the building materials business. Cash flows into or out of the euro region are almost entirely related to Group dividends or loans. The foreign exchange risk on these intra-group cash flows is managed by the holding company.

Credit financing for the purchase of current assets is concluded in the local currency of the individual companies because of the decentralized structure of the Wienerberger Group. Foreign exchange risk in the financing area is therefore reduced to a minimum, since the Group companies generally issue their invoices in local currency and these transactions form a natural hedge. The exposure of financial liabilities to foreign exchange risk is discussed in note 33.

However, the translation of foreign company financial statements into the euro results in currency translation differences (translation risk), which are recorded in other comprehensive income under foreign exchange adjustments. The revenues, earnings, and balance sheet items of companies not headquartered in the euro region are therefore dependent on the relevant euro exchange rate.

The Wienerberger risk strategy calls for minimizing the translation risk arising from net investments in foreign subsidiaries to a certain extent through hedging. The following table shows Group revenues and capital employed by currency, whereby the calculation of capital employed includes the effects of forward exchange contracts and foreign currency swaps.

	2012		**2011**	
Revenues	*in € mill.*	*share in %*	*in € mill.*	*share in %*
Euro	1,327.0	56	1,142.2	59
East European currencies	438.4	19	362.5	19
US Dollar	164.3	7	108.3	6
Other	425.8	18	302.4	16
Revenues	**2,355.5**	**100**	**1,915.4**	**100**

	2012		**2011**	
Capital employed	*in € mill.*	*share in %*	*in € mill.*	*share in %*
Euro	1,640.5	56	1,452.1	55
East European currencies	575.4	20	514.1	19
US Dollar	358.6	12	430.6	16
Other	356.7	12	255.4	10
Capital employed after hedging effect	**2,931.3**	**100**	**2,652.1**	**100**

The effects of a hypothetical change in foreign exchange rates on earnings and equity are shown in the form of sensitivity analyses. For the purpose of this presentation, change is defined as the year-on-year increase or decrease in the relevant exchange rate versus the euro as of the balance sheet date. As of December 31, 2012, an increase of one annual volatility calculated on the basis of daily changes in the relevant exchange rates against the euro would have led to a decrease of MEUR 90 (2011: MEUR 109) in equity and a decrease of MEUR 1.4 (2011: MEUR 0.8) in profit after tax. A decline in the euro compared with the major currencies would have led to a similar increase in equity and profit after tax.

Interest rate risks

Interest rate risk is comprised of two components: the relevant value (minimum or maximum) of the average term for the Group's financing and the separation into fixed and variable interest rates. The risk associated with fixed interest rates lies in a possible decline in interest rate levels, while the risk associated with variable interest rates arises from the possibility of an increase in interest rates. A parallel upward shift of 100 basis points in interest rates would have decreased profit after tax by MEUR 0.8 (2011: MEUR 0.3) and, through this change in the income statement, also decreased equity by the same amount. A decrease of 100 basis points in interest rates would have increased profit after tax and equity by a similar amount.

The risk position of Wienerberger AG with respect to the interest rate risks arising from liabilities with fixed and variable interest rates is explained below.

In order to analyze interest rate risk (fixed and variable interest rates), financial liabilities (see pages 153 to 155) are adjusted for the effects of derivative instruments (hedging) and short-term fixed-interest financial liabilities are treated as variable interest items. Sensitivity analyses were carried out on fixed interest and variable interest financial liabilities to estimate the impact on earnings and equity.

	2012		2011	
in TEUR	Fixed interest rate	Variable interest rate	Fixed interest rate	Variable interest rate
Interest-bearing loans	707,118	209,303	790,633	140,999
Reclassification of short-term fixed interest rate loans	-13,635	13,635	-336,144	336,144
Effects of derivative instruments (hedging)	-23,000	23,000	-49,371	49,371
Interest-bearing loans after hedging effects	**670,483**	**245,938**	**405,118**	**526,514**

Credit risks

Wienerberger has established strict requirements for the credit standing of its financial partners, which are defined in internal financial and treasury guidelines. The credit risk connected with the investment of liquid funds and securities is limited because Wienerberger works only with financing partners whose credit rating leads to expectations of a sound financial standing. However, financial partners with an excellent rating can also pose a credit risk and Wienerberger therefore continuously monitors developments on financial markets.

The following table shows the maximum exposure of trade receivables and miscellaneous receivables to credit risks as of December 31, 2012, classified by region:

	2012		2011	
Credit risk	*in € mill.*	*share in %*	*in € mill.*	*share in %*
Western Europe	138.3	51	87.6	50
Central-East Europe	90.3	33	45.5	27
North America	20.9	8	16.4	9
Other	20.9	8	24.2	14
Credit risk for the Group	**270.4**	**100**	**173.7**	**100**

Trade receivables, of which MEUR 120 are insured against default, consist primarily of receivables due from building material retailers and large customers because the Group sells almost no products to final customers. Impairment charges to receivables equaled less than 2% of trade receivables, originated loans and other current receivables in 2012, and were not classified separately for this reason.

Liquidity risks

The protection of liquidity and the preservation of a healthy financial base represent the focal points of the Wienerberger strategy. Accordingly, Wienerberger strengthened its financial position with the issue of a new bond in 2012 to refinance financial liabilities that were scheduled for repayment in that year. The most important instruments in this respect are the maximization of free cash flow through cost reduction, active working capital management and a cutback in investments to the necessary minimum. Liquidity risks arise, above all, when cash flows from revenues fall below expectations because of weaker demand and the measures to reduce working capital and cash outflows for fixed costs (active capacity management) are not sufficient or can only be implemented with a delay.

Liquidity is managed on a regular basis, among others, on rolling monthly liquidity forecasts as well as a regular analysis of the cash conversion cycle, which is based on average accounts payable turnover, inventory turnover and receivables conversion.

The receivables conversion period averaged 26 days in 2012 (2011: 25), inventory turnover 111 days (2011: 122) and accounts payable turnover 44 days (2011: 47). This resulted in a cash conversion cycle of 93 days in 2012 compared with 100 days in the prior year.

An analysis of the liquidity risks arising from liabilities is provided on page 152.

Legal risks

Business combinations may be subject to the approval of antitrust authorities, depending on the market position in individual countries and/or the size of the planned acquisition. These approval procedures could lead to delays or, in individual cases, to the prohibition of specific acquisitions or mergers. Wienerberger evaluates the antitrust risk associated with an acquisition together with national and international legal and business experts during the early stages of work on a project in order to minimize this risk. No acquisitions planned by the Group have ever been prohibited.

The pricing policies of Group subsidiaries are actively monitored by competition authorities because of Wienerberger's position on individual regional markets. Antitrust proceedings are pending in Germany, and a conviction would result in a fine. A provision of MEUR 10 was created for this impending penalty as of December 31, 2008. In addition, the EU Commission ordered searches at the offices of plastic pipe and fitting producers during June 2012 in connection with alleged agreements in violation of cartel law, which also included Pipelife International GmbH. The responsible authorities have not issued any findings to date. It should be noted that price-fixing agreements are not part of business policies in the Wienerberger Group; internal guidelines expressly prohibit such activities and call for sanctions in the event of violations.

Other risks

Wienerberger is subject to extensive and increasingly strict environmental, health and safety laws in many countries, which can lead to investments for compliance with these regulations. The failure to comply with these regulations could result in administrative fines, the assessment of damages or the suspension of operating permits. In Italy the authorities have launched an investigation into possible environmental pollution at the Wienerberger locations, which has not produced any results to date.

Wienerberger plants exceed current legal requirements for the prevention of environmental damage, but the intensification of environmental standards presents the Group with a continuous range of new challenges. Legal commitments are identified and met through knowledge of current legal and contractual requirements as well as cooperation with experts and external consultants. Risks arising from the restoration of clay pits are part of the company's operating risk and are monitored continuously.

The risks associated with a breakdown of our centralized Group data processing system as the result of natural disasters have been minimized through the installation of redundant systems at facilities in different locations.

In recent years, a number of building materials companies with operations in the USA became the subject of class action suits from patients with asbestos-related diseases. After an examination of our US activities, we have classified this risk as minimal because none of our American subsidiaries has ever produced or sold asbestos products.

The Wienerberger Group also competes with other firms on the labor market. In order to train future managers and prepare these persons for management positions, Wienerberger has developed curricula that include the Sales Academy, the Plant Manager Program and the Ready4Excellence Program. Wienerberger uses these programs and personalized training measures to optimally train its employees and to also strengthen their ties to the company (see the Wienerberger Sustainability Report for additional information).

Other Information

35. Related party transactions

The following companies and persons are considered to be related parties: 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 reflect third-party conditions. Business relationships between the company and related parties, in particular members of the Managing and Supervisory Boards of Wienerberger AG, are disclosed in note 13 if any payments to these persons are involved. Transactions between companies included in the consolidated financial statements and one member of the Supervisory Board of Wienerberger AG are related primarily to clay deliveries of TEUR 27 (2011: TEUR 157), rentals of TEUR 2,354 (2011: TEUR 2,144) and license payments of TEUR 2,846 (2011: TEUR 2,755) for the use of brand names.

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). This foundation is directed by a three-member management board and has no advisory board. The beneficiaries of the foundation are the shareholders of Wienerberger AG, at an amount equal to their proportional holdings. The members of the Managing Board of Wienerberger AG hold no positions on the management boards of the foundation or its subsidiaries. Wienerberger has no influence on the foundation's business activities and is not obliged to make any further contributions to the assets of the foundation or its subsidiaries. Based on the scope of services exchanged between Wienerberger AG and the ANC private foundation and in accordance with SIC 12, the requirements for consolidation as defined in IAS 27 are not met.

Wienerberger AG and its subsidiaries finance associates, joint ventures and non-consolidated subsidiaries through loans granted at ordinary market conditions. The outstanding receivables due from associates and joint ventures amounted to TEUR 15,530 as of December 31, 2012 (2011: TEUR 20,654), while the comparable amount for non-consolidated subsidiaries was TEUR 6,707 (2011: TEUR 5,892).

36. Share-based payments

On May 11, 2010 the Supervisory Board of Wienerberger AG approved the implementation of a new share-based remuneration program for the members of the Managing Board and key managers. This new program is a long-term variable compensation system, which replaces the stock option plan that was discontinued in 2009. The long-term incentive (LTI) program is a remuneration plan with cash settlement. It is designed to meet the requirements of the Austrian Corporate Governance Code, which call for a sustainable increase in the value of a company. Accordingly, the model is linked to the development of CFROI in the Wienerberger Group as well as the development of the Wienerberger share. The calculation basis for the LTI is formed by virtual shares, so-called performance share units (PSUs), which are allocated to the program participants in accordance with their position in the company. The monetary value of the PSUs is determined at the end of a three-year performance period, at which time CFROI must exceed the minimum defined for the respective program. The average price of the Wienerberger share on the last 20 ATX trading days of the performance period is used as a multiplier. The resulting variable remuneration is paid out in three tranches over a two-year period, with cash settlement made in equal parts over a target corridor. If CFROI falls below the achievement corridor, the payments are cancelled. A condition for participation by the members of the Managing Board is an investment in Wienerberger shares equal to the number of virtual shares allocated; this investment must be retained up to the maturity date for the particular program.

In 2010 48,000 virtual shares were allocated to the Managing Board (CEO: 8,000, board member: 6,000) and the members of management (executive managing director: 2,500, holding company top management and managing directors of larger companies: 1,000).

In 2011 60,000 virtual shares were allocated to the Managing Board (CEO: 8,000, board member: 6,000) and the members of management (executive managing director: 3,000, holding company top management and managing directors of larger companies: 1,000, respectively 2,000). The performance period for the 2011 LTI plan ends with the 2013 financial year.

An LTI plan for the allocation of virtual shares to the members of the Managing Board or management was not approved in 2012.

The options were valued using the Black-Scholes option-pricing model, with the shares carrying a strike price of 0. As of December 31, 2012, a provision had not been created for the 2010 or 2011 plan.

The previous stock option plan was terminated in 2009 and, consequently, no options were granted in 2012. The options from the 2008 program expired in that year. All options granted under the 2007 option program expired during 2012.

The Managing Board of Wienerberger AG released the consolidated financial statements on February 22, 2013 for distribution to the Supervisory Board. The Supervisory Board is responsible for examining and approving the consolidated financial statements.

Vienna, February 22, 2013

The Managing Board of Wienerberger AG

Heimo Scheuch
Chief Executive Officer

Willy Van Riet
Chief Financial Officer

Statement by the Managing Board

We confirm to the best of our knowledge that the consolidated financial statements give 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 gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

We confirm to the best of our knowledge that the separate financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Vienna, February 22, 2013

The Managing Board of Wienerberger AG

Heimo Scheuch
Chief Executive Officer

Willy Van Riet
Chief Financial Officer

Group Companies

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
Wienerberger International N.V.	**Zaltbommel**	**50,000**	**EUR**	**100.00%**	**VK**	
Wienerberger Ziegelindustrie GmbH	Hennersdorf	5,000,000	EUR	100.00%	VK	
Salzburger Ziegelwerk GmbH & Co KG	Oberndorf	438,000	EUR	100.00%	VK	
Wienerberger zRt.	Budapest	2,140,000,000	HUF	100.00%	VK	
Wienerberger Management Service Szolgáltató és Tanácsadó Kft.	Budapest	3,000,000	HUF	100.00%	OK	1)
Wienerberger cihlarsky prumysl, a.s.	Ceske Budejovice	50,000,000	CZK	100.00%	VK	
Cihelna Kinsky, spol. s r.o.	Kostelec nad Orlici	2,000,000	CZK	68.80%	VK	
Wienerberger cihelna Jezernice, spol. s r.o.	Ceske Budejovice	200,000	CZK	100.00%	VK	
Wienerberger cihelna Hodonín, spol. s.r.o.	Ceske Budejovice	50,000,000	CZK	100.00%	VK	
Wienerberger eurostroj, spol. s r.o.	Ceske Budejovice	32,100,000	CZK	100.00%	VK	
Wienerberger Bohemia cihelny, spol. s r. o.	Ceske Budejovice	44,550,000	CZK	100.00%	VK	
Silike keramika, spol. s.r.o.	Ceske Budejovice	100,000	CZK	50.00%	EQ	
Wienerberger slovenske tehelne spol. s r.o.	Zlate Moravce	3,319,392	EUR	100.00%	VK	
Wienerberger Ceramika Budowlana Sp. z o.o.	Warszawa	374,324,808	PLN	100.00%	VK	
Handel Ceramika Budowlana Sp. z o.o.	Warszawa	50,000	PLN	40.00%	OK	1)
Wienerberger Zeslawice Sp. z o.o.	Warszawa	29,490,000	PLN	99.81%	VK	
Wienerberger Ilovac d.d.	Karlovac	8,988,040	HRK	99.92%	VK	
Wienerberger Cetera IGM d.d.	Karlovac	359,240	HRK	99.71%	VK	
IGM Ciglana d.o.o. Petrinja	Petrinja	12,756,900	HRK	100.00%	VK	
WIENERBERGER Industrija opeke d.j.l.	Sarajevo	2,000	KM	100.00%	VK	
Wienerberger Opekarna Ormoz d.o.o.	Ormoz	951,986	EUR	100.00%	VK	
Opekarna Pragersko d.o.o.	Pragersko	1,022,743	EUR	100.00%	VK	
Wienerberger Backa d.o.o	Mali Idos	651,652	EUR	100.00%	VK	
WIENERBERGER Sisteme de Caramizi S.R.L.	Bucuresti	39,147,100	RON	100.00%	VK	
WZI FINANZ-S.à.r.l.	Luxembourg	73,963,917	USD	100.00%	VK	
Wienerberger TOV	Kyiv	3,000,000	UAH	100.00%	VK	
Semmelrock International GmbH	**Wien**	**3,000,000**	**EUR**	**100.00%**	**VK**	
Semmelrock Baustoffindustrie GmbH	Klagenfurt	1,000,000	EUR	100.00%	VK	
Semmelrock Stein + Design GmbH	Klagenfurt	35,000	EUR	62.50%	VK	
Semmelrock Stein + Design GmbH & CoKG	Klagenfurt	100,000	EUR	62.50%	VK	
Lusit Betonelemente GmbH	Klagenfurt	36,336	EUR	62.50%	VK	
Semmelrock Industriebeteiligungsverwaltung GmbH	Wien	35,000	EUR	100.00%	VK	
Semmelrock Stein & Design Kft.	Ócsa	983,100,000	HUF	100.00%	VK	
SEMMELROCK STEIN + DESIGN Dlazby s.r.o.	Sered	3,027,286	EUR	100.00%	VK	
Semmelrock Stein & Design d.o.o.	Ogulin	22,870,000	HRK	100.00%	VK	
Semmelrock Stein & Design Sp. z o.o.	Kolbiel	42,070,000	PLN	100.00%	VK	
Semmelrock Stein + Design S.R.L.	Bolintin-Vale	55,151,300	RON	100.00%	VK	
Semmelrock Tlakovci d.o.o.	Ormoz	8,763	EUR	100.00%	OK	1)
Semmelrock Stein + Design Dlazby a.s.	Praha	2,000,000	CZK	100.00%	VK	
Semmelrock Stein und Design EOOD	Sofia	13,785,500	BGN	100.00%	VK	
Wienerberger GmbH	**Hannover**	**9,500,000**	**EUR**	**100.00%**	**VK**	
ArGeTon GmbH	Hannover	1,600,000	EUR	100.00%	VK	
Schlagmann Beteiligungs GmbH	Zeilarn	26,000	EUR	50.00%	OK	1)
Schlagmann Baustoffwerke GmbH & Co KG	Zeilarn	10,300,000	EUR	50.00%	EQ	
Tongruben Verwaltungs GmbH	Hannover	26,000	EUR	100.00%	OK	1)
KORAMIC Verwaltungs-GmbH	Hannover	26,000	EUR	100.00%	OK	1)
Bockhorner Rohstoffgesellschaft mbH & Co. KG	Bockhorn	100,000	EUR	60.00%	OK	1)
Bockhorner Rohstoff Verwaltungs GmbH	Bockhorn	25,000	EUR	60.00%	OK	1)
Tongrube Lobenfeld GmbH	Oldenburg	25,000	EUR	100.00%	OK	1)
RM 2964 Vermögensverwaltungs GmbH	Hannover	25,000	EUR	100.00%	OK	1)
MR Erwerbs GmbH & Co KG	Hannover	100	EUR	100.00%	VK	
ZZ Wancor AG	**Regensdorf**	**1,000,000**	**CHF**	**100.00%**	**VK**	

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
Wienerberger S.p.A.	**Bubano**	**10,000,000**	**EUR**	**100.00%**	**VK**	
Fornaci Giuliane S.p.A.	Cormons	1,900,000	EUR	30.00%	EQ	
Wienerberger NV	**Kortrijk**	**47,557,745**	**EUR**	**100.00%**	**VK**	
Wienerberger Asset Management NV	Zonnebeke	8,599,827	EUR	100.00%	VK	
Deva-Kort NV	Kortemark	247,894	EUR	100.00%	VK	
Soltech NV	Tienen	1,757,760	EUR	41.19%	EQ	
EUCOSO Sp. z o.o.	Zlotorya	60,000	PLN	49.00%	EQ	
Kerafin NV	Lanaken-Veldwezelt	6,380,700	EUR	100.00%	VK	
Wienerberger Lanaken NV	Lanaken-Veldwezelt	7,000,000	EUR	100.00%	VK	
Wienerberger B.V.	**Zaltbommel**	**36,778,680**	**EUR**	**100.00%**	**VK**	
Van Hesteren & Janssens B.V.	Zaltbommel	363,024	EUR	100.00%	VK	
Desimpel AK1 B.V.	Zaltbommel	70,000	EUR	100.00%	VK	
BrickTrading Holland B.V.	Zaltbommel	18,000	EUR	100.00%	VK	
German Brick Trading B.V.	Zaltbommel	249,700	EUR	100.00%	VK	
Oostergrachstwal Holding B.V.	Zaltbommel	45,378	EUR	100.00%	VK	
Feikema B.V.	Zaltbommel	45,378	EUR	100.00%	VK	
Gelsing Oosterhout B.V.	Zaltbommel	18,200	EUR	100.00%	VK	
Wienerberger Steenvisie B.V.	Zaltbommel	18,000	EUR	100.00%	VK	
Bos & Vermeer B.V.	Zaltbommel	22,689	EUR	100.00%	VK	
Aberson B.V.	Zwolle	60,000	EUR	100.00%	VK	
Steencentrale Neerbosch B.V.	Deest	45,400	EUR	100.00%	VK	
Leeuwis B.V.	Deest	91,210	EUR	100.00%	VK	
Steinzentrale Nord Leeuwis GmbH	Rellingen	52,500	EUR	100.00%	VK	
Straatsbaksteen Nederland B.V.	Zaltbommel	18,000	EUR	100.00%	VK	
Wienerberger Limited	**Cheshire**	**81,120,552**	**GBP**	**100.00%**	**VK**	
Galileo Brick Limited	Cheshire	2,000,000	GBP	100.00%	VK	
Chelwood Group Unlimited	Cheshire	5,975,506	GBP	100.00%	VK	
The Brick Business Limited	Cheshire	900,002	GBP	100.00%	VK	
Building Trade Products Limited	Cheshire	1	GBP	100.00%	VK	
Galileo Trustee Limited	Cheshire	1	GBP	100.00%	VK	
Sandtoft Roof Tiles Limited	Sandtoft	11,029	GBP	73.64%	VK	
Sandtoft Trading Limited	Sandtoft	1,000	GBP	73.64%	VK	
WIENERBERGER PARTICIPATIONS SAS	**Achenheim**	**36,000,000**	**EUR**	**100.00%**	**VK**	
WIENERBERGER SAS	Achenheim	75,000,000	EUR	100.00%	VK	
Briqueterie de Rouffach SAS	Rouffach	336,120	EUR	100.00%	VK	
Wienerberger A/S	**Helsinge**	**107,954,000**	**DKK**	**100.00%**	**VK**	
Wienerberger AS	Lunde	43,546,575	NOK	100.00%	VK	
Wienerberger AB	Bjärred	17,550,000	SEK	100.00%	VK	
General Shale, Inc	**Johnson City**	**5,491**	**USD**	**100.00%**	**VK**	
General Shale Brick, Inc.	Johnson City	1,000	USD	100.00%	VK	
General Shale Finance S.à.r.l.	Luxemburg	12,500	EUR	100.00%	OK	1)
General Shale Building Materials, Inc.	Johnson City	1,000	USD	100.00%	VK	
General Shale Canada Acquisitions Inc.	**Halifax**	**28,500,000**	**CAD**	**100.00%**	**VK**	
Arriscraft International LP	Cambridge	1	CAD	100.00%	VK	
General Shale Canada GP Inc.	Halifax	1	CAD	100.00%	OK	1)
Wienerberger EOOD	**Sofia**	**12,500,000**	**BGN**	**100.00%**	**VK**	
Uspeh AD	Sofia	1,471,040	BGN	99.51%	VK	

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
OOO „Wienerberger Kirpitsch“	**Kiprewo**	**612,694,577**	**RUR**	**81.94%**	**VK**	
OOO „Wienerberger Kurkachi“	Kurkachi	650,036,080	RUR	81.94%	VK	
OOO „Wienerberger Investitions- und Projektmanagement“	Kiprewo	356,000	RUR	99.82%	VK	
Wienerberger OY AB	**Helsinki**	**1,000,000**	**EUR**	**100.00%**	**VK**	
Wienerberger AS	**Aseri**	**1,540,736**	**EUR**	**100.00%**	**VK**	
UAB Wienerberger Statybine Keramika Sp. Z o.o.	**Vilnius**	**3,135,000**	**LTL**	**100.00%**	**VK**	
Wienerberger India Private Limited	**Bangalore**	**990,000,000**	**INR**	**100.00%**	**VK**	
PIPELIFE International GmbH	**Wr. Neudorf**	**29,000,000**	**EUR**	**100.00%**	**VKE**	**2)**
Pipelife Asset Management Ges.m.b.H	Wiener Neudorf	35,000	EUR	100.00%	VKE	
Pipelife Austria GmbH & Co KG	Wiener Neudorf	4,360,370	EUR	100.00%	VKE	
Pipelife Austria GmbH	Wiener Neudorf	36,337	EUR	100.00%	VKE	
Pipelife Belgium NV	Kalmthout	4,950,000	EUR	100.00%	VKE	
Pipelife Bulgaria EOOD	Botevgrad	30,000	BGN	100.00%	VKE	
Pipelife Czech s r.o.	Otrokovice-Kucovaniny	202,971,000	CZK	100.00%	VKE	
PIPELIFE Deutschland Asset Management GmbH	Bad Zwischenahn	26,000	EUR	100.00%	VKE	
PIPELIFE Deutschland GmbH & Co. KG Bad Zwischenahn	Bad Zwischenahn	5,000	EUR	100.00%	VKE	
Pipelife Deutschland Verwaltungs-GmbH Bad Zwischenahn	Bad Zwischenahn	5,726,469	EUR	100.00%	VKE	
Pipelife Eesti AS	Harjumaa Eesti Vabariik	2,422,400	EUR	100.00%	VKE	
Propipe OY	Ii	33,638	EUR	100.00%	VKE	
Pipelife Finland OY	Oulu	33,637	EUR	100.00%	VKE	
Pipelife France SNC	Gaillon	19,743,000	EUR	100.00%	VKE	
Pipelife Hellas S.A.	Thiva-Halkida	24,089,735	EUR	100.00%	VKE	
Pipelife Hrvatska d.o.o.	Sv. Nedjelja	47,171,500	HRK	100.00%	VKE	
Pipelife Hungaria Kft.	Debrecen	3,123,520,000	HUF	100.00%	VKE	
Quality Plastics Holdings Limited	Cork	635,000	EUR	100.00%	VKE	
Quality Plastics Limited	Cork	254	EUR	100.00%	VKE	
Quality Plastics Sales Limited	Cork	127	EUR	100.00%	VKE	
Dromalour Plastics Limited	Cork	3	EUR	100.00%	VKE	
Kenfern Investments Ltd	Cork	508	EUR	100.00%	OKE	1)
Pipelife UK Ltd	Corby	244,001	GBP	100.00%	VKE	
UAB Pipelife Lietuva	Vilnius	1,600,000	LTL	100.00%	VKE	
Pipelife Latvia SIA	Riga	300,000	LVL	100.00%	VKE	
Pipelife Nederland B.V.	Enkhuizen	11,344,505	EUR	100.00%	VKE	
Pipelife Finance B.V.	Enkhuizen	18,000	EUR	100.00%	VKE	
Pipelife Norge AS	Surnadal	50,000,000	NOK	100.00%	VKE	
Pipelife Polska S.A.	Karlikowo	112,243,963	PLN	100.00%	VKE	
Pipelife Romania S.R.L.	Bucharest	7,323,115	RON	100.00%	VKE	
Pipelife Serbia d.o.o.	Belgrade	97,197,855	RSD	100.00%	VKE	
Pipelife RUS LLC	Moscow	104,458,072	RUB	100.00%	VKE	
Pipelife Hafab AB	Haparanda	3,000,000	SEK	100.00%	VKE	
Pipelife Nordic AB	Ölsremma	167,000,000	SEK	100.00%	VKE	
Pipelife Sverige AB	Ölsremma	3,600,000	SEK	100.00%	VKE	
Pipelife Slovenija d.o.o.	Trzin	843,258	EUR	100.00%	VKE	
Pipelife Slovakia s r.o.	Piestany	6,700	EUR	100.00%	VKE	
Arili Plastik Sanayii A.S.	Pendik/Istanbul	7,000,000	TRY	100.00%	VKE	
Pipelife Jet Stream, Inc.	Siloam Springs	0	USD	100.00%	VKE	
CJSC Pipelife Ukraine	Kiew	30,000	USD	100.00%	OKE	1)

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
Tondach Gleinstätten AG	**Gleinstätten**	**500,000**	**EUR**	**50.00%**	**EQ**	**3)**
Ziegelwerk Polsterer GmbH	Leobersdorf	36,336	EUR	50.00%		4)
Tondach Slovensko spol. s.r.o.	Nitrianske Pravno	14,937,263	EUR	100.00%		4)
Tondach Slovenija d.o.o.	Krizevci pri Ljutomeru	5,195,293	EUR	100.00%		4)
Potisje Kanjiza d.d.	Kanjiza	605,394,000	RSD	100.00%		4)
Tondach Makedonija d.d.	Vinica	472,081,630	MKD	100.00%		4)
Tondach Bulgaria EOOD	Sofia	198,000	BGN	100.00%		4)
Tondach Ceska republika s.r.o.	Hranice	250,100,000	CZK	100.00%		4)
Tondach Magyarorszag Rt.	Csorna	5,483,550,000	HUF	100.00%		4)
Tondach Romania GmbH	Sibiu	58,320,655	RON	100.00%		4)
Tondach Hrvatska d.d.	Bedekovcina	116,715,500	HRK	100.00%		4)
Tondach Bosna i Hercegovina d.o.o.	Sarajevo	200,000	KM	80.00%		4)
Wienerberger Dach Beteiligungs GmbH	**Wien**	**500,000**	**ATS**	**100.00%**	**VK**	
WIBRA Tondachziegel Beteiligungs-GmbH	Wien	500,000	ATS	100.00%	VK	
Wienerberger Beteiligungs GmbH	**Wien**	**1,000,000**	**ATS**	**100.00%**	**VK**	
Wienerberger Anteilsverwaltung GmbH	Wien	35,000	EUR	100.00%	VK	
Tondach Holding GmbH	Wien	35,000	EUR	100.00%	VK	
Wienerberger Industriebeteiligungsverwaltung GmbH	Wien	35,000	EUR	100.00%	VK	
Wienerberger Finance Service B.V.	Zaltbommel	18,000	EUR	100.00%	VK	
Wienerberger Finanz Service GmbH	Wien	25,435,492	EUR	100.00%	VK	
Wienerberger West European Holding GmbH	Wien	35,000	EUR	100.00%	VK	
Wienerberger ZZ Holding GmbH	Wien	35,000	EUR	100.00%	VK	
WK Services NV	Kortrijk	32,226,158	EUR	100.00%	VK	
V.L. Baustoff GmbH	Ehingen	52,000	EUR	100.00%	VK	
Wienerberger Beteiligungs GmbH	Hannover	26,000	EUR	100.00%	OK	1)
Dryfix GmbH	Hennersdorf	35,000	EUR	100.00%	VK	
Wienerberger Gamma Asset Management GmbH	Wien	35,000	EUR	100.00%	VK	
Steinzeug-Keramo GmbH	**Frechen**	**18,408,000**	**EUR**	**100.00%**	**VK**	
Steinzeug - Keramo NV	Hasselt	9,400,000	EUR	100.00%	VK	
Keramo-Wienerberger Immo NV	Hasselt	14,068,558	EUR	100.00%	VK	
SOCIETA DEL GRES s.p.a	Sorisole	2,000,000	EUR	100.00%	VK	
Keramo Steinzeug s.r.o.	Ceske Budejovice	40,000,000	CZK	100.00%	OK	1)
Steinzeug - Keramo B.V.	Belfeld	2,722,680	EUR	100.00%	VK	
Steinzeug - Keramo SARL	Pontoise	38,125	EUR	100.00%	VK	

VK........Full consolidation
VKE......First time full consolidation
EQ........At Equity consolidation
EQE......First time at equity consolidation
OK........No consolidation
OKE .....No consolidation (first time)

1) Immaterial
2) Holding company of the Pipelife Group
3) Holding company of the Tondach Group
4) Subsidiary of the Tondach Gleinstätten AG

Auditor's Report

Report on the Consolidated Financial Statements

We have audited the accompanying ***consolidated financial statements*** of Wienerberger AG, Vienna, for the year ***from 1 January 2012 to 31 December 2012.*** These consolidated financial statements comprise the consolidated balance sheet as of 31 December 2012, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated changes in equity statement for the fiscal year 2012 and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements and for the Accounting System

The Company's management is responsible for the group accounting system and for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility and Description of Type and Scope of the Statutory Audit

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing, as well as in accordance with International Standards on Auditing, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of 31 December 2012 and of its financial performance and its cash flows for the year from 1 January to 31 December 2012 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Report on the Management Report for the Group

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the management report for the Group is consistent with the consolidated financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, 22 February 2013

KPMG
Wirtschaftsprüfungs- und Steuerberatungs AG

signed by

Mag. Helmut Kerschbaumer
Wirtschaftsprüfer

Mag. Yann-Georg Hansa
Wirtschaftsprüfer

(Austrian Chartered Accountants)

Glossary

Acquisition Expenditure for the purchase of a company or share in a company (vs. investment – see below)

ADR American Depository Receipt: deposit certificates that confirm ownership of a foreign stock and are traded on US stock exchanges or over-the-counter as shares; US banks buy stock and issue ADR's in order to give foreign companies access to the US capital market

Asset coverage Equity divided by non-current assets; indicates to what percent land, buildings, machinery etc. are covered by equity

ATX Abbreviation for the "Austrian Traded Price Index" of the Vienna Stock Exchange

Bearer shares Shares that are not issued to a specific person; the rights to these securities accrue to the person who holds them

Bolt-on projects Construction of new plants, capacity upgrades or smaller acquisitions that carry synergy potential through integration in existing operations

CAGR Compound Annual Growth Rate

Capital Employed (CE) Equity plus interest-bearing debt (incl. net inter-company balance) less liquid funds and financial assets; the sum of capital engaged in a company

Capital Employed, historical Capital employed at historical purchase prices; capital employed plus accumulated depreciation

CFROI Cash Flow Return on Investment; ratio of operating EBITDA to average historical capital employed

Clay blocks Bricks made of burned clay, which are normally used as perforated bricks under plaster

Clay roof tiles Roof tiles made of burned clay in various shapes and colors

Common shares Shares that carry full rights in a stock corporation (including participation in the Annual General Meetings, voting rights and dividend rights)

Corporate governance Rules for the responsible management and control of companies that are set forth in the Austrian Corporate Governance Code

Covenant (financial) A clause in a credit agreement that obliges the borrower not to exceed or fall below a specific indicator

Cross currency swap Agreement between contract partners to exchange cash flows in two different currencies over a certain period of time; a hedge against foreign currency fluctuations

CSR Corporate social responsibility; voluntary activities of a company that support social interests and environmental issues

CVA Cash Value Added; operating EBITDA – (average historical capital employed x hurdle rate)

Deferred taxes The result of timing differences in the valuation of individual company financial statements prepared according to IFRS and tax law

Depreciation, economic The value that must be earned each year in order to cover expenses for replacement investments at the end of an asset's useful life

Depreciation ratio Depreciation (excluding impairment charges to goodwill and assets) as a percentage of revenues

EBIT Earnings before interest and taxes, or operating profit

EBITDA Earnings before interest, taxes, depreciation and amortization, or operating profit before depreciation and amortization = gross cash flow

EBITDA margin EBITDA divided by revenues

Equity method Valuation method used for the consolidation of investments between 20% and 50% in other companies

Equity ratio Equity divided by total assets

EVA Economic Value Added, or the difference between the return on capital employed and cost of capital; average capital employed x (ROCE – WACC)

Facing brick External brick layer of two-layer non-load bearing exterior walls for buildings (face wall – air layer below/above insulation – rear wall)

Forward exchange contract Foreign exchange transaction that is not realized at conclusion of the relevant contract, but at a later point in time; a hedge against exchange rate fluctuations

Free cash flow Cash flow from operating activities less cash flow from investing activities + growth capex; the amount of cash earned in the current year that is available for expansion projects, dividends and the repayment of debt or share buy-backs

Free float company Publicly traded corporation with a majority share of free float

GARP investor Growth at a reasonable price; investor who aims to identify only those growth stocks that meet his/her criteria for buying at reasonable prices

Gearing Debt indicator; financial liabilities less liquid funds (securities, cash on hand and in banks, net intra-Group receivables/liabilities) divided by equity including non-controlling interests; an indicator of financial security

Goodwill Surplus of the price paid for a company over the net assets acquired

Hedging Measures used in the management of financial risk to limit or avoid negative market changes in the areas of interest rates, foreign currency, market values or raw materials

Hurdle rate Return that must be earned to cover the cost of capital and economic depreciation; WACC before tax + economic depreciation (see above)

Hybrid capital Subordinated perpetual corporate bond, which is ranked between equity and debt as mezzanine capital

IFRS International Financial Reporting Standards

Interest cover operating EBIT divided by interest result; indicates the number of times operating income will cover interest result

Interest rate swap Agreement to exchange cash flows with different terms over a specific period of time; these cash flows are based on fixed and variable interest rates; provides security against interest rate fluctuations

Investments Additions to plant, property and equipment and intangible assets (vs. acquisitions – see above)

Joint venture Agreement by two or more companies to jointly operate a business enterprise

Net debt Net sum of financial liabilities less cash and cash at bank and securities

NF Abbreviation for “Normalformat”, the standard size for clay blocks (250 x 120 x 65 mm)

NOPAT Net operating profit after tax, or operating profit less taxes and adjusted taxes (tax effects from financial results)

Paver Product made of clay or concrete, which is used in the design of gardens and public areas

PE Polyethylene, a synthetic material

PP Polypropylene, a synthetic material

Preferred shares Shares that are senior to common shares based on special rights conveyed by the articles of association

PVC Polyvinyl chloride, a synthetic material

P/E ratio Price/earnings ratio; an indicator for the market valuation of a stock

Rating Standardized evaluation of the credit standing of a company, which indicates the probability of insolvency or delayed payments

Registered shares Shares issued in the name of the shareholder; the owner is listed in the company’s share register

Return on equity Net profit divided by equity, or the rate of return on shareholders’ investments

ROCE Return on capital employed, or NOPAT divided by average capital employed = net yield on capital employed

Stock option Form of compensation that gives management and employees the right to purchase stock in their company at certain conditions if specific goals are reached

Strategic projects Acquisitions of larger competitors or companies with leading market positions or the construction of plants in new markets; these measures form the basis for future bolt-on projects (see above)

Translation risk Arises from the conversion of foreign currency items on the balance sheet; these foreign exchange fluctuations are not offset by balance sheet items in the same currency

Treasury Staff function to safeguard the financing, cash management and financial risk management of a company

UGB Unternehmensgesetzbuch (the Austrian Corporate Code)

WACC Weighted average cost of capital, or the average price a company must pay on financial markets for equity and debt

W/(m^{2}K) Watt per sqm Kelvin; unit for thermal insulation value (R-value)

WF Abbreviation for “Waalformat”, the standard size for a facing brick (210 x 100 x 50 mm)

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Financial Calendar

January 29, 2013	*Start of the quiet period*
February 26, 2013	Results for 2012 Press and Analysts Conference in Vienna
February 27, 2013	Analysts Conference in London
March 29, 2013	Publication of the 2012 Annual Report on the Wienerberger website
April 22, 2013	*Start of the quiet period*
May 8, 2013	First Quarter Results for 2013
May 14, 2013	144th Annual General Meeting in the Austria Center Vienna
May 16, 2013	Deduction of dividends for 2012 (ex-day)
May 21, 2013	First day of payment for 2012 dividends
July 23, 2013	*Start of the quiet period*
August 20, 2013	Results for the First Six Months of 2013 Press and Analysts Conference in Vienna
August 21, 2013	Analysts Conference in London
September 4-6, 2013	Capital Markets Day 2013 in the USA
October 22, 2013	*Start of the quiet period*
November 13, 2013	Third Quarter Results for 2013

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Wienerberger Online Annual Report 2012:
http://annualreport.wienerberger.com

Ten-Year Review

Corporate Data		2003	2004	2005
Revenues	*in € mill.*	1,826.9	1,758.8	1,954.6
EBITDA	*in € mill.*	349.9	405.4	429.3
Operating EBITDA 2)	*in € mill.*	349.9	405.4	428.4
Operating EBITDA margin 2)	*in %*	19.2	23.1	21.9
EBIT	*in € mill.*	190.2	257.5	269.6
Operating EBIT 2)	*in € mill.*	190.2	257.5	270.3
Profit before tax	*in € mill.*	154.3	231.4	251.3
Profit after tax	*in € mill.*	113.1	181.8	196.4
Free cash flow	*in € mill.*	274.6	300.7	212.5
Total investments	*in € mill.*	392.6	632.6	338.7
Net debt	*in € mill.*	739.0	762.4	934.4
Capital employed	*in € mill.*	1,635.4	2,031.5	2,289.4
Gearing	*in %*	75.2	55.8	63.0
Interest cover 3)		5.3	7.7	6.2
Return on equity 4)	*in %*	11.5	13.3	13.2
ROCE 5)	*in %*	8.4	9.7	9.4
EVA ® 5)	*in € mill.*	22.4	43.8	41.5
CFROI 6)	*in %*	12.1	12.9	12.9
CVA 6)	*in € mill.*	3.0	28.6	28.7
Ø Employees		12,237	12,154	13,327

Stock Exchange Data		2003	2004	2005
Earnings per share	*in €*	1.71	2.54	2.66
Adjusted earnings per share 2)	*in €*	2.01	2.54	2.67
Dividend per share	*in €*	0.77	1.07	1.18
Dividends	*in € mill.*	49.8	78.7	86.4
Equity per share 7)	*in €*	15.2	19.6	20.3
Share price at year-end	*in €*	21.18	35.15	33.80
Shares outstanding (weighted) 8)	*in 1.000*	64,645	69,598	73,196
Market capitalization at year-end	*in € mill.*	1,382.6	2,607.0	2,506.9

Condensed Balance Sheet		2003	2004	2005
Non-current assets	*in € mill.*	1,601.9	2,012.7	2,232.1
Inventories	*in € mill.*	348.4	391.4	445.9
Other assets	*in € mill.*	598.2	461.8	591.6
Balance sheet total	*in € mill.*	2,548.5	2,865.9	3,269.6
Equity 9)	*in € mill.*	983.0	1,367.2	1,483.1
Provisions	*in € mill.*	226.4	178.9	168.4
Liabilities	*in € mill.*	1,339.1	1,319.8	1,618.1

1) The data were adjusted to reflect a change in accounting policy
2) Adjusted for non-recurring income and expenses
3) Operating EBIT / Interest result
4) Profit after tax / Equity
5) Since 2005 financial year, calculation based on average capital employed (2012 calculated on pro-forma 12-month basis)

2006	2007	2008	2009	2010 1)	2011 1)	2012	CAGR 2003 - 2012
2,225.0	2,477.3	2,431.4	1,816.9	1,663.6	1,915.4	2,355.5	3%
476.6	551.2	396.6	157.5	198.3	240.4	216.7	-5%
471.9	551.2	440.1	208.6	198.3	240.4	245.5	-4%
21.2	22.3	18.1	11.5	11.9	12.6	10.4	
297.5	353.1	158.1	-258.1	4.6	37.5	-21.7	-179%
303.1	353.1	239.8	19.0	4.6	40.0	31.0	-18%
277.3	358.4	123.1	-295.6	-42.5	47.4	-36.2	-185%
218.3	295.8	103.3	-258.7	-35.4	39.4	-40.5	-189%
272.1	293.8	195.4	250.8	170.5	135.0	163.6	-6%
530.4	645.6	505.6	134.2	143.5	151.7	268.7	-4%
1,159.8	566.8	890.2	408.0	362.3	358.8	602.0	-2%
2,598.2	3,060.2	3,252.2	2,816.8	2,718.4	2,652.1	2,931.3	7%
72.9	21.2	35.6	16.0	14.5	14.8	25.5	
6.2	8.2	5.7	0.5	0.1	1.1	0.6	
13.7	11.1	4.1	-10.2	-1.4	1.6	-1.7	
9.4	10.1	6.2	0.2	0.0	0.9	0.4	
45.7	72.8	-27.8	-207.3	-183.8	-163.3	-192.2	
12.6	13.0	9.3	4.3	4.2	5.0	5.2	
23.8	42.8	-103.0	-353.8	-348.6	-313.7	-331.8	
13,639	14,785	15,162	12,676	11,296	11,893	13,060	1%

2006	2007	2008	2009	2010 1)	2011 1)	2012	CAGR 2003 - 2012
2.95	3.46	0.81	-3.17	-0.58	0.07	-0.61	-189%
3.02	3.46	1.69	-0.34	-0.58	0.09	-0.25	-175%
1.30	1.45	0.00	0.00	0.10	0.12	0.12	-19%
95.3	120.5	0.0	0.0	11.7	14.1	14.1	-13%
21.7	28.9	24.2	22.5	17.3	16.6	16.3	1%
45.00	37.93	11.90	12.78	14.29	6.97	6.93	-12%
73,309	75,491	82,895	91,297	116,528	116,762	115,063	7%
3,337.6	3,184.1	999.0	1,502.0	1,679.5	819.2	814.3	-6%

2006	2007	2008	2009	2010 1)	2011 1)	2012	CAGR 2003 - 2012
2,531.6	2,915.8	3,011.0	2,726.0	2,708.1	2,611.4	2,800.8	6%
509.8	669.8	720.0	552.4	555.9	576.6	700.9	8%
632.9	744.3	652.9	809.0	737.3	803.4	638.0	1%
3,674.3	4,329.9	4,383.9	4,087.4	4,001.3	3,991.4	4,139.7	6%
1,591.4	2,672.7	2,497.2	2,547.0	2,503.3	2,430.8	2,363.7	10%
177.5	188.4	190.0	187.9	205.3	197.2	265.9	2%
1,905.4	1,468.8	1,696.7	1,352.5	1,292.7	1,363.4	1,510.1	1%

6) Since 2005 financial year, calculation based on average historical capital employed (2012 calculated on pro-forma 12-month basis)
7) Equity including non-controlling interests; excluding hybrid capital
8) Adjusted for treasury stock
9) Equity including non-controlling interest and hybrid capital

If you want to learn more about Wienerberger and there is no order card attached, you can ask for our annual or quarterly reports or add your name to our mailing list by contacting us at

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The Annual Report and Annual Financial Statements for 2012, which were released on March 29, 2013 and presented at the 144th Annual General Meeting on May 14, 2013 in Vienna, are also available for download under www.wienerberger.com. Available in German and English.

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