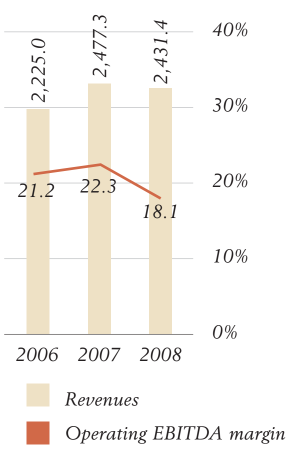
Wienerberger

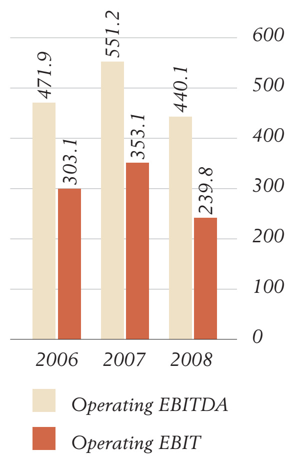
We were the first again in 2008. Unfortunately.

Annual Report 2008

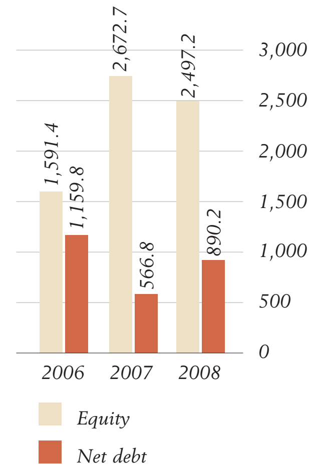
Revenues and operating EBITDA Margin
in € mill. and %



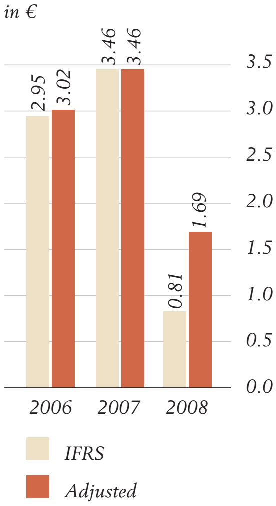
EBITDA and EBIT (operating)
in € mill.



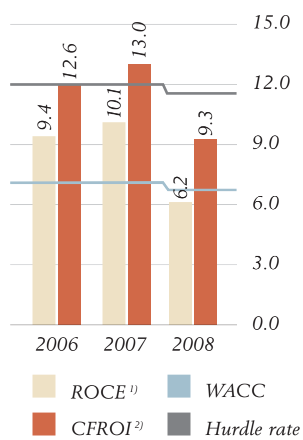
Equity and Net Debt
in € mill.



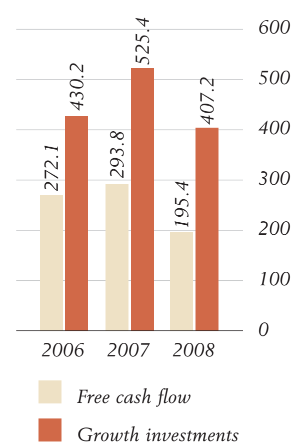
Earnings per Share
in €



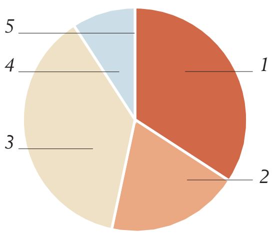
ROCE and CFROI
in %



Free Cash Flow and Growth Investments
in € mill.

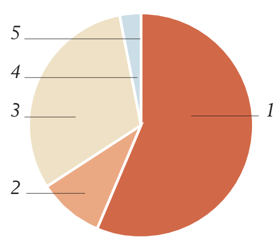


Revenues by Segment



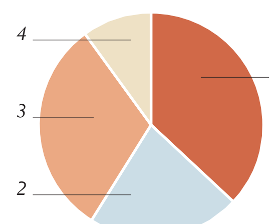
1 Central-East Europe 37%
2 Central-West Europe 18%
3 North-West Europe 37%
4 North America 10%
5 Investments and Other -2%

Operating EBITDA by Segment



1 Central-East Europe 60%
2 Central-West Europe 10%
3 North-West Europe 33%
4 North America 3%
5 Investments and Other -6%

Revenues by Product



1 Wall 38%
2 Roof 22%
3 Facade 31%
4 Pavers 9%

1) Calculation based on average capital employed
2) Calculation based on average historical capital employed

Earnings Data		2006	2007	2008	Chg. in %
Revenues	in € mill.	2,225.0	2,477.3	2,431.4	-2
Operating EBITDA [1]	in € mill.	471.9	551.2	440.1	-20
Operating EBIT [1]	in € mill.	303.1	353.1	239.8	-32
Restructuring costs and impairment charges to property, plant and equipment	in € mill.	-2.1	0.0	-55.0	<-100
Impairment charges to goodwill	in € mill.	-3.5	0.0	-16.7	<-100
Profit before tax	in € mill.	277.3	358.4	123.1	-66
Profit after tax	in € mill.	218.3	295.8	103.3	-65
Free cash flow [2]	in € mill.	272.1	293.8	195.4	-33
Maintenance capex	in € mill.	100.2	120.2	98.4	-18
Growth investments	in € mill.	430.2	525.4	407.2	-22
ROCE [3]	in %	9.4	10.1	6.2	-
CFROI [4]	in %	12.6	13.0	9.3	-
Employees [5]		13,639	14,785	15,162	+3

Balance Sheet Data		2006	2007	2008	Chg. in %
Equity [6]	in € mill.	1,591.4	2,672.7	2,497.2	-7
Net debt	in € mill.	1,159.8	566.8	890.2	+57
Capital employed	in € mill.	2,598.2	3,060.2	3,252.2	+6
Balance sheet total	in € mill.	3,674.3	4,329.9	4,383.9	+1
Gearing	in %	72.9	21.2	35.6	-

Stock Exchange Data		2006	2007	2008	Chg. in %
Earnings per share	in €	2.95	3.46	0.81	-77
Adjusted earnings per share [1]	in €	3.02	3.46	1.69	-51
Dividend per share	in €	1.30	1.45	0.00	<-100
Share price at year-end	in €	45.00	37.93	11.90	-69
Shares outstanding (weighted) [7]	in 1,000	73,309	75,491	82,895	+10
Market capitalization at year-end	in € mill.	3,337.6	3,184.1	999.0	-69

Segments 2008 *in € mill. and %*	Central-East Europe		Central-West Europe		North-West Europe		North America		Investments and Other [8]	
Revenues	899.3	*(+6%)*	430.1	*(-3%)*	908.8	*(0%)*	234.3	*(-29%)*	-41.1	*(+19%)*
Operating EBITDA [1]	262.0	*(-7%)*	42.5	*(-44%)*	144.0	*(-22%)*	15.1	*(-57%)*	-23.5	*(+13%)*
Operating EBIT [1]	193.4	*(-11%)*	4.6	*(-86%)*	73.2	*(-39%)*	-4.0	*(<-100%)*	-27.4	*(+15%)*
CFROI in % [4]	19.6		5.2		7.9		2.2		-50.9	
Total investments	226.0	*(+61%)*	37.6	*(-39%)*	176.7	*(-39%)*	47.1	*(-68%)*	18.2	*(>100%)*
Capital employed	854.9	*(+13%)*	480.6	*(-4%)*	1,298.0	*(+1%)*	583.2	*(+12%)*	35.5	*(>100%)*
Employees	5,832	*(+7%)*	2,366	*(-2%)*	4,769	*(+12%)*	1,969	*(-22%)*	226	*(+31%)*

1) Adjusted for non-recurring income and expenses
2) Cash flow from operating activities minus cash flow from investing activities plus growth investmens
3) Calculation based on average capital employed
4) Calculation based on average historical capital employed
5) Average number of employees for the year
6) Equity including minority interest and hybrid capital
7) Adjusted for treasury stock
8) Including Group eliminations and holding company costs; negative revenues are due to the offset of inter-company sales in this segment

Note: In the table of segment data, changes in % to the comparable prior year period are shown in brackets.
All abbreviations and foreign terms are defined in the glossary on page 154.

The Year 2008 in Review

2008 marked a clear turning point in global economic development. The financial crisis and its spread to the real economy drove the USA and Western Europe into a recession after years of growth. High write-offs to bank portfolios triggered a loss of confidence in the financial sector as well as a shortage of liquidity on capital markets. The construction industry was one of the first sectors to be affected by the downturn because new residential construction is heavily dependent on bank financing and consumers generally postpone major investments in uncertain times. Wienerberger reacted quickly to the changing market environment in summer 2008 and launched an extensive optimization and restructuring program that included the shutdown of 27 plants and 11 production lines.

The development of business was influenced by the increasing deterioration of economy in the USA and Europe, and Wienerberger was unable to repeat the record prior year performance in 2008: Group revenues declined by a slight 2% to € 2,431.4 million, while operating EBITDA fell considerably by 20% to € 440.1 million and operating EBIT by 32% to € 239.8 million. Adjusted earnings per share (after non-recurring effects) dropped to € 1.69 (2007: € 3.46).

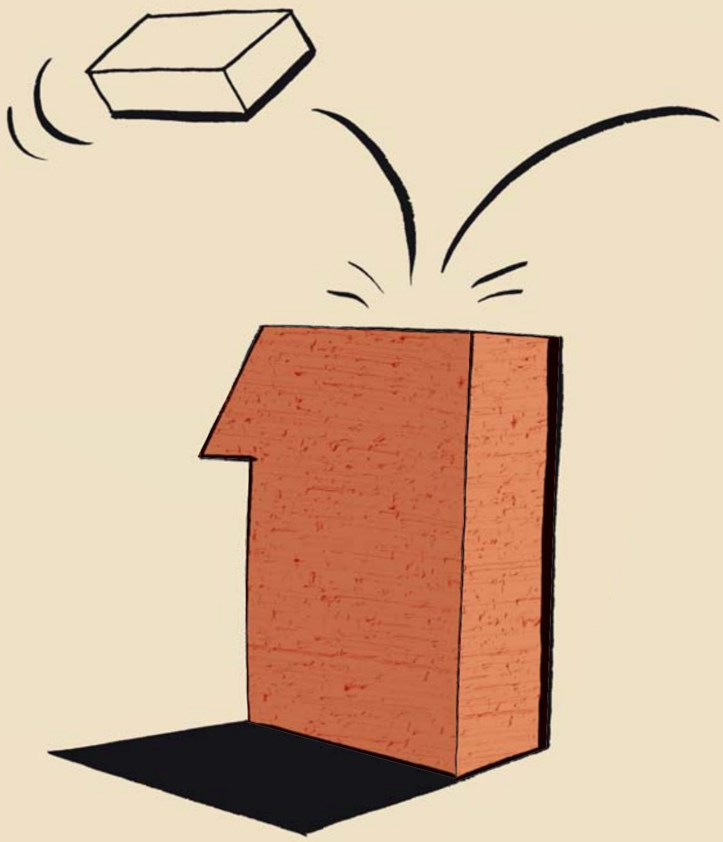
As a consequence of the continuing economic downturn and high forecast uncertainty, the Managing Board will recommend that the Annual General Meeting waive the distribution of a dividend for 2008 and instead use these funds to increase the company's liquidity reserves – because liquidity has top priority in times like these.

Market Positions

Wienerberger is the world's largest producer of bricks and Nr. 2 on the clay roof tile market in Europe. We also hold leading positions in pavers in Europe, with a total of 243 plants in 26 countries.

Clay blocks:	**Nr. 1 worldwide**
Facing bricks:	**Nr. 1 in Europe, co-leader in the USA**
Clay roof tiles:	**Nr. 2 in Europe**
Pavers:	**Nr. 2 in Central-East Europe**

The financial crisis hit the construction industry first.



Our Vision

Building Value. For a sustainable future.

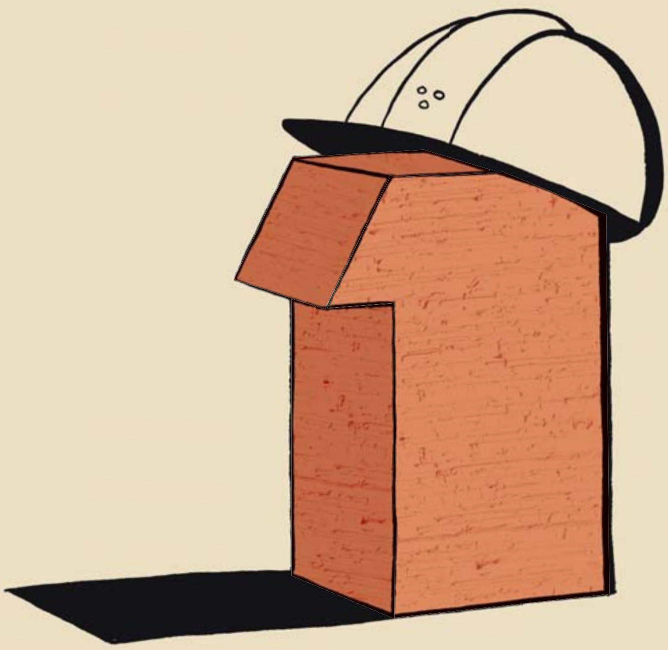
Mission Statement

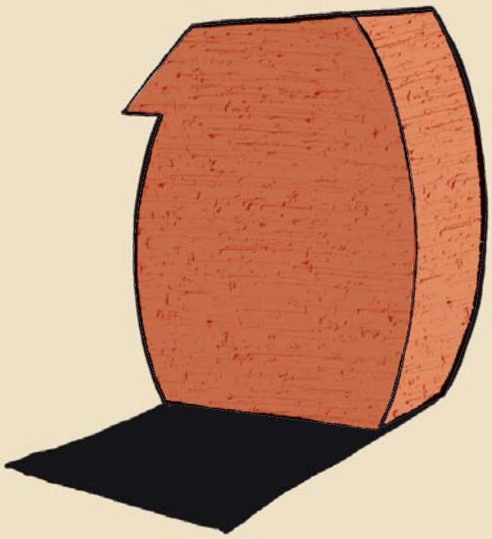
As the world's leading manufacturer of bricks, we regard the economy as an integral part of society. Its duty is to serve people and generate benefits for all. Our goal is to create sustainable values with natural products: a residential environment of lifelong quality and safety for our customers, a sound investment for our shareholders and attractive jobs for our employees. We take our role as a responsible member of society seriously and act in accordance with economic, ecological and social principles – in order to remain successful in the future.

We focus on the areas in which we are among the best in the world – our core products for wall, roof, facade and paving. The long history of our company, our strong affiliation with natural products, our employees who act as entrepreneurs and our internationality through individual diversity provide a sound basis for the creation of lasting values.

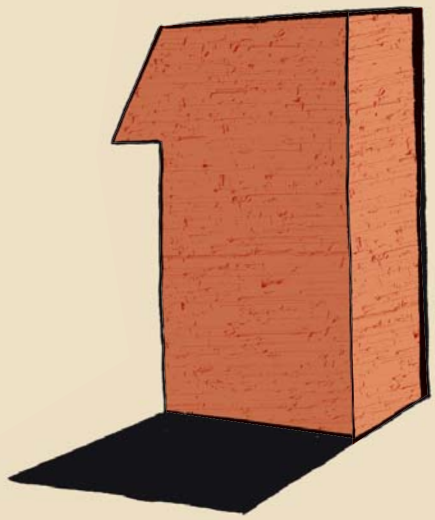
We believe in people.
Bricks by Wienerberger. Designed for living.

And that's why we got to work right away.





Before

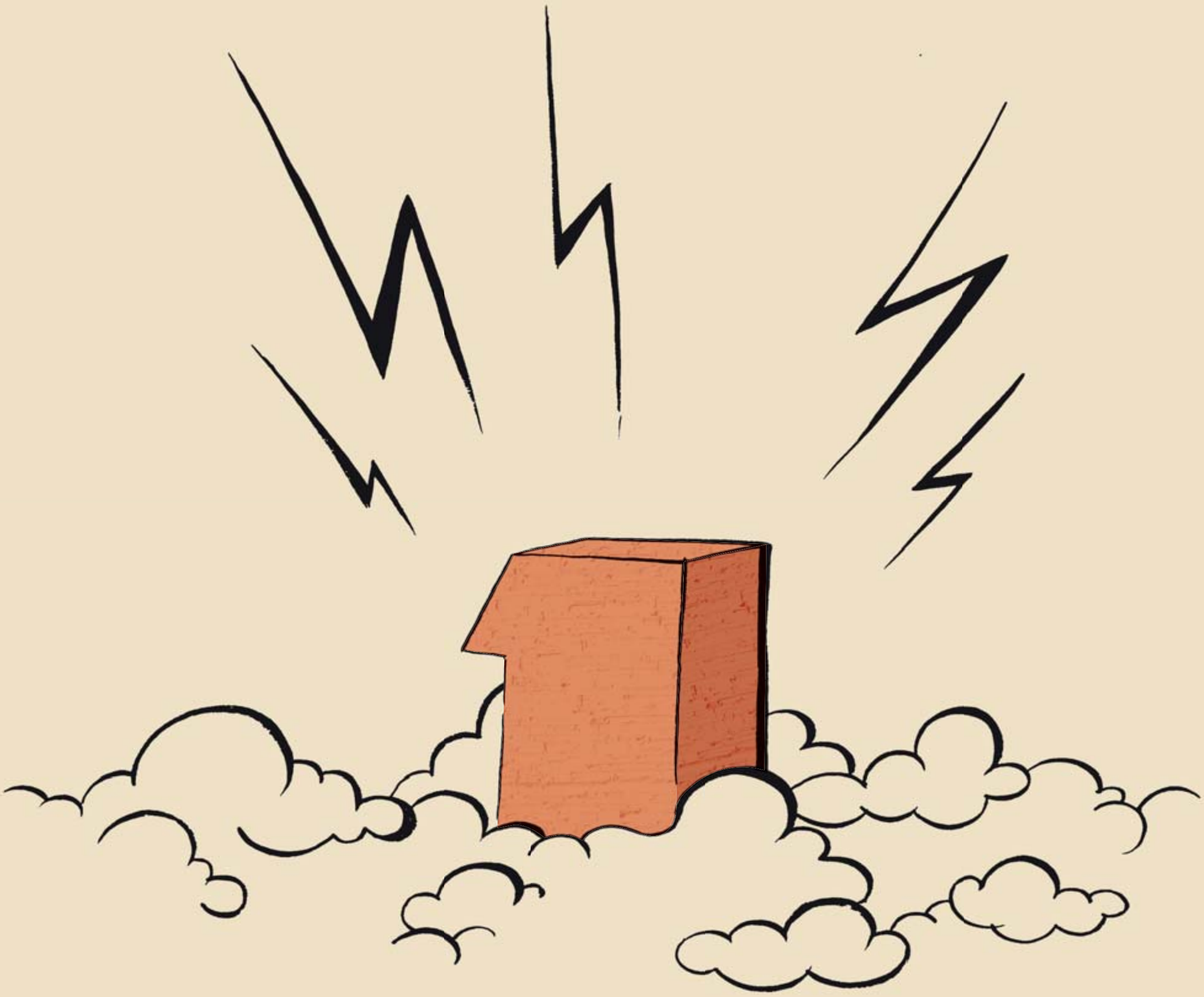


After

When times change, we're the first to react:

Fast implementation of restructuring and optimization measures

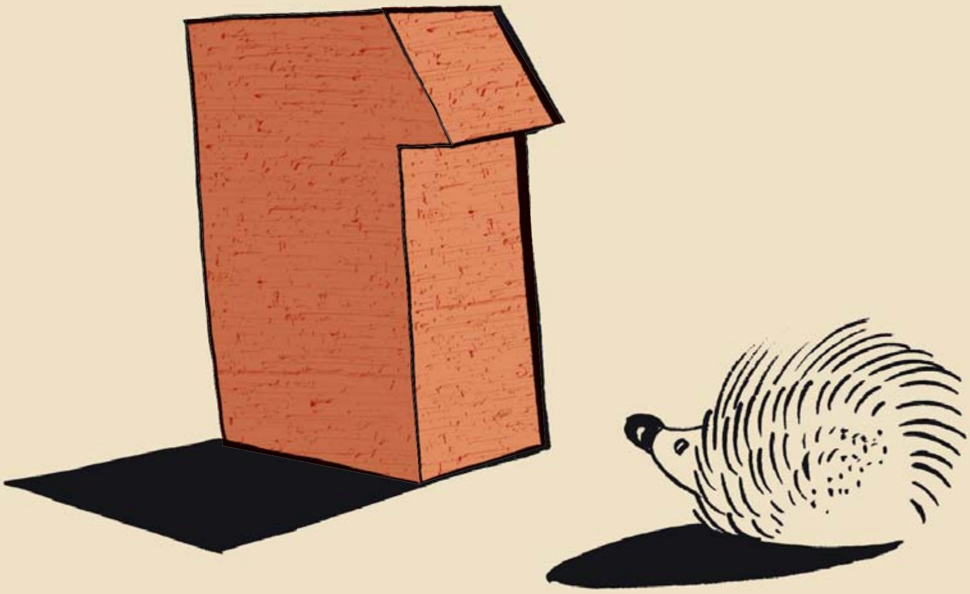
We didn't waste any time and immediately took the necessary steps. Our production capacity was adjusted to meet demand through the temporary shutdown or closing of 27 primarily older plants. These measures led to € 55 million of non-recurring negative effects (€ 33 million in cash and € 22 million of special write-downs). We started an extensive program to reduce administrative and selling expenses. Our calculations show that all these steps will result in cost savings of € 90 million beginning in 2009. This is the only way we can remain Nr. 1.



For the Nr. 1, this looks dramatic at first glance:

-20% in operating EBITDA

In spite of a sharp drop in sales volumes on the British market and weak demand in the USA and Germany, revenues were just slightly below the prior year. However, lower capacity utilization, cost inflation and a more flexible pricing policy led to a decline of 20% in operating EBITDA. A second look shows a still impressive total of € 440 million, which is the third highest operating result ever recorded by Wienerberger.

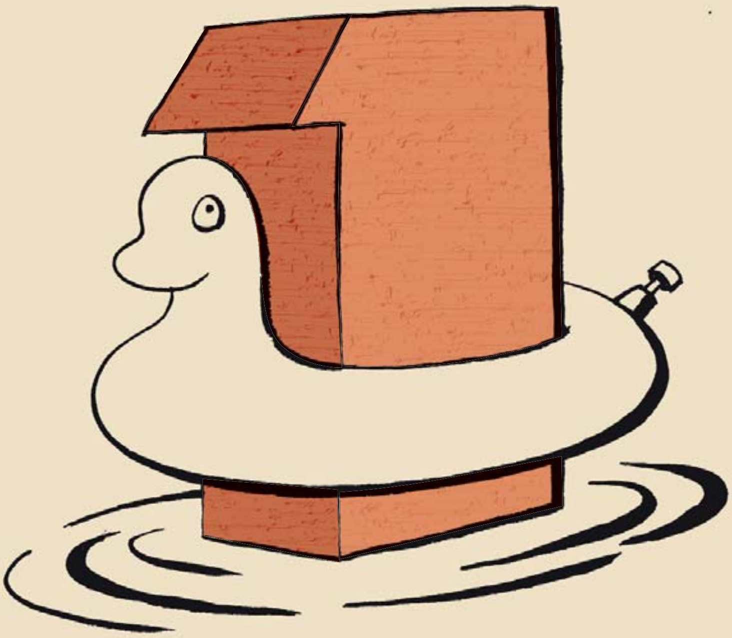


Hedgehogs hibernate in times like these.

Even the Nr. 1 needs to step on the brakes:

Maintenance capex cut to € 98 million

We also reacted quickly and adjusted our capex program last summer: we have only continued to pursue the growth projects already in progress (€ 407 million) and reduced maintenance capex to € 98 million (below 50% of depreciation). The € 100 million of growth investments planned for 2009 will be used only to complete previously started projects, and maintenance capex will be limited to € 80 million.

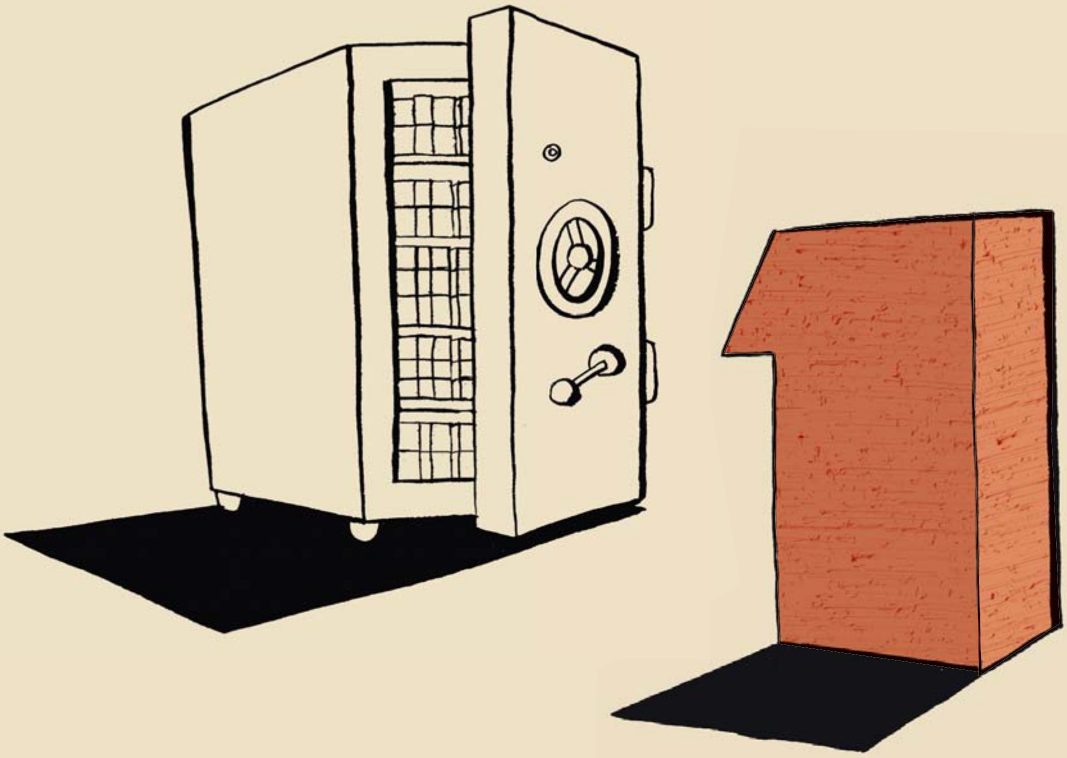


Safety first.

Even a Nr. 1 needs to stay afloat:

Liquidity safeguarded up to the end of 2011

Our € 429 million refinancing requirements up to the end of 2011 are backed by liquid funds and undrawn committed credit lines. Uncertain times call for better protection – also for the Nr. 1.

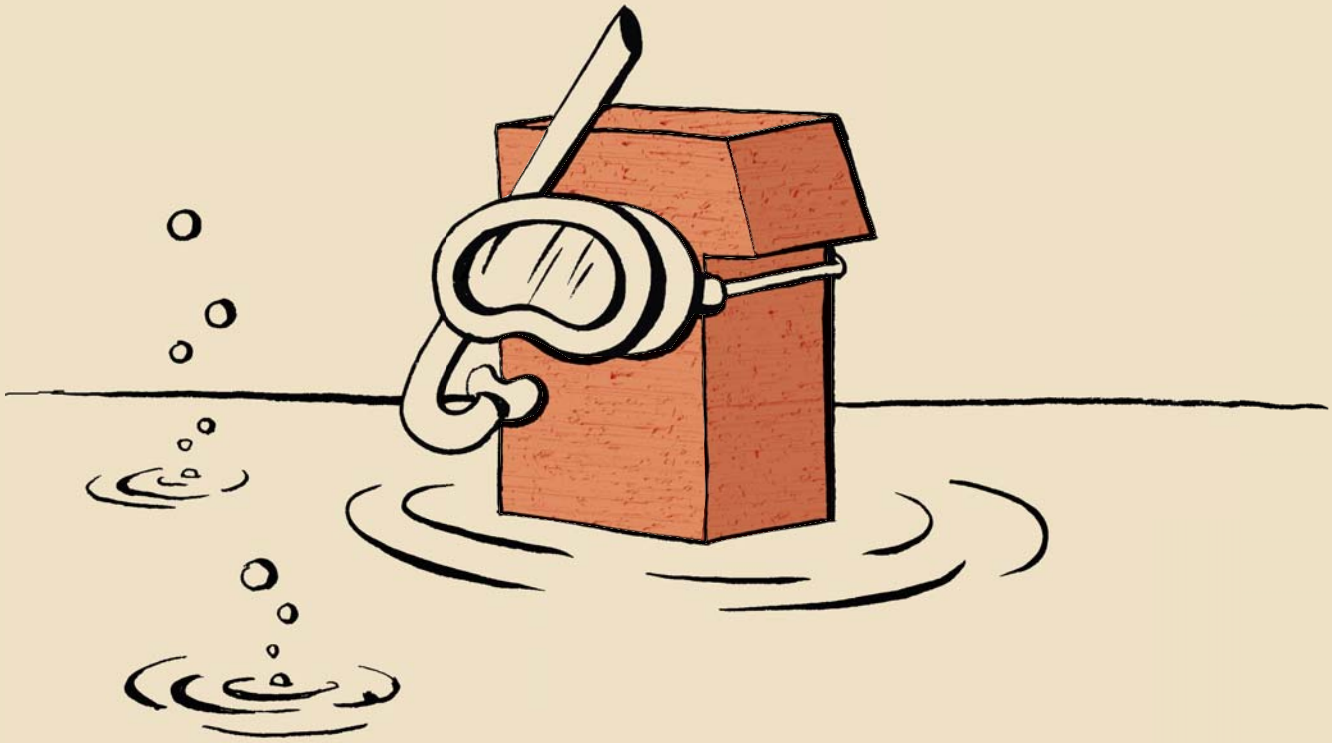


Somehow comforting.

A Nr. 1 also needs security in uncertain times:

Gearing of only 36%

We have a healthy financial base and a strong balance sheet. Our goal is to maintain this sound foundation. Even if the economic environment remains difficult, we expect to reduce our current net debt of € 890 million by a further € 100 million in 2009 and annually over the coming years.



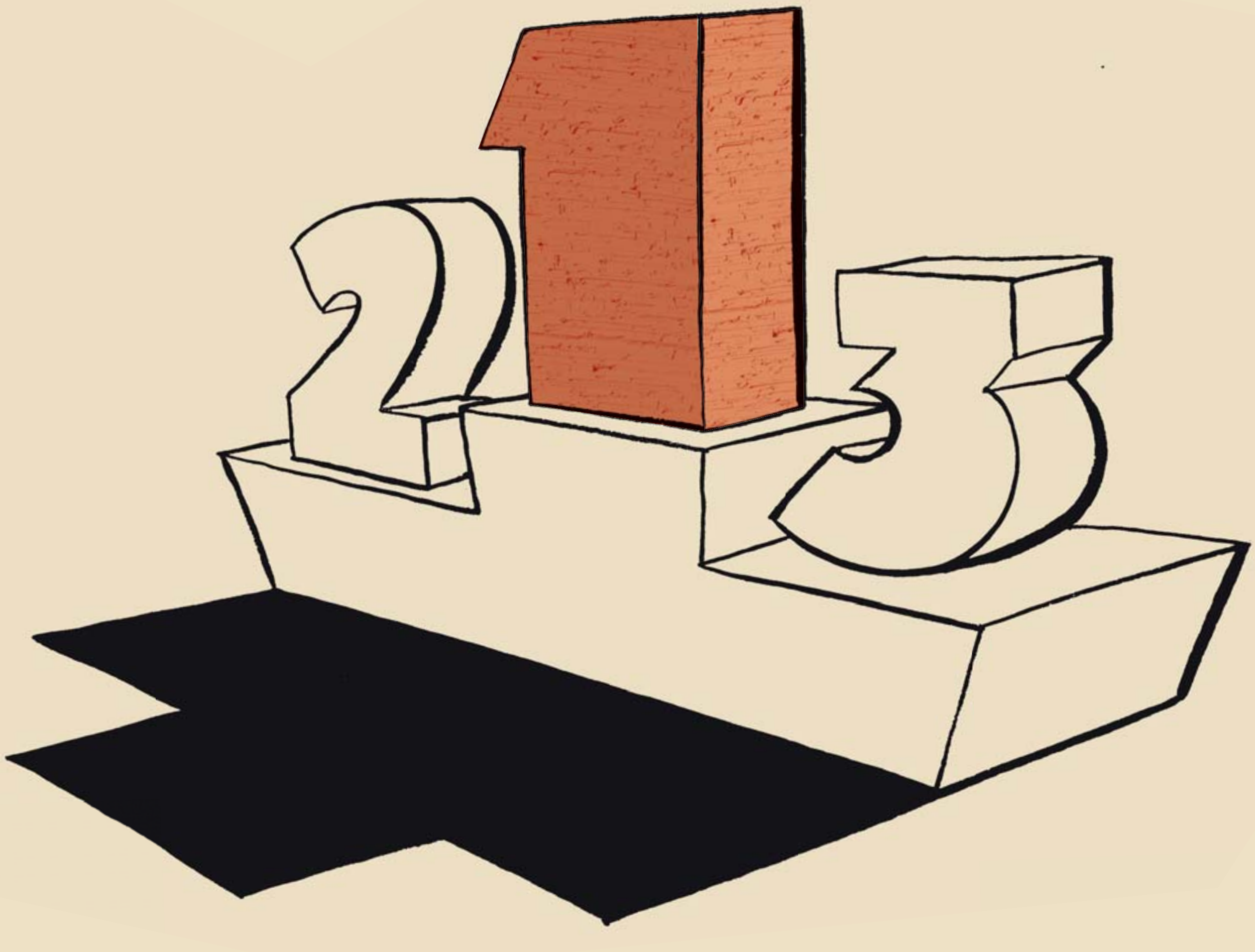
As Nr. 1, we can hold our breath for a long time:

Free cash flow of € 195 million

Cash flow declined because of the deterioration in operating results, but we are still a company that generates high cash flows – and we intend to use these funds in uncertain times to safeguard liquidity and dive through the crisis.

The good news:

When times start to get better, we’ll also be one of the first.



There is only one market leader: the Nr. 1!

Contents

The highlighted chapters are part of the audited review of operations.

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Segments

Financial Statements

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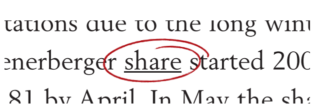
Internet Links

The terms that are designated as links (see example on the right) in this annual report provide access to additional background information together with the URL annualreport.wienerberger.com (without space between words).



annualreport.wienerberger.com/share

CHIEF EXECUTIVE'S REVIEW

Dear Shareholders,

After years of growth the USA, Western Europe and Japan slid into a recession

2008 marked a clear turning point in the pattern of economic development across the world. The financial crisis and its spread to the real economy drove the USA, Western Europe and Japan into a recession after years of growth. In Europe, the crisis first took hold in Great Britain and then cut a path to the continent. High write-offs to bank portfolios triggered a loss of confidence in the financial sector and subsequently led to more restrictive lending by financial institutions and a shortage of liquidity on financial markets. Companies were forced to cut back on capital expenditure, which in turn led to a loss of jobs and a general decline in consumer confidence. The construction industry was one of the first sectors to be affected by the economic downturn – on the one hand, because new residential construction is highly dependent on bank financing and, on the other hand, because consumers normally react to a weak economy and uncertainty over the future by postponing long-term investments. Wienerberger felt these effects on key markets, above all the USA and Great Britain, through a sharp decline in the demand for building materials.

Wienerberger quickly adjusted its strategy and introduced wide-ranging measures to safeguard liquidity

We reacted quickly and adjusted our strategy in summer 2008 to reflect the changing market environment. In these uncertain times, liquidity has top priority. The maximization of cash flow to safeguard and broaden our financial base was defined as our most important goal, and growth projects were put on hold. Our primary task is to reduce fixed costs as quickly as possible to reflect the weaker development of our markets and sales volumes. We acted immediately and approved an extensive range of measures in July to optimize our plant network, which involved the shutdown or mothballing of 27 primarily older plants as well as the closing of 11 production lines until further notice. Our active working capital management policy also led to the closing of plants in nearly all countries for longer periods during the winter of 2008/2009. These measures will not affect our supply capability since we can shift production to other plants. Extensive measures were also implemented to reduce administrative and selling expenses. A total of 2,035 Wienerberger employees were affected by these programs, more than 1,000 alone in the USA. The related costs amounted to € 55.0 million, including € 33.5 million of cash out and € 21.5 million of special write-downs. Our calculations show cost savings of € 90 million resulting from the steps taken to date.

Investments were cut to a minimum

Our investment program was also reduced to a minimum. The growth projects in progress during summer 2008 will be completed, but no others will be started. We cut the originally planned budget of more than € 500 million for growth investments by 19% to roughly € 407 million in 2008, and intend to spend no more than € 100 million in 2009 to complete the projects currently in progress. Maintenance capex was also reduced by 18% to € 98.4 million, and our budget for the coming year is limited to € 80 million – or less than 40% of depreciation. However, these measures will in no way endanger the operating performance of our plants.

Goal for 2009: to reduce net debt by at least €100 million and protect financial position

The lack of liquidity on financial markets has made corporate (re-)financing extremely important, and shifted this issue to the center of investor interest. In order to guarantee the availability of sufficient funds, we have already covered our refinancing needs of € 429 million up to the end of 2011 with cash reserves and undrawn committed credit lines. Since financing will become increasingly difficult, it is essential for us – in spite of our solid capital structure – to increase

Wolfgang Reithofer, Chief Executive Officer of Wienerberger AG

liquidity and build up our reserves for the coming years. We therefore intend to reduce net debt by at least € 100 million through internally generated cash flow in 2009 and take additional measures to expand our financial position. Even if the global economic crisis continues, we expect to reduce our financial liabilities by a further € 100 million annually over the coming years.

Operating EBITDA down 20% from record prior year to € 440.1 million due to lower sales volumes and higher costs

Wienerberger generated operating EBITDA of € 440.1 million for the reporting year, which reflects a decline of 20% from the record 2007 level. However, this still represents the third highest level of operating earnings ever reported by the Group. Declining sales volumes, cost inflation and a more flexible pricing policy in several countries as well as the expenses arising from plant standstills and idle capacity triggered a decline in the operating EBITDA margin from 22.3 to 18.1%. Energy costs rose by 6% or € 20.2 million to € 374.5 million and equaled 15.4% of revenues for 2008, compared with 14.3% in the previous year. In Central-East Europe, operating EBITDA declined 7% below the record 2007 results to € 262.0 million. With the exception of Hungary, all countries in the region – above all Poland, Romania and Bulgaria – recorded sound development during the first three quarters of 2008, but weakened towards the end of the year. Favorable market prices in the Czech Republic attracted an increasing volume of imports, above all from Bavaria, because of the ongoing weakness in German residential construction. More flexible pricing policies in the Czech Republic and cost inflation from higher energy prices and wages as well as a moderate decline in capacity utilization compared with 2007 were reflected in a lower EBITDA margin for this region. In Central-West Europe, operating EBITDA fell sharply by 44% to € 42.5 million. The reasons for this development were weak demand for building materials in Germany and a slowdown in new residential construction in Italy. In addition, extended plant standstills in Germany at the beginning of 2008 and strong pressure on prices in Italy had a negative effect on earnings in this segment. The development of business in North-West Europe – with a 22% drop in operating EBITDA to € 144.0 million – was influenced to a significant extent by Great Britain, the first European country to be hit by the financial crisis. New residential construction in this country collapsed during April 2008 in the wake of the economic downturn, and triggered a noticeable drop in sales volumes of facing bricks. The markets in Belgium and the Netherlands also weakened during the second half of the year. In France, we were able to almost completely offset the sharp drop in the demand for building materials through an increase in the market share of clay blocks. In the USA, the downward spiral in housing construction continued at a much stronger pace than expected at the beginning of 2008. A massive decline in the sales volumes recorded by our American subsidiary and the resulting costs for production standstills and idle capacity were reflected in a 57% drop in operating EBITDA to € 15.1 million. Even the sound development of Arriscraft, which generates roughly half of its revenues in the commercial construction sector, was unable to offset this trend.

2008 was one of the worst stock exchange years in the company's history

The past year also left its mark on international stock exchanges: the effects of the financial crisis on the construction industry caused a massive drop in share values, not only for Wienerberger but also for the entire sector. Wienerberger has just completed one of the worst stock market years in its history with a decline of roughly 70% in 2008. As a result of the drop in earnings, earnings per share fell from € 3.46 in 2007 to € 0.81 and adjusted earnings per share to € 1.69. This figure also reflects an increase of 10% in the weighted average number of shares outstanding to 82.9 million after the capital increase in October 2007.

Waiver of dividend to strengthen liquidity

As a consequence of the further deterioration in the economic environment and the steady growth in uncertainty over recent weeks, we would like to waive the payment of a dividend for 2008 in order to safeguard the long-term development of the company. We did not take this step easily and held numerous discussions in advance with Wienerberger shareholders, who signalized that they give the protection and strengthening of liquidity clear priority over the payment of a dividend. I followed this opinion against my previous intentions because I believe this is in the best interest of the majority of our shareholders. The protection of liquidity is our top priority in this volatile environment, and we will therefore use these funds to increase our liquidity reserves.

2008 stock options expired; substantial decline in Managing Board remuneration

Against the backdrop of current discussions on managers' salaries, I would like to note that the major remuneration component for the Managing Board and managers of Wienerberger is performance-based. That means we will receive a variable compensation that will be 77% less than in the previous year. Moreover, all options granted to management as part of the 2008 stock option plan have expired because profit after tax did not reach the targeted level. Wienerberger repurchased a total of 300,000 shares from March 4 to 28, 2008 to service the stock option plan. These shares will now be available to the company.

Further deterioration of economic environment expected for 2009

The almost daily revision of economic forecasts reflects the extent of current uncertainty over the future and shows that the crisis has not yet bottomed out. In any event, I expect a further deterioration in economic development during 2009. The predictions for Central-East Europe are connected with substantial uncertainty. We assume the financial crisis will have an increasing impact on this region and lead to a decline in earnings, but the extent cannot be quantified at this time. The pace of construction by builders and property developers will most likely be slower, since these groups are dependent on bank financing. However, we expect more stable development from our core market – private single and two-family housing construction – because of the larger role played by equity financing. Brick imports should also decline substantially due to the general weakness of the currencies in this region. The reporting year results in Central-West Europe were heavily affected by the cost of plant standstills and lower capacity utilization. Despite weak markets in Germany, Italy and Switzerland, we believe we will be able to nearly match the 2008 level of earnings in 2009. We are forecasting an earnings decline for North-West Europe due to a further drop in housing starts in Great Britain and expected weakness in Belgium, the Netherlands and France. For the USA, the National Association of Home Builders (NAHB) is predicting a further 28% drop in housing starts to 650,000 in 2009. In spite of the extensive restructuring measures implemented in recent years and the resulting strong improvement of our cost structure, we expect no further decline in earnings in the USA. We have prepared different scenarios for the individual markets and developed a number of programs that also include a further optimization of our plant network and can be implemented quickly if required. This is expected to result in € 40 million of cost savings. I am convinced this strategy will provide a solid foundation to master the crisis.

Strengthening of marketing and sales activities in 2009 to maintain and expand market positions

The economic environment has not only presented us with new challenges, but also created a number of opportunities that we will develop to be even better equipped for the future. We are the largest and most innovative brick company, and we also intend to use this advantage in times of crisis. One of our main objectives is to strengthen our marketing activities. That means focusing even more on customer ties as well as developing solutions for technical and economical optimization. We have prepared an extensive range of measures to strengthen customer ties, not only through even better service but also with innovative products. One example is Dryfix®, a special aerosol masonry glue that is used in place of mortar – it allows construction to proceed more quickly and has a shorter drying time, even at temperatures below the freezing point. This product saves time and reduces costs for our customers. With KoraTech®, we have extended our offering in the roof segment to include non-ceramic accessories. We can now supply our customers as a system provider with complete, high-quality solutions from a single source. In these ways we intend to improve and expand our positions, even when markets are weaker.

Thanks to employees and management, Supervisory Board and shareholders

Our strengths include a corporate culture which is based on entrepreneurial actions, result orientation and responsibility. This is also the foundation of our flexibility and ability to take the necessary actions. Our operating companies owe their success to their highly motivated employees and managers, who are supported by the Group's Corporate Services. This dedication is honored by our customers and business partners. I would like to thank the members of the Supervisory Board for the interesting and supportive discussions and the efficient handling of issues, and my colleagues on the Managing Board for their intensive and constructive teamwork during the past year. My special thanks go out to our employees and managers for their tremendous commitment, above all in these difficult times. In conclusion, I would like to thank you, our shareholders, for placing your trust in Wienerberger during this stormy period on capital markets. We are convinced that we will be one of the first to profit when the crisis begins to subside, and we invite you to accompany us on this road.

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, long-term increase in the value of the company. 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. Cash flows were invested primarily in growth projects during times of economic growth, but Wienerberger has now shifted its strategic focus to the protection of liquidity in an increasingly difficult market environment.

Compliance code to prevent insider trading

We give the highest priority to the equal treatment of and provision of comprehensive information to all shareholders. To prevent insider trading, we have installed a compliance code that implements the provisions of the Issuer Compliance Code published by the Austrian Financial Market Authority, and also covers the members of the Supervisory Board. A compliance officer is appointed to monitor the observance of these rules.

Voluntary observance of Austrian Corporate Governance Code

The Austrian Corporate Governance Code was enacted in October 2002 and amended as of January 1, 2009 to meet the newly introduced requirements of Austrian company law. 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 remuneration of directors and the OECD guidelines for corporate governance. The code provides a framework for corporate management and control. Its key principles are designed 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 (see www.corporate-governance.at) and to commit to compliance with its rules. From the very beginning, our goal was not only to meet the minimum requirements of the code but to set the standard for best practice. In order to justify this reputation, Wienerberger not only met all rules of the code (including recommendations) during the reporting year, but also prepared a corporate governance report for 2008 in line with the requirements provided for the 2009 financial year. Thus, Wienerberger anticipated essential requirements of the revised Corporate Governance Code. The corporate governance report for 2008 forms an integral part of this annual report (see pages 18 to 35).

Numerous awards for corporate governance

Wienerberger has been recognized on numerous occasions for its pioneering role in corporate governance in Austria, among others with the award for the best corporate governance by an Austrian company at the Vienna Stock Exchange Awards for 2008.

Evaluation and confirmation of compliance with code by KPMG and Wolf Theiss

The implementation and correctness of our public announcements were evaluated by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft in accordance with the standards issued by the International Federation of Accountants for reviews, and their report is published on our website. The auditor's evaluation of our adherence to the rules of the code and the correctness of our announcements confirmed that the public declarations of compliance are correct. Compliance with the provisions of the code that relate to the auditor was evaluated by Wolf Theiss attorneys-at-law. The resulting report indicated no objections, and is also available for review on our website.

Disclosure of auditor's fees

The 139th Annual General Meeting nominated KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft to audit the 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 less than € 0.1 million in 2008. The fees for the audit of the Group and related services totaled € 1.5 million. The contractual agreements between KPMG and member companies of the Wienerberger Group for the provision of project-related consulting services in 2009 are limited in scope.

Internal audit installed in 2007 to further improve risk management

In order to strengthen risk management, Wienerberger installed an internal audit department in 2007. This staff function reports directly to the Managing Board, and is responsible for the evaluation of operating processes in connection with risk management and the identification of opportunities to improve efficiency as well as the monitoring of compliance with legal directives, internal regulations, process guidelines and procedures. This work is based on an annual audit schedule approved by the Managing Board as well as a group-wide risk analysis of corporate activities. In addition, the internal control system (ICS) was further extended to support the early identification and management of risks (see page 35). The Managing Board reports to the Supervisory Board once each year on the internal audit plan for the following year and the audit findings. 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 83.9 million shares of common stock. 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 shareholder structure of the company is described on page 65.

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 is discussed in the notes under point 24 (Capital and Reserves) on page 129. The chapter Shares and Shareholders on page 65 contains information on direct and indirect investments in Wienerberger capital; the conditions of the stock option plan are presented in the notes under point 34 (Stock Option Plan) on page 145. The Remuneration Report (pages 30 to 32) explains the principles of remuneration policy and provides detailed information on 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 Boards 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 2005 corporate bond and 2007 hybrid bond, the syndicated term loans and other loans concluded in 2005, 2006 and 2008.

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 regular meetings of the Supervisory Board. The Supervisory Board also exercises its consultative and control functions through the following four committees: the ***Presidium*** and ***Remuneration Committee,*** the ***Project Committee,*** the ***Audit Committee*** and the ***Personnel and Nominating Committee.*** The rules of procedure for the Supervisory Board are published on our website.

Duties and responsibilities of the committees of the Supervisory Board

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, and also serves as a ***Remuneration Committee*** for the members of the Managing Board. The ***Project Committee*** is authorized to approve transactions and measures that do not require the approval of the 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. The ***Audit Committee*** is responsible for all questions related to the annual financial statements and the audit of the Group as well as accounting, in preparation for the Supervisory Board. In addition, this committee evaluates the risk management of the company and the independence of the auditor and its qualifications as verified by a peer review. Harald Nograsek serves as a financial expert on the Audit Committee. The ***Personnel and Nominating Committee*** is responsible for succession planning on the Managing Board and the preparation of nominations to the Supervisory Board, whereby its goal is to guarantee the independence of the members of this body. It recommends nominations to the Supervisory Board, which are placed before the Annual General Meeting for a vote. The Personnel and Nominating Committee is also responsible for establishing a description of the required qualifications prior to the appointment of persons to the Managing Board and preparing decisions for the Supervisory Board based on a defined selection procedure and succession planning. This committee also approves the terms of the stock option plans for key employees of the Group. The terms of the 2008 stock option plans are explained in the notes on page 145, while the terms of earlier stock option plans and the plan for 2009 are published on the Wienerberger website.

Employee participation is part of the Austrian system

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 Stock Corporation 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).

All members of the Supervisory Board are independent

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 Code in the version dated January 2009, 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 or was not employed by or 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-mentioned positions. At the meeting on February 11, 2009 all shareholder representatives on the Supervisory Board reconfirmed their independence in accordance with these criteria. The criteria for independence are published in detail on the Wienerberger website.

Report on related party transactions

No loans were granted to the members of the Supervisory Board or Managing Board, and no agreements have been concluded with these persons. Information on related party transactions is provided on page 145 of the notes.

Members and Committees of the Supervisory Board

8 shareholder representatives

Friedrich Kadrnoska *Chairman*	independent, born 1951, appointed to 142nd AGM (2011), first elected: May 8, 2002 Managing Board member of Privatstiftung zur Verwaltung von Anteilsrechten, Chairman of the Supervisory Boards of Österreichisches Verkehrsbüro AG and Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft, Vice-Chairman of the Supervisory Board of Wiener Börse AG, member of the Supervisory Boards of Porr Technobau und Umwelt AG and PORR Projekt und Hochbau Aktiengesellschaft, Director of the Visa Europe Limited Board, UniCredito Italiano S.p.A. and conwert Immobilien Invest SE
Christian Dumolin *Vice-Chairman*	independent, 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, member of the Supervisory Board of the Belgian Banking, Finance and Insurance Commission (CBFA), member of the Board of Directors of several companies, such as USG People, Clear2Pay, De Steeg Investments, E & L Real Estate, Vitalo Industries and Spector
Karl Fink	independent, born 1945, appointed to 142nd AGM (2011), first elected: April 27, 2006 Chief Executive Officer Deputy of Wiener Städtische Versicherung AG Vienna Insurance Group, Managing Board member of Wiener Städtische Wechselseitige Versicherungsanstalt Vermögensverwaltung, member of the Supervisory Boards of AT&S Austria Technologie & Systemtechnik AG
Peter Johnson	independent, born 1947, appointed to 141st AGM (2010), first elected: May 12, 2005 Chairman of the Board of DS Smith Plc, Non-Executive Director of SSL International plc.
Harald Nograsek	independent, born 1958, appointed to 142nd AGM (2011), first elected: May 8, 2002 Chief Executive Officer of Österreichisches Verkehrsbüro AG, Managing Director of Fontana Sporthotel Gesellschaft m.b.H., Ruefa Reisen Direktbuchung GmbH and Verkehrsbüro Finanzmanagement GmbH
Claus Raidl	independent, born 1942, appointed to 144th AGM (2013), first elected: May 11, 2004 President of the Oesterreichische Nationalbank, Chief Executive Officer of Böhler-Uddeholm AG, Managing Board member of voestalpine AG, member of the Supervisory Board of Wiener Börse AG, Montana Tech Components AG and Donau Versicherung AG Vienna Insurance Group
Wilhelm Rasinger	independent, born 1948, appointed to 142nd AGM (2011), 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 Boards of Erste Group Bank AG and CEE Immobilien Development AG
Franz Rauch	independent, born 1940, appointed to 143rd AGM (2012), first elected: May 11, 2004 Managing partner of Franz Rauch GmbH, member of the Supervisory Boards of ÖBB Holding AG, UniCredit Bank Austria AG, OTAG Oberflächentechnologie AG, Vorarlberger Kraftwerke AG and Vorarlberger Illwerke AG, Treibacher Industrie AG, Fohrenburger Beteiligungs-AG and Hirschmann Automotive GmbH

4 employee representatives

Rupert Bellina	delegated for the first time: January 25, 2005; Foreman at Semmelrock Baustoffindustrie GmbH
Claudia Schiroky	delegated for the first time: July 2, 2002; Facility management at Wienerberger AG
Karl Sauer	delegated for the first time: October 9, 1996; Chairman of the Employees' Council, speaker of the European Employees' Council
Gerhard Seban	delegated for the first time: February 3, 2006; Salesman at the Hennersdorf plant in Austria

4 committees

Presidium and Remuneration Committee	Friedrich Kadrnoska *(Chairman)*, Christian Dumolin
Project Committee	Friedrich Kadrnoska *(Chairman)*, Christian Dumolin, Peter Johnson, Claus Raidl, Karl Sauer
Audit Committee	Harald Nograsek *(Chairman)*, Wilhelm Rasinger, Karl Sauer
Personnel and Nominating Committee	Friedrich Kadrnoska *(Chairman)*, Christian Dumolin, Karl Fink, Franz Rauch, Karl Sauer

Report of the Supervisory Board

Extensive coordination between Supervisory and Managing Board

During the reporting year the Supervisory Board and Managing Board held seven meetings that included extensive discussions on the financial position and strategic development of the Wienerberger Group as well as major events, investments and programs. 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, capital expenditure and acquisition plans. Separate reports were submitted on special projects. In addition, the Chairman of the Supervisory Board held regular conferences with the Chief Executive Officer to discuss the adaptation of strategy, development of business and risk management of the company.

Detailed discussion of restructuring and optimization measures

The deterioration in the general economic environment as a result of the financial crisis and the subsequent collapse of markets in the USA and Great Britain as well as weakening residential construction in Germany required a series of adjustments: the Wienerberger strategy was adapted to reflect the changing market conditions; growth projects were postponed; and maximization of cash flow to maintain the company's healthy financial basis and liquidity was defined as the most important goal. The primary objective is to adjust fixed costs as quickly as possible to meet the current developments in markets and sales volumes. As a response to the growing weakness on many markets, the Managing Board prepared a restructuring and optimization program. The relevant measures were discussed for the first time at the Supervisory Board meeting on July 9, 2008, and the necessary steps were approved. All further meetings during 2008 included a report by the Managing Board on the current status of this program. A total of 27 primarily older plants were shut down or mothballed and eleven production lines were closed on a temporary basis during 2008. Against this backdrop, investments were also reduced by a substantial amount: work only continued on projects that had been started before summer 2008; new projects were postponed and maintenance capex was reduced to the necessary minimum. In addition, an extensive program was implemented to lower administrative and selling costs.

In-depth treatment of individual topics by the committees and attendance report

The committees examined a range of specialized subjects in detail and reported to the Supervisory Board on the results of these discussions. The Audit Committee met three times; the Personnel and Nominating Committee met twice; and the Project Committee met once. The Presidium, which also serves as a remuneration committee, also met once. It received regular information from the Managing Board on the development of business and represented the company on Managing Board issues. The activities of the Presidium included a review and the approval of the total remuneration for the members of the Managing Board, including the variable components of compensation and pension fund contracts. The criteria used to determine the variable components of compensation, the principles underlying pension commitments and severance pay as well as information on compensation paid to the individual members of the Managing Board and Supervisory Board are explained in the remuneration report (pages 30 to 32). No member of the Supervisory Board was absent from more than one-half of the meetings. One committee member did not attend three meetings, and another committee member did not attend one meeting. All members of the Audit Committee were present at all three meetings.

The Audit Committee consulted the auditor in its meeting on March 25, 2008, which focused on an examination of the 2007 annual financial statements of Wienerberger AG, the review of operations, the consolidated financial statements, the consolidated review of operations and the

Friedrich Kadrnoska, Chairman of the Supervisory Board of Wienerberger AG

Audit committee examines annual financial statements, risk management, and antitrust compliance program

recommendation of the Managing Board for the distribution of profits. In addition, the Audit Committee reviewed a statement by the planned auditor for the 2008 financial year that also covered the legal relations of this firm with the Wienerberger Group and the members of its corporate bodies, and prepared a recommendation for the auditor's election. The Audit Committee also discussed a report by the auditor on the status of risk management in the Group. It concluded that the actions taken by Wienerberger to minimize risk are sufficient and correctly focused and that any recommended measures for improvement can be taken effectively by the internal audit department. The meeting on August 18, 2008 included a discussion of reports by the Managing Board on the internal audit department as well as the design and operation of the antitrust compliance program.

Dumolin and Raidl nominated for re-election to the Supervisory Board; extension of terms for Scheuch, Windisch and Van Riet to May 2014; approval of stock option plans

A meeting of the Personnel and Nominating Committee on February 8, 2008 discussed nominations to the Supervisory Board for submission to the Annual General Meeting, and resulted in the re-election of Christian Dumolin and Claus Raidl by the Annual General Meeting on May 9, 2008 for a term extending to the 144th Annual General Meeting. The committee also recommended that the Supervisory Board extends the contracts of Heimo Scheuch and Johann Windisch as members of the Managing Board. This recommendation was approved by the Supervisory Board on May 28, 2008 and the terms of office for these two board members were extended to May 2014. At the meeting on November 4, 2008, the Personnel and Nominating Committee recommended the extension of the contract with Willy Van Riet to May 2014 and the appointment of Heimo Scheuch as Deputy CEO of Wienerberger AG; these recommendations were approved by the Supervisory Board on December 9, 2008. In addition, nominations for the Supervisory Board were prepared for presentation to the Annual General Meeting on May 14, 2009. The Personnel and Nominating Committee also focused on the design and approval of the 2008 and 2009 stock option plans for key managers of the Wienerberger Group. The terms of the 2008 plan are described on page 145 of the notes. No options were granted for 2009; for 2010 and the following years an alternative model will be designed to provide an incentive for management to pursue the sustainable development of the company.

Discussion of corporate governance by the Supervisory Board

The Supervisory Board reviewed corporate governance in the Group on February 8 and March 25, 2008. At these meetings the Managing Board submitted a compliance report on the past year, and the individual members of the Supervisory Board reconfirmed their independence in accordance with the Austrian Corporate Governance Code. The criteria for independence that were established by the Supervisory Board are presented on page 21 and are disclosed in detail on the Wienerberger website. The responsibilities of the various committees of the Supervisory Board are described at length in the chapter "Corporate Governance at Wienerberger" on page 20, and the members of the committees are listed on page 22.

Chairman and vice-chairman confirmed

The Supervisory Board meeting that followed the Annual General Meeting on May 9, 2008 reconfirmed Friedrich Kadrnoska as chairman and Christian Dumolin as vice-chairman.

Commitment to antitrust compliance program confirmed

At the Supervisory Board meeting on August 18, 2008, the Managing Board reported on the update of the group-wide antitrust compliance program that was implemented in 2003. This program is based on a compliance manual and calls for training and audits in all countries in which the Group is active. The main topics at the meeting on November 4, 2008 were adjustments of the Group's strategy to meet the changing market environment and a status report on the implementation of related measures. Discussions at the meeting on December 9, 2008 focused on the current development of business, an outlook on results for 2008 and the budget for 2009.

Independent auditor's report on annual financial statements

The annual financial statements and the Group Management Report for Wienerberger AG as well as the consolidated financial statements for 2008 according to IFRS were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and the audit did not give rise to any objections. The Audit Committee discussed all documentation related to the annual financial statements, the recommendation of the Managing Board for the distribution of profits and the auditor's reports in detail with the auditor and presented this information to the Supervisory Board. We examined this information as required by § 96 of the Austrian Stock Corporation Act and agree with the results of the audit. The Supervisory Board has approved the annual financial statements, which are hereby ratified in accordance with § 125 Par. 2 of the Austrian Stock Corporation Act. We also agree with the recommendation of the Managing Board for the use of net profit.

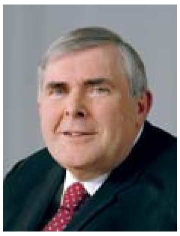
Thanks to employees and management

The Supervisory Board would like to express its thanks to the management and employees of the Group for their outstanding performance, above all in an economic environment that was much more challenging than in 2007. Although the financial crisis has now spread from international capital markets to the real economy, Wienerberger is well-equipped to survive this situation and emerge as a stronger company.

Vienna, March 16, 2009
Friedrich Kadrnoska, Chairman

Managing Board and Management

Wolfgang Reithofer



***Chief Executive Officer,** appointed up to May 2011, born 1948, married, one daughter, two sons*

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

Additional functions: Vice-Chairman of the Supervisory Board of Immoeast AG, since September 11, 2008 Chairman of the Supervisory Board – resignation from all functions as of October 29, 2008, Chairman of the Supervisory Board of Immofinanz AG (from September 23, 2008 until October 29, 2008), Supervisory Board member of Wiener Börse AG

Heimo Scheuch

***Chief Operating Officer,** appointed up to May 2014, 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, the City of London Polytechnic and École Superiéure 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 moved to the senior management of Terca Bricks in Belgium, where he became CEO in 1999. In May 2001 he was appointed to the Managing Board of Wienerberger AG as COO.

Additional functions: Member of the Supervisory Board of Sto AG, Member of the Supervisory Board of Soravia Group AG, President of TBE (European Bricks and Tiles Federation, as of October 2008)

Willy Van Riet

***Chief Financial Officer,** appointed up to April 2014, 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 Price Waterhouse Coopers in Belgium. He was active in the building materials sector beginning in 1993, first as Chief Financial Officer of Terca and later Koramic Building Products (also as a member of the Wienerberger Supervisory Board). In 2004 he took over the management of Wienerberger Limited in Great Britain. He was appointed CFO of Wienerberger AG on April 1, 2007.

Johann Windisch

***Chief Operating Officer,** appointed up to May 2014, born 1952, married, one daughter, one son*

After receiving his doctorate in Industrial Engineering and Management from the Technical University of Vienna and consulting work for Agiplan in Vienna, he joined Wienerberger in 1980 as assistant to the Managing Board. He assumed management of the controlling and accounting departments in 1983, and took over direction of the building construction sector in 1987. He was then appointed to the Managing Board of Wienerberger Ziegelindustrie, where he became CEO in 1999. In May 2001 he was elected to the Managing Board of Wienerberger AG as COO.

Willy Van Riet, Wolfgang Reithofer, Heimo Scheuch and Johann Windisch

Work Processes in the Managing Board

The activities of the Managing Board are based on three major elements: the individual areas of responsibility, the actions of the Managing Board work as a corporate body and reporting.

Individual areas of responsibility

In his own area of responsibility, each Managing Board member is extensively involved in the relevant strategic and operational activities and is in continuous contact with the managers who report to him. Major events and procedures are regularly discussed with the other board members to ensure coordinated action.

Joint work on the Managing Board

Communication represents the foundation for the work of the Managing Board as a corporate body. This interaction and exchange of ideas takes place at formal board meetings that are normally held once each week and through an ongoing exchange of information at the informal level. This contact is guaranteed by the arrangement of offices – the rooms for the board members are adjoining and are connected by a common secretariat. Discussions at the board meetings cover the state of the business, above all with respect to the development of markets, pricing policies, the energy situation and the utilization of capacity in the company's plants. The necessary actions are approved, and subsequently implemented by the responsible member of the Managing Board in his area of responsibility. The board meetings also include the discussion of strategic issues, together with the managers in charge when necessary. A special focus is placed on the development of products and technologies. Transactions that require the consent of the Supervisory Board are discussed, and the relevant proposals are submitted to this body after approval.

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 detailed facts and figures on the operating units – an income statement by country, segment 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 reports each month on the energy and financial situation as well as the status of individual projects in the product and technology areas. Quarterly reports provide macroeconomic data on the individual countries as well as information on security, health and education issues ("SHE" reporting).

The decisions by the Managing Board are made unanimously whenever possible, all contracts approved by the Managing Board must be signed by two persons.

Management Committee

The Management Committee supports the Managing Board in the strategic and organizational development of the Wienerberger Group. It consists of the first reporting level and comprises the Cluster Managers (regional managers) as well as the Heads of Development Centers and Corporate Services.

Cluster Management

Christof Domenig	France, Iberian Peninsula, North Africa
Dick Green	North America
Helmut Haslauer	Eastern Europe (South), Italy
Robert Holzer	Semmelrock concrete pavers
Bert Jan Koekoek	Benelux, Great Britain, Scandinavia, Exports, Product Group Facade
Christian Schügerl	Eastern Europe (North), Switzerland, Austria, Finland
Karl Thaller	Eastern Europe (East), Russia, Ukraine
Johan Van Der Biest	Belgium

Heads of Development Centers

Martin Kasa	Product Group Wall, Corporate Marketing
Franz Kolnerberger	Product Group Roof
Christian Reingruber	Corporate Development
Jörg Schwander	Corporate Engineering
Paul Ummels	Product Group Facade

Heads of Corporate Services

Barbara Braunöck	Investor Relations
Bernd Braunstein	General Secretary
Gerald Ettmann	Internal Audit
Gerhard Hanke	Corporate Controlling
Karin Hofmann	Public Relations
Stefan Huber	Group Treasury
Sonja Karall	Human Resources (up to February 28, 2009)
Gerhard Koch	European Lobbying
Bernhard Waiker	International Procurement
Wolfgang Weiss	Human Resources (as of March 1, 2009)

Organization

Wolfgang Reithofer	**Heimo Scheuch**	**Johann Windisch**	**Willy Van Riet**	
CEO	COO, Deputy CEO	COO	CFO	
General Secretary	European Lobbying	International Procurement	Corporate Controlling	**Corporate Services**
- Legal Management			Corporate IT	
Human Resources			Group Treasury	
Investor Relations			Internal Audit	
Public Relations			Risk Management	
Strategy	Corporate Development	Corporate Engineering		**Development Centers**
	Corporate Marketing			
	Product Group Wall			
	Product Group Roof			
	Product Group Facade			
Investments and Other	**North-West Europe**	**Central-East Europe**	**Investments and Other**	**Segments**
Real Estate	Belgium	Austria	Pipelife	
	Netherlands	Poland		
	France	Czech Republic		
	Great Britain	Hungary		
	Ireland	Slovakia		
	Denmark	Slovenia		
	Sweden	Croatia		
	Norway	Bosnia		
		Romania		
		Bulgaria		
		Russia		
		Ukraine		
		Serbia		
		Macedonia		
		Finland		
		Baltic States		
		Semmelrock		
		Bramac		
		Tondach Gleinstätten		
	Central-West Europe	**Central-West Europe**		
	Germany	Italy		
		Switzerland		
	Investments and Other	**North America**		
	India	USA		
		Canada		

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 Presidium.

Remuneration system reflects the success of the company

In accordance with Austrian law, the Managing Board is appointed for a specific term of office that equals a maximum of five years. The employment contracts for the individual members of the Wienerberger Managing Board are prepared by the Remuneration Committee together with an external consultant, and the amount and structure of compensation is defined for the full contract period. 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, whereby the variable component is based primarily on the success of the company. This system also includes share-based components (stock option plan) that are linked with the mid- to long-term development of the company.

Variable component of salary is based on profit after tax

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 individual duties as well as the related strategic and operating responsibilities of the various board members. The ***variable component*** is tied to consolidated profit after tax before minority interest and after the deduction of the related costs for any hybrid bonds and/or other comparable financial instruments issued by Wienerberger AG. In this way, it also reflects the cost of financing for Wienerberger. The variable component is limited to 200% of the annual fixed salary for all members of the Managing Board. As a consequence of the decline in earnings (profit after tax -65%) variable remuneration for the Managing Board fell by 77% in 2008. The variable compensation is verified by the auditor and paid in the following year together with fixed compensation in 14 installments.

77% decline in variable compensation for Managing Board

The remuneration for the members of the Managing Board is shown in the following table:

Cash compensation Managing Board

in EUR	2007 Fixed	2007 Variable	2007 Total	2008 Fixed	2008 Variable	2008 Total
Wolfgang Reithofer	658,804	907,021	**1,565,825**	679,418	240,781	**920,199**
Hans Tschuden [1)]	80,318	120,477	**200,795**	0	0	**0**
Willy Van Riet [1)]	243,556	462,696	**706,252**	334,018	127,045	**461,063**
Heimo Scheuch	374,211	616,928	**991,139**	417,522	127,045	**544,567**
Johann Windisch	404,844	616,928	**1,021,772**	417,522	127,045	**544,567**
Total	**1,761,733**	**2,724,050**	**4,485,783**	**1,848,480**	**621,916**	**2,470,396**

1) Hans Tschuden until March 31, 2007; Willy Van Riet as of April 1, 2007

Managing Board options for 2008 not effective

The ***share-based compensation*** for the Managing Board is based on a stock option plan for key managers of the Group, which was approved by the Annual General Meeting of Wienerberger AG on May 8, 2002. The number of allocated options is dependent on the fulfillment of annual performance goals. The options granted to the members of the Managing Board for 2008 expired because the budgeted target for profit after tax was not reached. The existing stock option plan is no longer considered to be a modern and effective incentive for the Managing Board and management because of the change in the business and financial climate. Therefore no options were granted for 2009. The Supervisory Board is currently working to develop an alternative model for 2010 and the following years, which will serve as an incentive for management to pursue the sustainable development of the company.

Other activities require approval of Supervisory Board

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 26 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

All members of the Managing Board are covered by ***defined contribution pension agreements*** that require the company to make a fixed contribution each year. The Chief Executive Officer also has an "old" pension agreement with a fixed indexed pension payment. The company has no obligations above and beyond these agreements. Contributions to pension funds (defined contribution commitments) and provisions for pensions (defined benefit commitments) totaled € 1,517,606 for the members of the Managing Board during the reporting year (2007: € 1,138,555). 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 accordance with these legal regulations, severance compensation equals up to one full year's compensation and is forfeited if the employment relationship is terminated by the employee. Severance compensation for the Chief Executive Officer may equal up to two year's compensation. The addition to the provision for severance compensation totaled € 801,606 in 2008 (2007: € 359,298). Payments of € 637,557 were made to former members of the Managing Board and their surviving dependents during the reporting year (2007: € 607,465).

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

Wienerberger has concluded a directors and officers (D&O) 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 by these parties to act conscientiously (without any intentional or conscious violation of their responsibilities).

AGM approves remuneration system for Supervisory Board

The AGM on April 27, 2006 approved a new remuneration system for the Supervisory Board, whereby each member receives reimbursement for cash expenses as well as fixed remuneration of € 10,000 per year. In addition, each committee member also receives € 5,000 per year and committee. This fixed remuneration will be adjusted on the basis of the Statistik Austria consumer price index for 2005 or any another subsequent index. Furthermore, every member of the Supervisory Board will receive performance-based remuneration equal to 0.07‰ of annual profit after tax before minority interest and after the deduction of the related costs for any hybrid bonds and/or other comparable financial instruments issued by Wienerberger AG, as shown in the audited and certified consolidated financial statements. The Chairman receives twice this amount and the Vice-Chairman one and one-half this amount. If a member of the Supervisory Board is not active during the full financial year, the remuneration is paid in proportion to the time available. If members of the Supervisory Board take on a special function in the interests of the company in this capacity, the Annual General Meeting may approve special remuneration for their activities. Duties and taxes charged on remuneration to the members of the Supervisory Board are carried by the company. The members of the Supervisory Board received remuneration totaling € 215,094 for 2008 (payment in 2009), which is distributed as follows:

Supervisory Board Remuneration *in EUR*	2007	2008
Friedrich Kadrnoska, Chairman	78,799	51,915
Christian Dumolin, Vice-Chairman [1)]	59,099	38,936
Karl Fink	34,218	20,707
Peter Johnson	34,218	20,707
Harald Nograsek	34,218	20,707
Claus Raidl [1)]	34,218	20,707
Wilhelm Rasinger	34,218	20,707
Franz Rauch	34,218	20,707
Total	**343,206**	**215,094**

1) The term of office was extended to 2013 at the 139th AGM

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 have been 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 members of the Managing and Supervisory 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 at the end of 2008 totaled 293,224.

Number of shares owned		1.1.2008	Purchase	Sale	31.12.2008
Managing Board	Wolfgang Reithofer	101,245	20,000	0	121,245
	Heimo Scheuch	29,466	0	0	29,466
	Willy Van Riet	1,530	0	0	1,530
	Johann Windisch	28,000	0	-28,000	0
Supervisory Board	Friedrich Kadrnoska	759	6,000	0	6,759
	Christian Dumolin	48,787	46,213 [1)]	0	95,000
	Karl Fink	0	0	0	0
	Peter Johnson	0	0	0	0
	Harald Nograsek	0	1,000	0	1,000
	Claus Raidl	0	3,000	0	3,000
	Wilhelm Rasinger	19,224	16,000	0	35,224
	Franz Rauch	0	0	0	0
Total		**229,011**	**92,213**	**-28,000**	**293,224**

1) Purchase of 29,000 shares in the name 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. In principle, Wienerberger views risk as the potential divergence from corporate goals and therefore as the range of potential future scenarios. Risk covers the possibility of a loss (risk in the literal sense of the word) as well as the failure to realize an additional gain. The goal of our risk management system is to identify risks at an early stage and implement suitable measures to minimize any variance from corporate goals. These procedures require the identification, assessment, management and monitoring of risks, and represent an integral part of our internal risk management activities. The risk assessment that was prepared in prior periods is updated annually by the Management Committee. Based on the probability of occurrence and the potential impact on the Group, the identified risks are ranked according to their significance and the 15 major risks are analyzed in detail. In 2008 this process led to a change in the weighting of individual risks as well as the addition of new factors to our risk catalogue. The most important risks are described in detail below (a detailed description of all risks is provided in the risk report on page 138 of the notes).

Market, Production and Price Risks

Fast adjustment of capacity to reflect changing markets

Market risks arise from developments in the major economies in which Wienerberger operates across Europe and North America, whereby the individual markets normally have different development and growth cycles. In order to minimize the impact of individual markets on Group earnings, we pursue a strategy of geographical diversification and concentration on our core business. However, the global financial crisis has led to a similar deterioration in the macroeconomic conditions on all markets. The Group's broad-based geographic portfolio and a decentralized structure with local companies are no longer able to moderate the financially induced market risk, which has therefore attained a special relevance. Weak economic growth and a subsequent decline in local construction activity have also increased the risk of excess capacity, which can lead to greater pressure on prices and uncovered costs. In order to minimize the effects of these risks on earnings, we continuously monitor our capacity and make the necessary adjustments through temporary shutdowns and/or the shift of production to match market demand. The efficiency of this monitoring process was reflected in the optimization of our plant network, which was approved and quickly implemented during 2008. It included the closing or mothballing of 27 older plants as well as the shutdown of a further 11 production lines. Declining markets usually lead to increased pressure on prices. However, we should be able to minimize these price risks because of our strong position as a quality leader and our investments in the development of high-quality products.

Financial Risks

Maximization of cash flow to safeguard liquidity as top priority

The major financial risks are insufficient liquidity and financing. Wienerberger responded to these risks in summer 2008 by quickly adjusting its strategy to define the maximization of cash flow to safeguard liquidity as the top priority. The most important management tools for meeting this goal include active capacity and working capital management as well as cost reduction. We intend to use these cash flows to reduce net debt by at least € 100 million per year and thereby ensure that all covenants are met, even if the economic climate remains tense. Exchange rates and interest rates represent two further sources of financial risk. We use foreign exchange swaps to secure appropriate coverage between assets and liabilities, and thereby decrease 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 77; exchange rate risk is discussed on page 141 of the notes.

Procurement Risks

Hedging and long-term supply contracts to counteract energy shortage

The necessary raw material supplies are secured by company-owned property (two-thirds) and long-term mining contracts (one-third). 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 2009 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 41. However, our main activities in this area are directed to optimizing the use of energy in production.

Legal Risks

Group-wide compliance guideline to ensure observance of 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 business policies; our internal guidelines expressly prohibit such activities and call for sanctions in the event of violations.

No identifiable risks that could endanger the entire Group

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 as well as possible damages. 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 potential gains or opportunities. In particular, 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 parent company of the Group. 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

Evaluation by internal audit based on plan approved by Managing Board

The installation of an internal audit department in June 2007 as a staff function reporting to the Managing Board is designed to reflect the principles of corporate governance, in particular through the strengthening of the internal control system (ICS). The internal audit department evaluates operating processes for the management of risk and identifies opportunities to improve efficiency, and also monitors compliance with legal directives, internal regulations, process guidelines and procedures. This work is based on an annual audit schedule that is approved by the Managing Board as well as a group-wide risk analysis of corporate activities. The internal audit department is also responsible for ad-hoc audits, which are requested by management and focus on current and future risks.

Internal control system based on recognized best practices and standards, with regular revisions

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 proven international guideline for internal control procedures. It provides management with a comprehensive instrument to analyze and manage the uncertainties and risks arising from business activities.

ICS 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.

Effectiveness of risk management audited and confirmed

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 Board and Managing Board 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 of the individual corporate functions are tested as part of the annual year-end audit. The focal points of this audit are selected to ensure that all areas of the company are evaluated with respect to all risks as part of a cycle that covers a maximum of five years.

Interview with Wolfgang Reithofer, CEO

Although the financial crisis has reached Central-East Europe, the pent-up demand in these countries will not disappear.

Our cost structure will be improved by these measures because we can transfer production successively to the more efficient plants.

Slightly more than a year ago, you announced the construction of 25 plants, above all in the CEE region. How many of these projects were implemented and what happened to the other plans?
We started to implement this program in 2008 with projects in Poland, Serbia, Croatia and Russia, which we also intend to complete. In Serbia and Croatia we acquired existing plants, while in Russia and Poland we have newly constructed plants that are now in the start-up phase. In total, we are talking about seven projects. When the economic downturn began to spread to one European country after the other, we reacted quickly by adjusting our strategy and in summer 2008 defined the protection of liquidity as our top priority. That is why we have not started any new projects and are now only completing the ones already in progress. Although the financial crisis has reached Central-East Europe, the pent-up demand in these countries will not disappear and the potential in the region will be increased rather than decreased by the current downturn. For this reason, we intend to return to our growth strategy as soon as the economic situation improves and continue our expansion in Central-East Europe.

On the one hand you're reducing capacity, but on the other hand you're bringing new capacity on line.
That is first and foremost a geographical issue. Our new projects are concentrated in Central-East Europe, while the shutdowns are taking place primarily in Western Europe. Bricks are a regional product, since long-distance deliveries are not feasible for economical reasons – and therefore an extensive network of local plants is needed. We have newer, high performance plants as well as older, less efficient facilities. These are the ones we will close if conditions continue to deteriorate. Our cost structure will be improved by these measures because we can transfer production successively to the more efficient plants.

During the past year more than 10% of the Group's workforce lost their jobs, but the Wienerberger Group recorded a profit. Were these measures really necessary?
Believe me when I say that employees are the most important asset in a company. That is why the focus of our mission statement begins with "We believe in people". Nevertheless, it is my responsibility as CEO to safeguard the continued existence of Wienerberger and also protect as many jobs as possible. The reverse conclusion to your comment means that 90% of our employees still have a job. Consequently, our most important duties are to manage our cost structure and react quickly to changes. And capacity adjustments are unfortunately part of this reaction. That's the only way we can survive the crisis and emerge as a stronger company.

Believe me when I say that employees are the most important asset in a company.

Just as every crisis has a beginning, it must also have an end.

A secure financial position for Wienerberger is my absolute top priority.

Shouldn‘t Wienerberger, as the market leader, follow an anti-cyclical strategy – in other words, buy up its competitors at a favorable price during the crisis?
What you say is generally true, but I would argue against this for two main reasons. On the one hand, our most important objective is to safeguard liquidity. An acquisition target must be really attractive before we even consider it, and nothing could make me endanger Wienerberger’s liquidity just to close a transaction. On the other hand, I assume the current crisis has not yet bottomed out and possible targets may be available at an even lower price in the near future. No company has ever gone bankrupt because it missed a takeover, but many have been ruined by a lack of liquidity. A secure financial position for Wienerberger is my absolute top priority.

What can Wienerberger shareholders expect in the coming years? How long do you think the crisis will last?
As much as I would like to answer this question, it’s impossible to predict how long the crisis will last – the only comment I can make with certainty is that Wienerberger will survive. Just as every crisis has a beginning, it must also have an end. A great deal will depend on the measures taken by the public sector – governments are now challenged to implement extensive programs to restore confidence. And here I mean the confidence of banks to make sure the capital market will provide companies with sufficient liquidity as well as the confidence of consumers in the future. Companies that lack the necessary funds cannot invest, and consumers who lack confidence do not spend but continue to save. Both scenarios cause substantial damage to the real economy and continue to fuel the downward spiral. The situation will start to improve as soon as confidence is restored.

Mr. Reithofer was interviewed on February 6, 2009 by Christian Pokorny, Associate of Investor Relations at Wienerberger.

Strategy and Business Model

Adjustment of strategy to reflect change in economic environment

2008 was a period of change. Years of global economic growth and strong investment activity were abruptly ended by the spread of the US financial crisis to Europe, which set a downward trend in motion whose end is not yet in sight. The crisis had a clear – although different – effect on the various Wienerberger markets and resulted in the first substantial earnings decline for the Group since 2001. This change in the economic environment made it necessary for Wienerberger to adjust its strategy, and the required modifications were made without delay in summer 2008.

Liquidity as primary goal; maximize cash flows to maintain healthy financial base

The brick and clay roof tile business is capital-intensive. It requires a high initial investment and generates stable cash flows. Our maintenance capex in the core business has averaged only about 60% of depreciation in recent years, but was reduced below 50% of depreciation in 2008 as part of the cost saving program. In 2009 we plan to spend less than 40% of depreciation. The resulting high free cash flows can be used to decrease net debt, pay dividends and invest in growth projects. Our focus in past years was placed on profitable growth in the core business. As a reaction to the financial crisis and the resulting deterioration in the general economic environment, we have adjusted our previous strategy and now define the maintenance of a healthy financial base and the protection of liquidity as the most important goals. The main elements of our adapted corporate strategy are: an increase in liquidity, the maximization of cash flows and a continued focus on the core business as well as the intensification of marketing activities to safeguard and expand our market positions.

Maximization of cash flow to increase liquidity

New strategic focal points defined to maximize cash flows

The foundation of our integrated business model is formed by the generation of high free cash flows to maintain the Group's healthy financial base and protect liquidity. In order to maximize cash flows, we have defined the following strategic focal points: active capacity management, the reduction of fixed costs and investments, the minimization of administrative and selling expenses, and active working capital management.

Fast adjustment of capacity to reflect shifts in markets and sales volumes

Our primary goal is to reduce fixed costs as quickly as possible to reflect the deteriorating development of our markets and sales volumes. We took the necessary steps and approved an extensive range of measures already in July to optimize our plant network, which involved the shutdown or mothballing of 27 primarily older plants as well as the closing of eleven production lines until further notice by the end of 2008. Our active working capital management policy also led to the closing of plants in nearly all countries for longer periods of time during the winter 2008/2009. Fast reaction is important for our business. We have therefore prepared a series of scenarios for our markets and developed a range of programs that can be implemented quickly as required. These measures will not affect our supply capability because we can shift production to other plants.

Our reactions to the changed market environment also include a reduction in investments to a minimum. The growth projects started in summer 2008 – which are focused primarily on the wall product group in Central-East Europe – will be completed, but no further investments will be made. This decision reduced growth investments from the originally planned volume of more than € 500 million to roughly € 407 million in 2008, and in 2009 we expect to spend approximately € 100 million to complete the projects still in progress. Maintenance capex was also reduced: instead of the budgeted € 120 million, we only spent about € 98 million for maintenance in 2008 and are budgeting approximately € 80 million for the coming year. However, it should be noted that these measures will in no way endanger the technical capability and performance of our plants.

Investments cut to minimum

Extensive measures were also implemented to reduce administrative and selling expenses. Since Wienerberger is a very cost-conscious company, these measures focus primarily on reducing non-personnel costs and utilizing additional opportunities for synergy in the Group – such as the even stronger concentration of activities in central procurement.

Reduction in administrative and selling costs

Active working capital management also forms an integral part of our adjusted strategy. Working capital rose significantly during 2008, in particular due to an increase in inventories. Our goal is to reduce working capital in the Wienerberger Group as far as possible in 2009 by active capacity management, whereby these efforts will also depend on the extent of further market weakness.

Active working capital management

A lack of liquidity on capital markets has made the issue of corporate (re-)financing more important. In order to guarantee the availability of sufficient funds, we have covered our refinancing needs of € 429 million up to the end of 2011 by December 31, 2008 with liquid funds and undrawn committed credit lines with banks. Since financing will become increasingly difficult, it is necessary for us – in spite of our solid capital structure – to increase liquidity and build up our reserves for the coming years. We therefore intend to reduce net debt from the current level of roughly € 890 million by at least € 100 million per year through internally generated cash flow in 2009 and the following years and take additional measures to protect our financial position, even if the economic environment remains difficult.

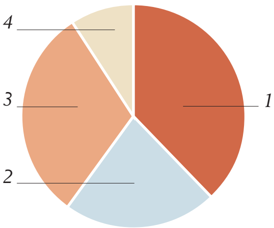
Wienerberger financing secured up to end of 2011

Focus on the core business

Wienerberger concentrates on products for walls, roofs and paving, with a special focus on ceramic products in the form of bricks and clay roof tiles. We are the largest multi-national supplier in our core business, and hold strong market positions with our 243 plants in 26 countries and five export markets (also see page 84). Our strategy for the core business is designed to establish and increase leading positions on all markets in which we are present.

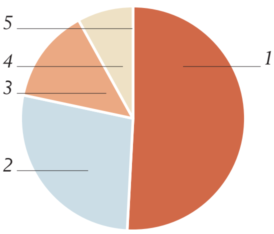
Focus on core business with clay blocks, facing bricks, roof tiles and pavers

Revenues 2008 by Product



1 Wall 38%
2 Roof 22%
3 Facade 31%
4 Pavers 9%

EBITDA 2008 by Product



1 Wall 55%
2 Roof 28%
3 Facade 14%
4 Pavers 8%
5 Investments and Other -5%

Clay blocks are our main product for walls, and represent the most popular building material in the world for new residential construction. Wienerberger is the largest producer of clay blocks in the world, and holds leading positions in all relevant markets in Western and Eastern Europe (with the exception of the Iberian Peninsula). With a 38% share of revenues and 55% of EBITDA, clay blocks are our most profitable product. Our standing in the industry is based on the competitive advantages of Wienerberger – cost-efficient plants, our own production technology, a broad-based plant structure and innovative products – as well as the rising share of our business that is generated in Eastern Europe. Our expansion in this region took place mainly through the construction of new plants because of the outdated technology in these countries. As a result, our plants in Eastern Europe now have state-of-the-art technology and cost-efficient equipment.

Clay roof tiles are used primarily to cover pitched roofs in Europe. More than half of these tiles are used in renovation, which leads to a lower dependency on cyclical new housing starts than clay blocks and facing bricks. The major features of the clay roof tile industry are growing market shares and stable cash flows. Our clay roof tile activities in Belgium, the Netherlands, France, Germany, Poland, Estonia and Switzerland as well as a 25% holding in Tondach Gleinstätten in Central-East Europe produce roofing systems made of clay. Bramac, a 50/50 joint venture with Monier (formerly Lafarge Roofing), manufactures concrete roof tiles for Central-East Europe. Sandtoft – the third largest producer of roof tiles in Great Britain which was acquired by Wienerberger in early 2008 – manufactures roof tiles made of clay, concrete and slate. Clay roof tiles and concrete tiles contribute 22% to revenues and 28% to EBITDA.

Facing bricks are used as a facade product in new residential and non-residential construction, above all in the USA, Great Britain, the Benelux countries and several other regions of North-West Europe. They are our second most important source of revenues with a share of 31%. The substantially lower level of profitability compared with clay blocks in 2008 was the result of a market decline in the USA and Great Britain (and the resulting costs of idle capacity or lower capacity utilization in our plants) as well as the high share of merchandise in this product group. This latter factor is a result of the direct sales system in the USA. In contrast to Europe, where our products are sold primarily by building material traders, more than 60% of our revenues in the USA are recorded through our own sales offices and specialized brick merchants. These sales channels also generate additional revenues (at lower margins) with related products that are in part made by other producers, and currently represent about 20% of the revenues recorded by the facade product group.

The fourth core product area is formed by pavers. Concrete pavers are used for a wide range of applications in private and public construction in Central-East Europe, while clay pavers represent a high-quality niche product in North-West Europe. This product group generates 9% of revenues and 8% of EBITDA. Concrete pavers have a lower EBITDA margin than clay products, but the initial investment is much lower than the cost of a brick plant.

Procurement

Strategic procurement department helps realize synergies in the Group

Business activities in 26 countries and the decentralized structure of the Wienerberger Group have created a wide range of challenges for our strategic procurement department. Our goal in this area is 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.

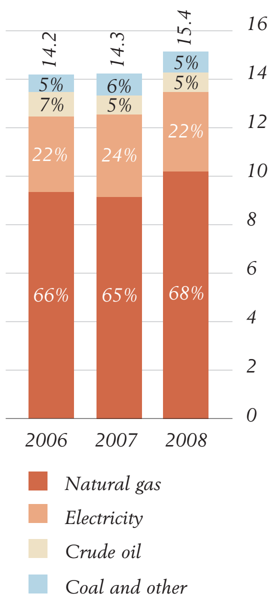
Clay supplies secured over the long-term

Our most important raw material is clay, and our supplies of this material are secured for the foreseeable future. Roughly two-thirds of required clay reserves are owned by the Group, and the rest is safeguarded through long-term mining contracts.

Strategic procurement of energy centralized in 2008

A major challenge for procurement in 2008 was again posed by the volatility of energy prices. The price of crude oil peaked during the past summer and has fallen sharply since that time. Natural gas prices normally follow this development with a time lag of six to nine months. The upward price risk faced during the reporting year was limited to a certain extent through the hedging strategy followed by Wienerberger. The cost of energy for the Group totaled € 374.5 million or 15.4% of revenues for the reporting year. This represents an increase of 6% (+€ 20.2 mill.) over the previous year, whereby 13% resulted from price increases and -7% from a decline in production volume. Group expenses for energy can be classified into 68% for natural gas, 22% for electricity, 5% for crude oil and 5% for coal and other sources.

Energy Costs
as a % of revenues



The increasing importance of energy led to the centralization of procurement for this resource in 2008. Decisions to set volumes and prices are made centrally in close coordination with the country organizations and Wienerberger risk management. This process allows for more efficient implementation of a common energy strategy throughout the Group and also strengthens synergies. Different regional hedging mechanisms or price formulas subject energy markets to varying dynamics. In countries where the energy markets are not regulated, we apply the following hedging strategy: 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 two years in advance depending on market trends. We have hedged energy costs in countries where the energy markets are not regulated, if this was possible and also reasonable from a financial standpoint. The goals of this process are to improve cost planning and limit price fluctuations. As of December 31, 2008 55% of our natural gas requirements for the next 12 months were secured by fixed price contracts. In 2008 we also concluded contracts to secure 46% of our required electricity supplies for 2009 and 2010.

Energy costs expected to decline in 2009

For 2009 we expect a slight rise of 3 to 4% in energy prices over the average prior year values. However, the overall cost of energy should decline in comparison with 2008 as a result of lower production volumes.

Key Factors and Major Drivers for the Brick Business

New residential construction and renovation

The pace of new residential construction on local markets has a major influence on the demand for bricks. Population growth, bank lending policies and consumer confidence in the individual countries are the most important drivers for new residential construction. Bricks are also used in non-residential construction, which includes public and commercial buildings. In contrast, the demand for clay roof tiles is driven more by renovation (55%) and less by new construction (45%).

Focus on the core business and generation of high cash flows

The core business of Wienerberger – products for walls, facade, roof and paving – is capital-intensive. After a high initial investment, only about 60% of depreciation is normally required for maintenance, rationalization and environmental protection measures (2008: below 50%). This releases substantial free cash flows that are usually invested in growth projects. However, in times of economic uncertainty we use these cash flows above all to safeguard liquidity and maintain a healthy capital structure.

Local presence and decentralized organization

In order to fully cover a regional market with bricks, a company needs a network of production facilities as well as an organization that places high value on decentralized responsibility and local know-how. The maximum economically feasible supply radius is 250 km for clay blocks, 500 km for facing bricks and 800 km for clay roof tiles. Different regional and cultural preferences and construction standards influence the development of markets and products. Wienerberger can rely on a network of plants in 26 countries.

Products and product development

Wienerberger has established a reputation as the most innovative company in the brick industry through decades of successful research and development work. Our close contacts with architects, construction firms and consumers give us new impulses and suggestions for the improvement of our products. 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 above all 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 tastes, and continually add new items to our product lines. Our clay roof tile product line also includes roofing systems with integrated photovoltaic panels ("solar panels").

Strong market positions and customer relations

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. We work to meet this goal with high-quality products and services as well as sustainable and responsible actions by all our employees.

Know-how and synergies

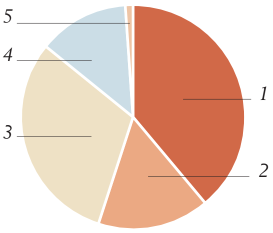
The competitive advantage of the Wienerberger Group is based on detailed knowledge of local markets by all our employees in the operating companies as well as the use of group-wide synergies through the exchange of know-how in the areas of technology, marketing, product development and procurement.

Cost and capacity management

The continuous optimization of costs throughout the Group – in production (above all with respect to the use of energy) as well as 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 react quickly to changes in the operating environment and demand. That also makes it possible for us to achieve a reasonable level of capacity utilization in times of crisis.

Employees

Employees by Segment

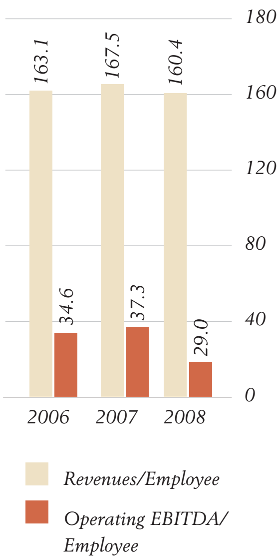


1 Central-East Europe: 39%
2 Central-West Europe: 16%
3 North-West Europe: 31%
4 North America: 13%
5 Investments and Other: 1%

The economic downturn across the USA and Europe and the related decline in demand led to capacity adjustments by Wienerberger during the reporting year. The consequences were plant shutdowns and a related reduction in the workforce, with a total of 2,035 men and women in the USA and Europe losing their jobs. In contrast, we recorded an increase of roughly 800 in the number of employees in the Wienerberger Group during 2008, which resulted from the acquisition of Sandtoft in Great Britain at the beginning of the year as well as new projects in Russia, Poland, Croatia, Serbia and India. Wienerberger employed a workforce of 14,071 as of December 31, 2008, or roughly 8% less than at the end of the previous year (2007: 15,299). Since the restructuring program was implemented during the second half of 2008, the average number of employees still rose slightly in comparison with the previous year. Weaker earnings also led to a decrease of 4% in revenues per employee to roughly € 160,400 and 22% in operating EBITDA per employee to about € 29,000.

We view the advancement of human capital as a key factor for the success of our company, especially in difficult economic times. In keeping with our decentralized structure, human resource management is the responsibility of our local companies. However, the personnel policies for key executives are coordinated centrally. Our actions are concentrated on the development of group-wide networks and the international transfer of know-how, the support of future managers and the preparation of talented men and women for management positions.

Development of Productivity
in TEUR



Responsibility

Wienerberger is well aware of its responsibility to its employees, and takes this responsibility very seriously. We have therefore attempted to provide the best possible support for employees released in connection with the restructuring program. For example, in Great Britain we implemented an extensive benefit plan and are also cooperating with employment agencies to facilitate job changing and help employees search for new positions. In addition, we are working together with trade unions in Europe to develop creative solutions (split-shift operations, the assignment of a team to several plants etc.) to reduce hardship cases.

In order to provide quantifiable data on important issues relating to the workforce and the working environment, we utilize our Safety, Health & Education (SHE) reporting system to collect facts and figures on the make-up of the workforce, work safety and training. The results of the first survey were very informative and entirely positive. The relatively high average employment period of 11.3 years shows that Wienerberger is able to develop a commitment between the company and one of its most important resources – its employees. The SHE reporting system will also help management to define and successfully implement specially designed safety and training programs in the future.

Entrepreneurial Spirit

In order to increase motivation and strengthen identification with the success of our company, management receives a fixed salary as well as a variable component that is based primarily on earnings indicators. The variable component was substantially lower in 2008 due to the decline in earnings. In addition all options granted to management in 2008 expired, and no options will be granted for 2009. In order to synchronize the actions of management with the objectives of our shareholders, an alternative model to the stock option plan will be developed for 2010 and the following years. This model will also serve as an incentive for management to pursue the sustainable development of the company.

The Human Touch

The Ambassador Program was introduced by Wienerberger in 2004 to develop the managers of the future. It provides talented men and women with training in the form of modular seminars that cover specialized know-how, social skills and system capabilities. The graduates then return to serve as ambassadors in our subsidiaries, and spread their newly acquired know-how and the Wienerberger spirit throughout the Group. A new cycle was started in 2007 with three groups and a total of 54 participants from 19 countries, and was completed during the past year. Plans call for the continuation of this training program with a new rotation in 2009.

We provide specialized training and support for our employees

Quality and Diversity

The Wienerberger Engineering Academy was established as a permanent facility to provide instruction in various technical disciplines, and thereby support the internal development of specialists to safeguard the long-term success of our company. This program focuses above all on ceramic products and production technologies, whereby the internal 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 goal of our Engineering Academy is to safeguard and increase our competitive advantage in engineering over the long-term.

We promote the international exchange of know-how

The first Wienerberger plant manager program was continued in 2008 as a supplement to the Wienerberger Engineering Academy. During the past year a total of five groups with 75 participants from 19 countries completed this course, which is led by specially trained Wienerberger staff members. Engineering, financing and management are covered in three modules at different locations throughout the Group, and create an additional platform for the international transfer of know-how and global networking.

Successful conclusion of the first program for plant managers

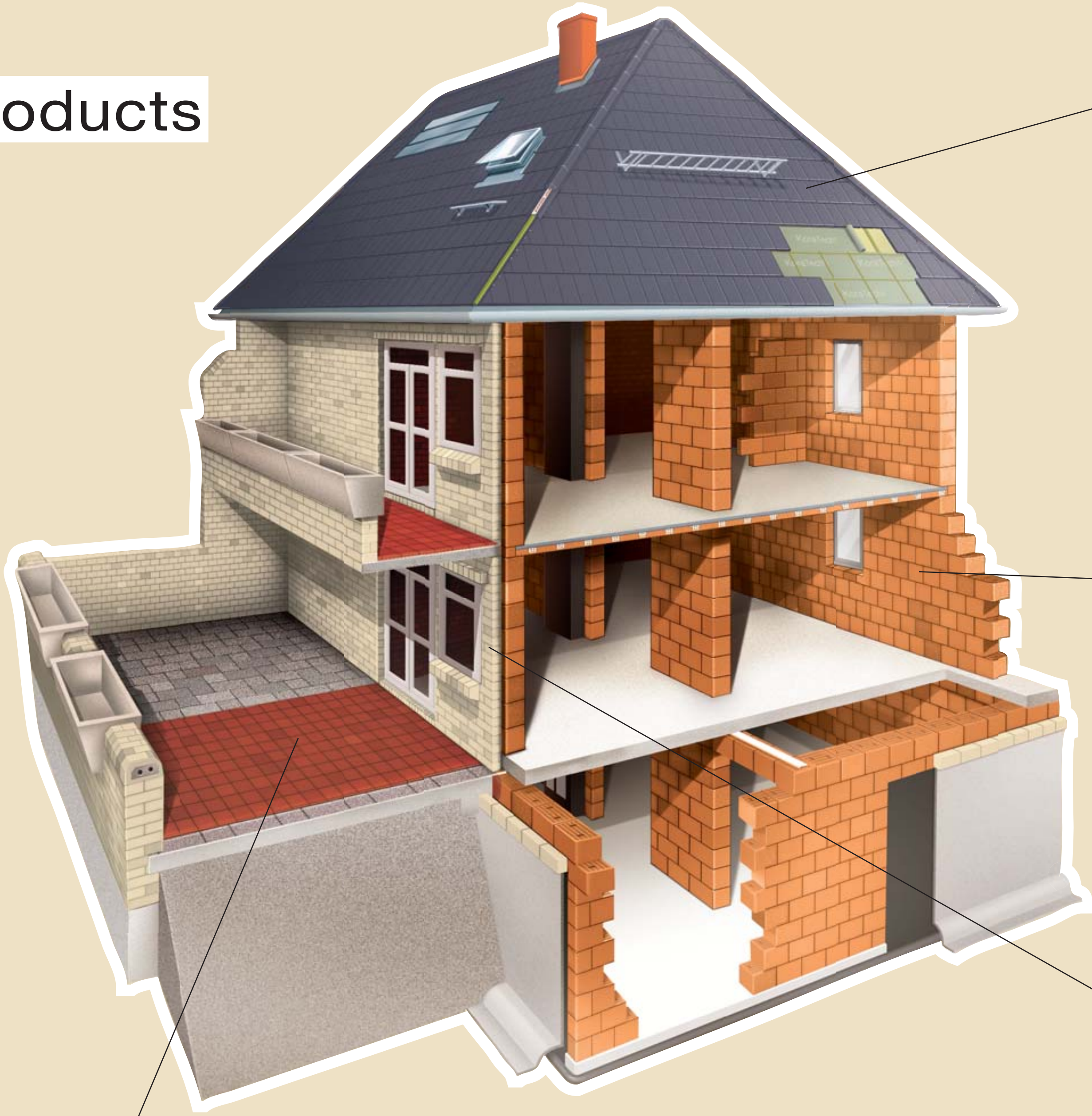
Dynamics

In order to strengthen the ties of employees and managers with corporate goals, Wienerberger started a pilot project in 2007 as part of the Investor in People (IIP) program. This internationally recognized quality standard for sustainable corporate success encourages companies to take responsibility for the effective development of employees in agreement with corporate and departmental goals. In 2008 the IIP program was expanded to include the Wienerberger companies in Austria, Switzerland, Croatia, Hungary, the Czech Republic and the Netherlands.

We are committed to the principles of sustainability

Wienerberger is committed to the principles of sustainability, multi-cultural diversity and entrepreneurial beliefs. Our personnel policies are also based on this conviction. The training and identification of employees with our shared values represent a key objective of the Wienerberger Group, and will also be pursued through various training and networking activities in 2009.

Products



Pavers

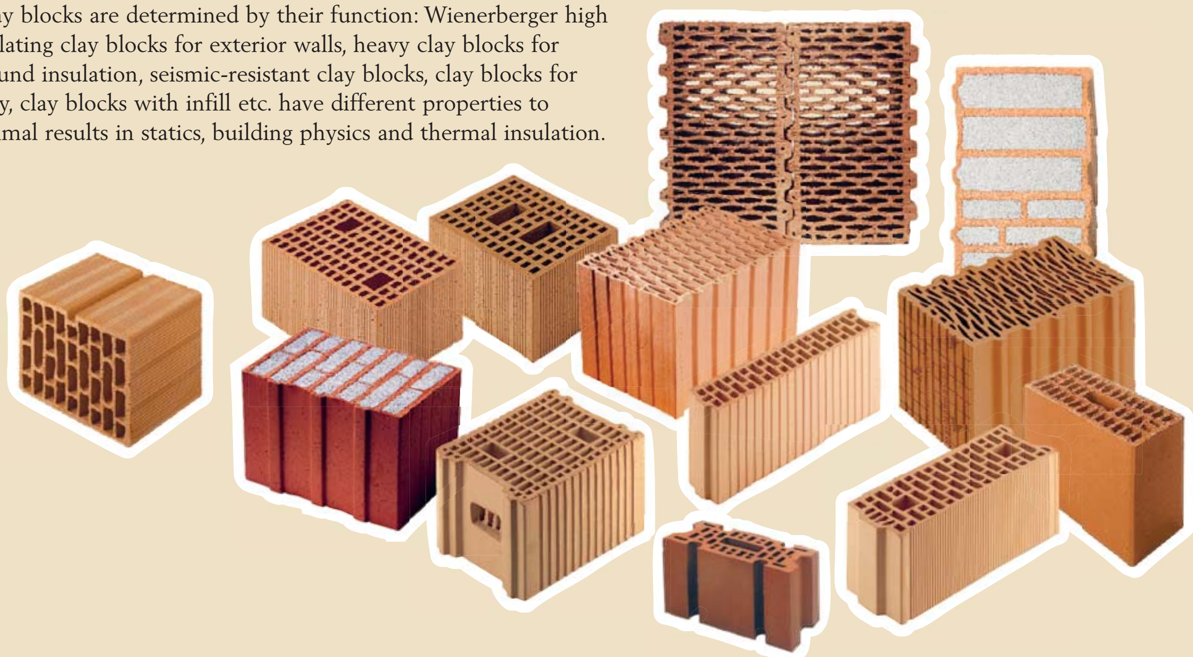
Clay pavers and concrete pavers are characterized by a high resistance and lasting esthetics, and play an important role in the design of gardens, landscaping and other urban areas. New colors and unusual shapes make it possible to set specially designed optical accents.

Roof

Pitched roofs are traditionally covered with clay roof tiles or concrete roof tiles. The Wienerberger roof tile product line offers more than 1,000 models of our KORAMIC clay roof tiles and BRAMAC concrete roof tiles (50% stake) in a broad range of colors.

Wall – clay blocks

The wide range of sizes, void patterns and ceramic properties of our high-tech clay blocks are determined by their function: Wienerberger high thermal insulating clay blocks for exterior walls, heavy clay blocks for improved sound insulation, seismic-resistant clay blocks, clay blocks for infill masonry, clay blocks with infill etc. have different properties to produce optimal results in statics, building physics and thermal insulation.



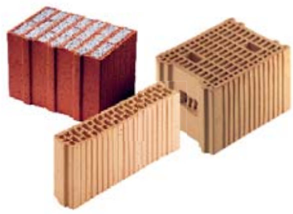
Facade – facing bricks

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

Products

Wall – clay blocks

Wienerberger clay block brand: POROTHERM (POROTON in Germany)



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 completion 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 moisture regulation. In short, walls made of clay blocks create an unmistakably pleasant and comfortable atmosphere.

Wienerberger clay blocks are sold under the POROTHERM brand (POROTON in Germany), and are optimized to meet these special applications and requirements. Examples are extreme thermal insulating clay block for exterior walls, special heavy clay blocks for improved sound insulation and seismic-resistant bricks for safe construction in earthquake zones. The Wienerberger clay blocks system also includes lintels and ceiling systems as well as mortar and plaster, which make it possible to build an entire house with bricks – from the basement to the roof. Speed and cost are two of the most important factors in the construction of a building. Porotherm Dryfix®, a special aerosol masonry glue, has a major advantage over conventional mortar-based methods because it allows construction to proceed more quickly and thereby reduces costs. In addition, it makes masonry work possible at temperatures below the freezing point. Wienerberger intends to combine the advantages of pre-fabricated construction with the major product benefits of bricks in order to use this building material in pre-fabricated structures. The related process involves the use of pre-fabricated brick components to manufacture brick walls in production halls – independent of weather conditions – which leads to a substantial reduction in outdoor construction time.

Roof

Wienerberger clay roof tile brand: KORAMIC

Clay roof tiles are used primarily to cover pitched roofs. 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 existing buildings.

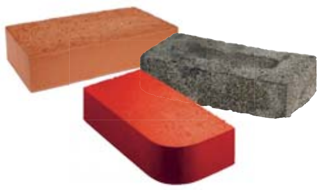
Wienerberger clay roof tiles are sold under the KORAMIC brand. They are available in a wide variety of forms (pressed or plain tiles), colors and surfaces (natural, glazed, sanded or engobed). These product features create a unique and attractive look for a roof made of clay tiles. The Group offers a complete line of special tiles and ceramic accessories for each type of tile, including ridge tiles, verge tiles and much more. In 2008 Wienerberger expanded its product line to include non-ceramic accessories for roofs with the introduction of KoraTech®. This line covers all technical accessory products that complement roof tiles and are needed to complete the construction of a roof: from products for eave ventilation to accessories for snow retention and safety systems up to dry ridge rolls. The KoraTech® line includes innovative products such as *sturm*FIX, a new fixation system developed by KORAMIC, and KoraFlex, a high-quality aluminium connection and flashing roll. These products allow Wienerberger to provide its customers with complete solutions for roofing.

Through its 50% holding in Bramac the Wienerberger Group also produces concrete roof tiles that are used to cover pitched roofs, primarily in Austria and the southeast region of Europe. The main areas of application for these products are found in new residential construction. Wienerberger has also established a position on the concrete roof tile market in Great Britain with our own production capacity through the acquisition of Sandtoft.

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 such as concrete or calcium silicate blocks. A wall made of facing bricks is an esthetic calling card for a home, and also provides optimal protection from the weather – there is no maintenance or expensive renovation in later years. 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 hardly found in any other building material. Facing bricks can also be combined together in storey-high prefabricated elements for fast construction. Especially in the non-residential sector, brick architecture can therefore play an important role in modern, economic building.

Wienerberger brand: TERCA



Corium is a ceramic facade system that can be used in both new construction and renovation. These brick tiles are clipped in vertical steel profiles, which are mounted on a load-bearing wall, and subsequently pointed. That makes Corium ideal for construction projects where traditional masonry cannot be used for technical reasons, e.g. high-rise buildings, the addition of stories to existing structures and renovation. Fast-track installation significantly reduces construction time and thereby lowers costs. ArGeTon is the Wienerberger brand for large rear-ventilated ceramic facade boards, which permit the ideal combination of traditional clay building materials with contemporary building products such as glass, aluminum or steel. The result is a timeless modern facade with the distinctive character of ceramics.

Pavers

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

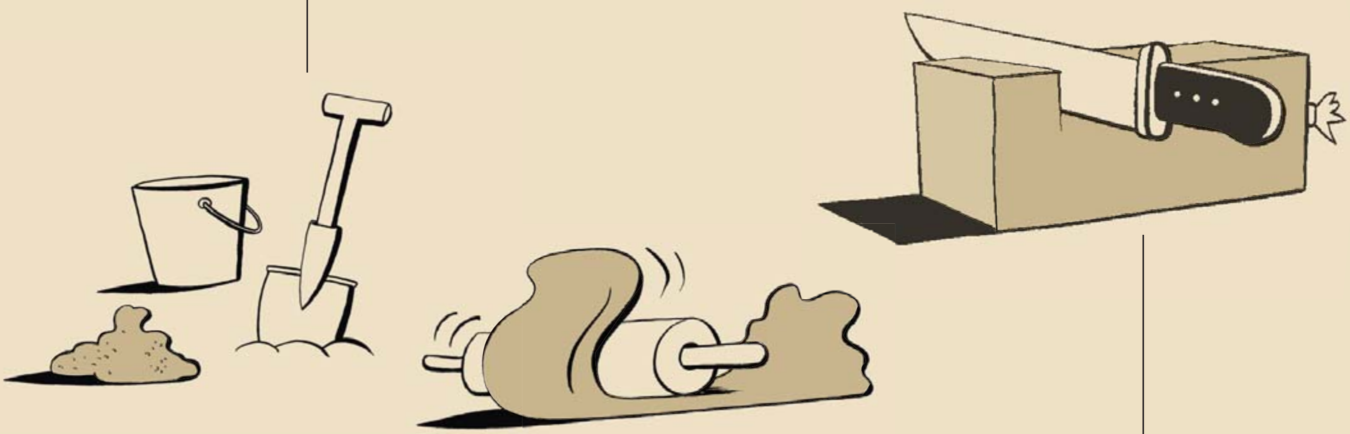
Wienerberger brands: TERCA (clay) and SEMMELROCK (concrete)

The large range of shapes, colors and surface structures offered by TERCA clay pavers and SEMMELROCK concrete pavers place virtually no limits on the esthetic fantasy and durability of paver designs. SEMMELROCK concrete pavers also permit the spatial structuring and design of garden landscapes, for example with products for slopes, planters and fencing systems.

Brick Production

Raw materials management

In a first step, experienced geologists analyze the quality of the raw material. The excavated clay is then layered in stockpiles, where it is stored for roughly one year in the open to ensure optimal consistency. After this time, the clay is collected and transported to the nearby plant by conveyor belts or trucks for further processing. Wienerberger is committed to restoring former clay mining sites. Clay pits that are no longer used are returned to serve as a habitat for flora and fauna or create a natural recreation area for local residents, or are restored for use by agriculture or forestry businesses.



Preparation

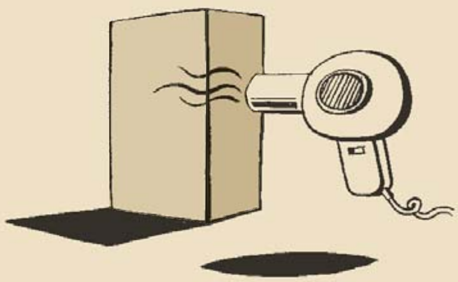
In the second step, the clay is collected from the stockpiles and transported in box feeders. It is then prepared through a grinding (pam mill) and milling process (roller mill). Water and sand – and for clay blocks, pore-forming agents like sawdust – are added and mixed to achieve the right consistency. The clay is next transported to a storage area (mud house) by conveyor belts, and from here fed through rotary disk feeders into the extruder.
Technical progress now makes it possible for us to use lower quality clay that was formerly discarded as residue. The use of biogenic, renewable materials such as sunflower seed shells or hay and secondary raw materials like paper fiber improves environmental compatibility and reduces costs.

Shaping

This step involves the actual shaping of the brick. The prepared clay is pressed through dies by extruders, and then cut into individual bricks or mechanically compressed into forms with automatic soft mud presses. The soft “green” bricks are stacked on palettes and transferred to the dryer. Clay roof tiles are extruded, or pressed into forms and made into moulded tiles.
Our own die manufacturing allows us to develop die forms, which represent the basis for innovative products with new shapes and configurations as well as optimized product features.

Drying

The drying process removes the moisture from the soft "green" bricks, and prepares the bricks for firing. Depending on the type of the product and the production technology, the drying period takes between 4 and 45 hours. During this process the moisture content drops from 20% to less than 2%. After drying the bricks are automatically repackaged into a firing setting and transferred to the kiln by kiln cars.
New and more efficient drying and air stream technologies have significantly reduced the drying period. This lowers energy consumption, improves product quality and makes it possible to develop new products.



Firing

The firing of the brick in the tunnel kiln at a temperature of 900 to 1,200°C is the final part of the production process, and lasts between 6 and 36 hours. This process gives the bricks a permanent strength. The pulp and sawdust (pore-forming agents) that were added to clay blocks during preparation burn out completely and leave tiny holes that improve thermal insulation. Facing bricks and clay roof tiles can also be produced with a ceramic surface (engobe or glazed), which is burned in and creates a particularly attractive surface. After firing, bricks are nonflammable and fire-safe for ever.
Specially developed kiln and firing technologies as well as air stream systems have reduced the required firing time by up to two-thirds. This has created enormous advantages: a 50% decrease in the use of primary energy over the past ten years, up to 90% less emissions through thermal post-combustion equipment, optimized product quality and a substantial increase in capacity.

Packaging

The fired bricks are automatically loaded onto pallets, and covered with strips and films. This packaging identifies the bricks and makes them safe for shipping.
The use of thinner films made of recycled PE and an increase in the life cycle of palettes reduces the amount of packaging material required.

Delivery

Wienerberger has a network of decentralized production facilities. The plants are located near to raw material supplies and as close as possible to local markets. This reduces transport distances, which makes fast delivery possible and also lowers the environmental impact.

Research and Development

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

With its 5,000 year history, the brick is not only one of the most successful building materials from a historical point of view. It still remains one of the most important materials for construction throughout the world in the 21st Century. Today the brick is a modern, technologically mature and esthetically versatile product. For this reason, research and development (R&D) represents an integral part of strategic planning for Wienerberger. The focal points of R&D activities are derived from our goals to pursue ***product innovation*** and maintain our ***cost and technology leadership***, and thereby protect our market positions and expand our competitive advantage. This is reflected in the steady improvement of our products as well as the development of new technologies and continuous optimization of existing production processes.

Close cooperation with local teams

R&D is managed centrally, but implemented locally. Our engineering and product management team includes roughly 70 men and women who work together with our local engineering departments to optimize products, systems and production technologies.

Steady improvement in thermal insulation of bricks

Energy savings through the use of building materials that improve thermal insulation also formed a focus of R&D activities for Wienerberger in 2008, and we therefore continued our work to improve the insulating properties of our products. One special example is the Porotherm 50 T.i Plan, a clay block with a width of 50 cm whose voids are filled with Perlite, a pure mineral thermal insulating material made of expanded volcanic rock. This brick provides particularly high thermal insulation with a U-rating of 0.14 W/m²K and, for this reason, is an optimal building material for low-energy and passive energy houses without additional insulation. Not only the reduction of heating requirements, but also the cooling of rooms in hot summers and the related decrease in air conditioning costs represent an important focus of optimization and R&D activities at Wienerberger. Bricks provide numerous advantages over lightweight constructions, especially with respect to accumulation properties, and help reduce the amount of energy that is required for the more expensive cooling of buildings.

Porotherm Dryfix® allows for faster construction at lower cost

Speed and cost are two of the most important factors in the construction of a building. Porotherm Dryfix®, a special aerosol masonry glue, has a major advantage over conventional mortar-based methods because it allows construction to proceed more quickly and thereby reduces costs. In addition, it makes masonry work possible at temperatures below the freezing point. Wienerberger intends to combine the advantages of pre-fabricated construction with the major product benefits of bricks in order to use this building material in pre-fabricated structures. The related process involves the use of pre-fabricated brick components to manufacture brick walls in production halls – independent of weather conditions – which leads to a substantial reduction in outdoor construction time.

System provider for roofs with addition of non-ceramic accessories to product line

R&D activities in the roof segment supported the positioning of Wienerberger as a system provider. We met this goal in 2008 with the expansion of our product line to include non-ceramic accessories, which are marketed under the KoraTech® brand. The KoraTech® line covers a broad range of accessories for pitched roofs that is coordinated to match the function, shape and color of our Koramic roof tiles. One internally developed innovation for this line is the *storm***FIX** hook.

Climatic changes led to the development of an innovative fixation system that prevents roof tiles from breaking loose, even in a heavy storm. This storm security is unique in comparison with other systems on the market, and has already been successfully launched in Germany.

Further development in roof segment

The further development of Koramic clay roof tiles was directed to increasing the range of large-sized products. One important advantage of these large tiles is the low number per square meter, which significantly reduces laying time and thereby helps to lower costs.

Development of integrated photovoltaic panels for roofs

Our reserves of fossil fuels are not unlimited, but sunlight is inexhaustible and free. The pitched roof provides an ideal means of utilizing this source of energy. Wienerberger has developed an integrated photovoltaic system with a continuous ceramic roof area. The first step involved the integration of photovoltaic panels into a flat tile, and this attractive system will now be extended to include additional models.

Design innovation in facing bricks and pavers

The design of facing bricks is subject to continuously changing architectural and fashion trends. For this reason, Wienerberger works with architects and builders to increase the range of its facing bricks and pavers. The individual Group companies modify and expand this offering based on their close contacts with the markets to meet local traditions as well as the needs of customers and architects. The facing brick line was enlarged to include new models, shapes, colors and surfaces. In the clay paver area, our development teams are working above all on new colors and shapes.

Prototype for ArGeTon boards with photovoltaic system

Wienerberger has recorded notable successes with the sale of large ceramic facade boards under the ArGeTon brand. This product is used with a special fixing system as a rear-ventilated facade, whereby its properties are make it ideal for light and weight-saving construction that is also well-suited for high-rise buildings. At the 2009 construction trade fair in Munich Wienerberger introduced an ArGeTon prototype with an integrated photovoltaic system, which represents a further step towards low-energy construction.

“Semmelrock Protect” makes stone highly weather-resistant and colorfast

In the area of pavers made of refined concrete, our R&D team has also developed a process that protects the stone not only on the surface but also through to the center. “Semmelrock Protect” is coated on and also impregnated into the stone during production. The resulting product does not lose its shape or color, even under the most severe weather conditions, and is very easy to keep clean.

Corporate Responsibility Projects 2008

Lottery for environmental protection

Belgium Together with the World Wide Fund for Nature, Wienerberger organized a lottery for its customers at the company showrooms in Belgium. The 36 lucky winners drawn during the past year not only received numerous prizes, Wienerberger Belgium also donated € 300 for each winner to the WWF. This raised a total of € 10,800 for the environmental protection organization.

Support for biodiversity

Great Britain Wienerberger Great Britain has worked for many years to promote biodiversity in the areas surrounding its plant at Warnham in West Sussex. A specially designed, sustainable program for the care of neighboring pastures and regional forests was developed together with foresters, creating a habitat for rare vegetation and wild animals such as buzzards and deer.

Environmental Protection

Protection of the rare "Fougère des Marais" fern

France At the site of a planned clay pit near the Angervilliers plant in Île-de-France, ecologists discovered the "Fougère des Marais" fern, a species that stands under regional protection. Clay mining at this location would have disturbed the flow of water and endangered the survival of this rare plant. The original plans for the area were therefore changed, and a new site was selected for clay mining.

Charter for sustainable environmental policy

Belgium In 2008 the two plants in Tessenderlo and Kortemark joined the Wienerberger production facilities in Aalbeke, Zonnebeke and Beerse as signatories of the "West-Vlaams Milieucharter", a voluntary guideline that helps companies to develop sustainable environmental policies. This charter focuses on activities in areas such as energy and water use, the avoidance of waste and packaging materials, noise protection, the reduction of emissions and much more.

CASA EUROPA – learning with and from each other

Romania During the past year Wienerberger provided donations in kind for the construction of the CASA EUROPA in Bucharest – a new project from the Concordia organization founded by Pater Sporschill. This east-west meeting place is designed to promote interaction between the youth of all over Europe. In the future, young people will meet at this center to learn with and from each other.

Protection of UNESCO World Cultural Heritage

Bulgaria The Bojana Church, one of the rare and most important examples of medieval architecture in Bulgaria, owes its international reputation to the extraordinary 13th Century mural paintings in its interior. These artworks led to the designation of the church as a UNESCO World Cultural Heritage at the end of the 1970s. Wienerberger Bulgaria provided financial support for the restoration of the building and paintings as part of the initiative "The eternal buildings of Bulgaria".

Social Respon-sibility

Discovery of the most important gravesites in Southern Germany

Germany Local clay mining at the Koramic plant in Straubing led to the discovery of one of the most important gravesites in Southern Germany: In various sections of the area the archeologists have found 15 skeletons that were dated between 4300 and 4200 BC based on the ceramic burial offerings and identified as part of the Münchshöfen culture. Koramic is financing the excavation and recovery of this unique find. After the extensive archeological examinations have been completed, the objects will be made available to regional museums and the general public.

Investments to improve the workplace

France Wienerberger is continuously working to further reduce the particulate emissions from brick production. For example, Wienerberger France is voluntarily implementing the new European social contract for the brick industry in its plants. This agreement recommends lower silica thresholds (0.05 mg/m³) than the legal limit of 0.1 mg/m³ that is applicable in France. Various procedures are now being put into practice to improve the workplace as part of the "Anti Silice" program, and include the use of protective masks, technical measures such as the installation of protective cabins, automatic air cleaning and regular measurements.

Corporate Responsibility

Our goal is to create sustainable values with natural products

Wienerberger views business as an integral part of society. Its duty is to serve people and create value for all. Wienerberger takes its role as a responsible member of society seriously and acts in accordance with economic, ecological and social principles. Our goal is to create sustainable values with natural products.

THE GLOBAL COMPACT

With the signing of a social charter in 2001, the management of Wienerberger formally confirmed its intention to comply with the recommendations of the International Labor Organization (ILO) in Geneva and to support the principles of social progress. As a logical consequence of this action, Wienerberger also joined the UN Global Compact in 2003. This initiative was started in 1999 by the United Nations to promote good corporate citizenship and now comprises ten major principles from the areas of human rights, labor standards, environmental protection and measures to combat corruption. Companies that join the program agree to voluntarily comply with the principles that are published on the website of the UN Global Compact (see www.unglobalcompact.org). Wienerberger also underscored its strong commitment to corporate responsibility in 2007 by supporting the Vienna congress for the development of ISO 26000, a guideline for social responsibility.

Sustainability anchored in Wienerberger mission statement

In 2004 Wienerberger management carried out an intensive dialogue on the subject of sustainability with the support of external consultants. It underscored the fact that sustainability is not just a slogan for Wienerberger, and also confirmed our long-standing focus on economic, ecological and social principles. The results of this workshop formed the basis for the development of the Wienerberger mission statement, which is available in 19 languages and was presented for the first time to our employees in 2005. This mission statement has become a vital part of our corporate culture. In order to play a key role in the development of a "sustainable future" we have defined sustainability as our foremost goal. The two most important guidelines to help us achieve this objective are active protection of the environment and social responsibility.

Active Protection of the Environment

All local companies are working to improve environmental protection

"Building value for a sustainable future" is one of our guiding principles, and our many activities demonstrate that these are not just empty words. As a producer of bricks, Wienerberger "uses" nature in a kind of symbiosis: our clay mining procedures are designed to minimize the impact on the environment, and our clay-based products are ecologically friendly, natural products that have a long service life and can easily be recycled. All companies in the Wienerberger Group work continuously to improve environmental protection measures and optimize the use of energy.

Specially designed activities and cooperation with NGOs

Wienerberger is committed to compliance with environmental protection laws, climate protection, energy savings, the restoration of clay mining sites, recycling of waste, exchange of experience with other companies, humanitarian assistance, support for local communities, preservation of our cultural heritage and transparency. At our plants we work to develop and maintain the best possible understanding with municipal authorities, representatives of interest groups and neighboring residents. The focus of our activities is placed on mutual understanding and learning from one another. We also value an open and continuing dialogue with NGOs.

Exemplary cooperation with WWF on specific projects

A special cooperation has linked us with the World Wide Fund for Nature (WWF) for the past six years since the signing of a letter of intent to pursue joint projects. Within the framework of this agreement, Wienerberger supports the international activities of the WWF in Austria, which include the RAMSAR Center in Schrems as well as a documentation, event and research facility on wetlands and the WWF-Seewinkelhof in Apetlon. In exchange the WWF advises Wienerberger on the realization of environmental protection projects that are related to the restoration of former clay mining sites.

Social Responsibility

Projects for social working environment adapted to meet needs of local employees

In keeping with our focus on people, social engagement and support for the needy form a cornerstone of our social responsibility. Wienerberger works to provide its employees with an attractive and social working environment through training programs, the improvement of working conditions, voluntary benefits and support for common activities. Questionnaires and feedback cycles form the basis for an active dialogue with employees, and help to identify their particular needs. This leads to the development of country-specific measures that reflect the requirements of the local workforce. For example, working hours in Austria were made more flexible to give employees a greater scope of responsibility and in Ukraine Wienerberger voluntarily provides its employees with health insurance to give them added security.

Support for charitable organizations with special focus on assistance for children

"Wienerberger makes bricks, but homes are built for people". This awareness is reflected in our goal to use our products and financial support as a means of helping people who have been affected by unforeseen circumstances or misfortune. Our most important concern in this respect is to help children, the weakest members of our society. We work together with recognized organizations, which we support by providing free bricks for the construction of educational facilities and buildings as well as financial backing for their projects. A long-standing partnership connects us with SOS-Kinderdorf, and we have steadily intensified this contact through numerous projects on different continents in recent years. With the founding of the SOS Sustainability Foundation – special funds that are invested under professional management and will continue to grow over the years – we have found an instrument that will guarantee long-term assistance, e.g. for the reconstruction and operation of infrastructure facilities in regions that were severely damaged by the Tsunami.

Selected projects are presented on pages 54 and 55

We regularly support and promote social projects in nearly all countries in which Wienerberger is present. A selection of the sustainability projects that we carried out in 2008 is presented on pages 54 and 55.

The Wienerberger Success Story

1819 Founding by Alois Miesbach on the Wienerberg in Vienna

1869 Start of public trading on the Vienna Stock Exchange

1918 Loss of plants in Croatia, Hungary and Czechoslovakia in the wake of World War I

1945 Hundreds of dead and destruction of plants on the Wienerberg in aerial attacks

1955 Record production for the reconstruction of Vienna after World War II

1972 Investment in Bramac concrete roof tile company in Austria

1980 Beginning of reorganization and turnaround by new management under Erhard Schaschl

1986 Start of internationalization and expansion through acquisition of the Oltmanns Group in Germany

1989 Founding of the Pipelife joint venture (plastic pipes), investment in Treibacher Chemische Werke (metallurgy and abrasives) and the ÖAG Group(sanitary ware wholesaler), expansion of clay pipe activities

1990 Start of expansion in Eastern Europe through market entry in Hungary

1994 Sale of the ÖAG Group

1995 Acquisition of the Sturm Group in France

1996 Acquisition of Terca, the leading facing brick producer in Benelux, majority investment in Semmelrock (pavers) in Austria

1997 Introduction of Wienerberger Value Management and focus on core business, sale of the Business Park Vienna real estate project and Treibacher Abrasives

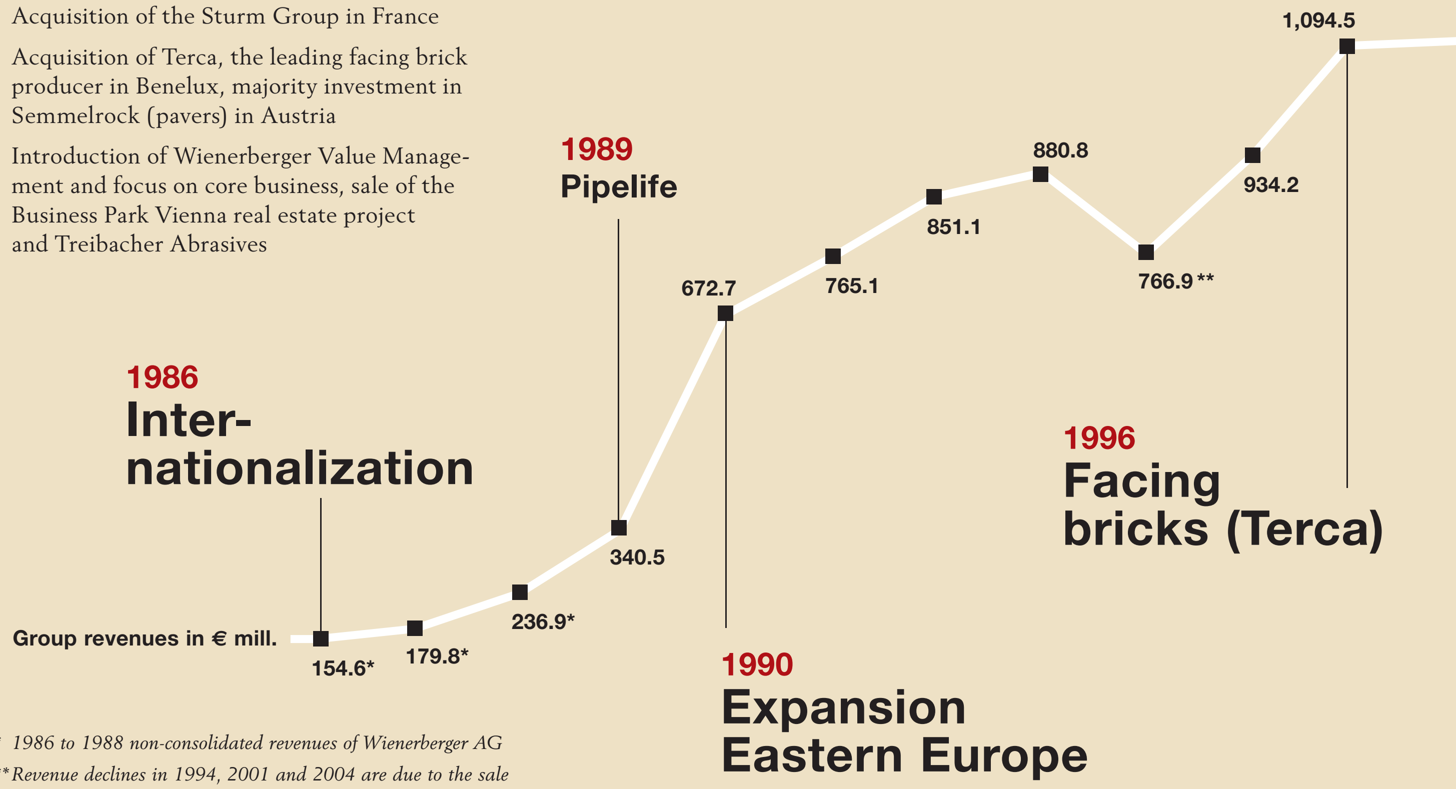
1999 Advance to Global Player through the acquisition of General Shale in the USA, purchase of ZZ Wancor in Switzerland, and acquisition of Mabo in Scandinavia by Pipelife

2000 Transformation to pure player in building materials through sale of Treibacher Industries and Wipark garage business, acquisition of Cherokee Sanford in the USA

2001 New Managing Board under Wolfgang Reithofer, acquisition of Optiroc brick division in Northern Europe, implementation of a Group-wide restructuring program with focus on Germany

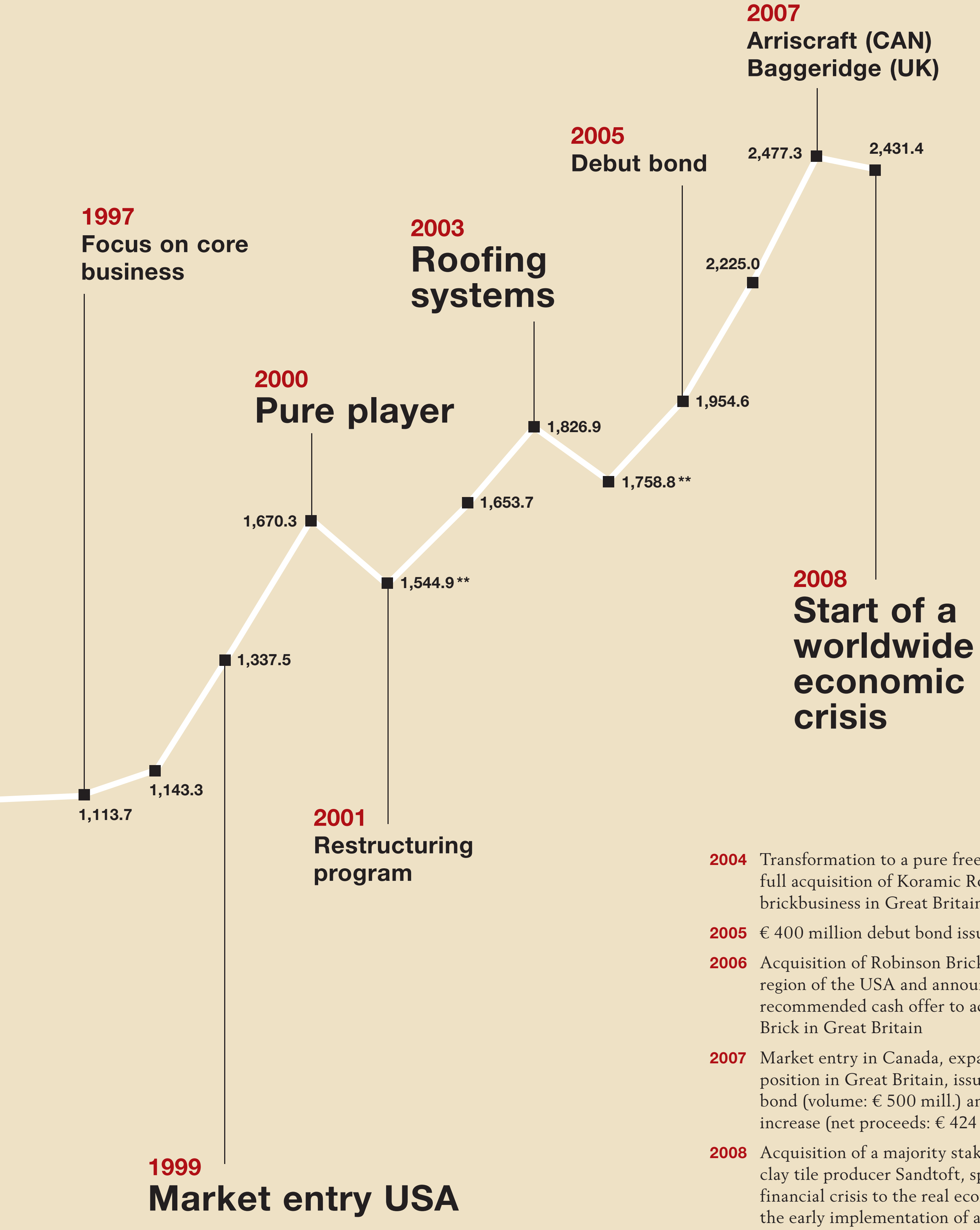
2002 Acquisition of Hanson PLC brick activities in Continental Europe

2003 Development of a second core business roofing systems through acquisition of a 50% stake in Koramic Roofing and advance to Number 2 in clay roof tiles in Europe, sale of Steinzeug clay pipe activities



* *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.*



2004 Transformation to a pure free float company, full acquisition of Koramic Roofing and the brickbusiness in Great Britain

2005 € 400 million debut bond issued

2006 Acquisition of Robinson Brick in the western region of the USA and announcement of a recommended cash offer to acquire Baggeridge Brick in Great Britain

2007 Market entry in Canada, expansion of market position in Great Britain, issue of a hybrid bond (volume: € 500 mill.) and capital increase (net proceeds: € 424 mill.)

2008 Acquisition of a majority stake in the British clay tile producer Sandtoft, spread of the financial crisis to the real economy results in the early implementation of a restructuring and optimization program, which is focused on Germany and Great Britain

The Economy

After years of growth, the USA and Western Europe slide into a recession during 2008

The global economic climate changed significantly during 2008. The financial crisis and its spread to the real economy drove the USA, Western Europe and Japan into a recession after years of growth. A slowdown in economic activity and rising unemployment as well as a subsequent increase in uncertainty on the part of consumers characterized developments throughout the past year. GDP growth slowed to 1.1% in the USA and 1.0% in the EU-27, while Japan was only able to generate a meager plus of 0.4%. China continued to serve as a driver for the worldwide economy with a GDP increase of 9.0%, but also fell substantially short of expectations.

Economic crisis spreads from Great Britain to the Continent

In Europe, the crisis first took hold in Great Britain and then cut a path to the Continent. High write-offs to bank portfolios triggered a loss of confidence in the financial sector and subsequently led to more restrictive lending by financial institutions and a shortage of liquidity on the capital market. Companies were forced to cut back on capital expenditure, which in turn led to a loss of jobs, higher unemployment and a general decline in consumer confidence. This downward spiral – which began in spring 2008 – was accelerated by the Lehman Brothers bankruptcy in September. Great Britain, the financial heart of Europe, was hit hardest by these developments and recorded a decline from 3.0 to 0.7% in GDP. Economic growth fell from 2.0 to 0.7% in France, from 2.7 to 1.3% in Belgium, from 3.5 to 1.9% in the Netherlands and from 2.5 to 1.3% in Germany. Reactions to the beginning crisis included government intervention to infuse liquidity into the capital markets as well as cuts in key interest rates by many central banks. Billions of assistance were pumped into banks throughout Europe in the form of federal support programs. The European Central Bank carried out the largest overall reduction of interest rates in its brief history during the past year, with a decrease from 4.25% in July to 2.50% in December 2008, and other central banks followed this example. It is still not possible to determine whether or not these measures will have the desired effect since conditions remain tense and the crisis has apparently not yet bottomed out. The East European countries, whose pent-up demand drove growth in recent years, were also affected by the financial crisis during the final quarter of 2008. Economic momentum fell from 10.0 to 7.1% in Slovakia and from 6.6 to 4.2% in the Czech Republic. Slower growth was reported with a decline from 6.6 to 5.0% in Poland and 8.1 to 7.3% in Russia.

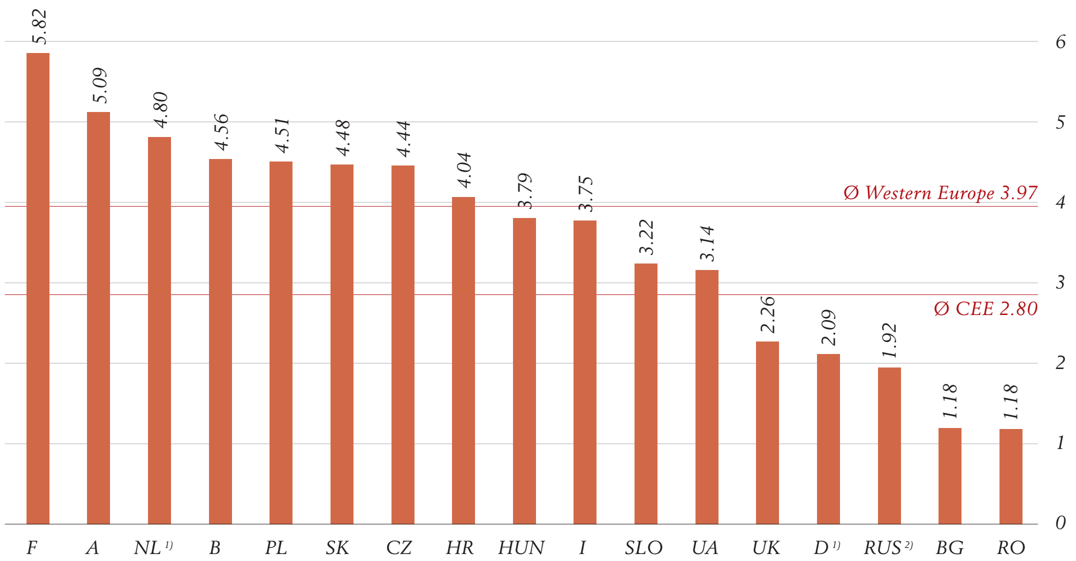
Sources: GDP forecasts by EUROSTAT, IMF, EBRD, European Commission (Interim Forecast Jan. 2009), Russian Ministry for Economic Development, Central Bank Croatia

Sharp drop in new residential construction across Western Europe, weakness in Eastern Europe at end of 2008

The worldwide recession placed the construction industry – and above all new residential construction, which is heavily dependent on bank financing – under significant pressure. In Western Europe, the number of housing starts per thousand residents fell by 29% from 5.62 in 2007 to 3.97. The housing market in Great Britain collapsed in mid-April 2008, after banks slashed the volume of mortgage loans by nearly three-fourths and halted financing for development projects. Housing starts per thousand residents slumped 36% from 3.55 to 2.26. In Germany, the development of housing completions per thousands residents was again disappointing after a weak year in 2007 (2.42) with a drop to 2.09. Housing completions in the Netherlands also declined slightly from 4.88 in the previous year to 4.80. Residential construction in France decreased during the reporting year, but still reached a sound 5.82 (2007: 6.74) housing starts

Housing starts per 1,000 residents in 2008

Source: Euroconstruct December 2008



1) Housing completions
2) Building permits

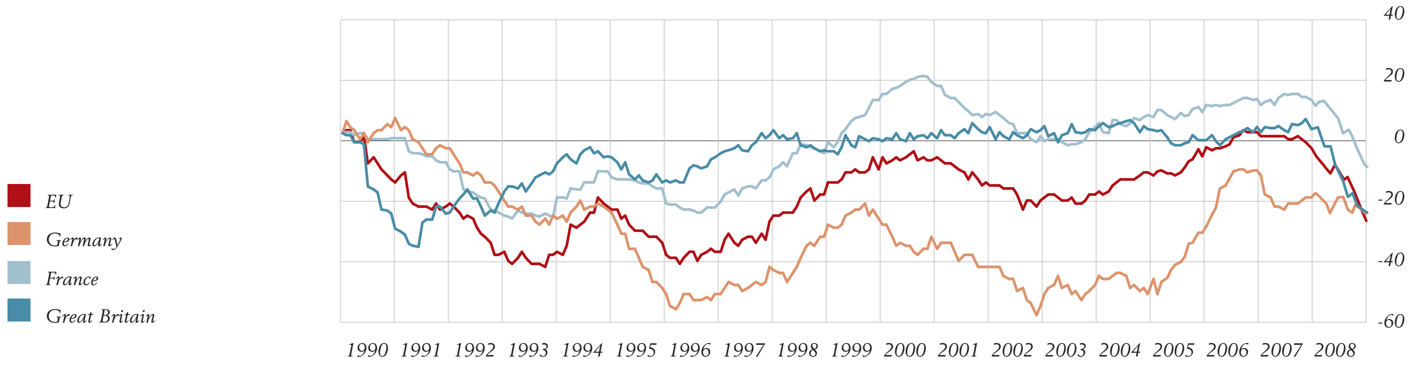
per thousand residents. Belgium reported a weakening to 4.56 housing starts per thousand residents (2007: 5.00). Since the financial crisis only reached Eastern Europe at the end of 2008, new residential construction remained at a stable level for the entire year, with the exception of Russia and Hungary. In Russia the number of building permits per thousand residents fell by 44% to 1.92, which is the primary reason for the 20% decline recorded in Eastern Europe (2008: 2.80; 2007: 3.47). Hungary reported lower demand for single- and two-family houses as a result of the sizeable budget deficit, higher inflation and a decrease in real wages. In Poland the number of building permits per thousand residents totaled 4.51 and was slightly less than the comparable prior year value of 4.71, while stronger year-on-year performance was recorded by Slovakia at 4.48 and the Czech Republic at 4.44.

Construction industry among the first to be affected by the crisis

The construction industry was one of the first sectors to be affected by the financial crisis. In addition to a shortage of mortgage loans, the economic slowdown and resulting decline in the demand for single- and two-family houses had a negative effect on the development of business. The first reaction of consumers to a weakening economy and uncertainty over the future generally includes the postponement of long-term investments (e.g. the purchase of a house or car). This is clearly illustrated by the Construction Confidence Index (CCI), an indicator of expected developments in the industry. New residential construction is also losing momentum throughout Eastern Europe, where the impact of the financial crisis on the real economy is unclear but pent-up demand from the 1980s and 1990s still remains unsatisfied.

European Construction Confidence Indexes

Source: Construction Confidence Index, Datastream

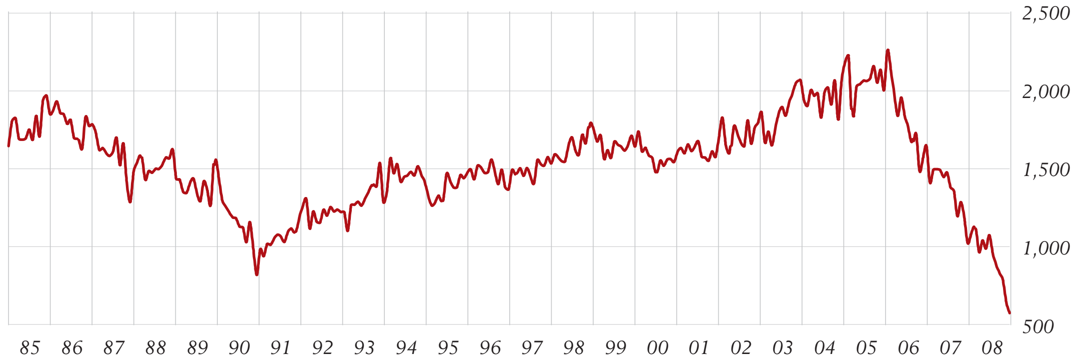


USA in recession, Federal Reserve cuts interest rates to historical low

The US economy continued to weaken significantly during 2008. While the effects of this weakness were directed primarily to the real estate market in 2007, the crisis spread to all sectors in 2008 and ultimately led to a decline in consumer spending. The reaction of the US government was an assistance program of about USD 780 billion for banks (including USD 50 billion for bankrupt homeowners), while the US Federal Reserve cut interest rates by a total of 425 basis points in a series of steps to a historical low in mid-December (defining an interest rate corridor of 0 to 0.25%). US housing starts fell by a sharper-than-expected 33% to 908,000 units (or 2.96 per thousand residents), and there are still no signs of an easing in the tension on property markets. Mortgage liabilities now exceed the value of many houses in bank portfolios, not least because of the general downslide in real estate prices; nearly one of every five homeowners is unable to make regular mortgage payments and the supply of unsold houses totaled 3.7 million at the end of the year. Even if there are currently no signs of recovery in the USA, Wienerberger expects the strong population growth and higher level of renovation compared with Europe will help this market return to its growth course and reach a significantly higher level over the mid and long-term.

US Housing Starts in 1,000 per Month

Source: U.S. Census Bureau



Wienerberger Share and Shareholders

ATX closes worst year in its history at 1,750.83 points

For many financial markets, 2008 was the worst year in their history. Weak reports on the US economy, rising oil prices and the initial effects of the financial crisis in the form of critical liquidity problems for several US investment banks triggered panic sales on worldwide stock exchanges. High volatility as a symptom of global uncertainty brought share prices under massive pressure during the second half of the year. Fears of recession fueled the downward price spiral on international exchanges, and even step-by-step interest rate cuts by central banks were unable to halt this trend. The FTSE 100 index recorded a loss of 31% for the year, the highest ever since its creation. With annual performance of -40% in 2008, the DAX posted the second worst results in its 20-year history. Vienna's leading ATX index also came under significant pressure as a result of the negative developments on financial markets and a steadily diminishing "go east" fantasy. The market capitalization of the Vienna Stock Exchange fell by nearly two-thirds from € 103 to 39 billion in 2008. The ATX declined without interruption from the end of May to an annual low of 1,492.83 points in November, marking the worst year since its introduction. As a result of the massive losses recorded throughout the year, the ATX closed 2008 with a minus of 61% at 1,750.83 points.

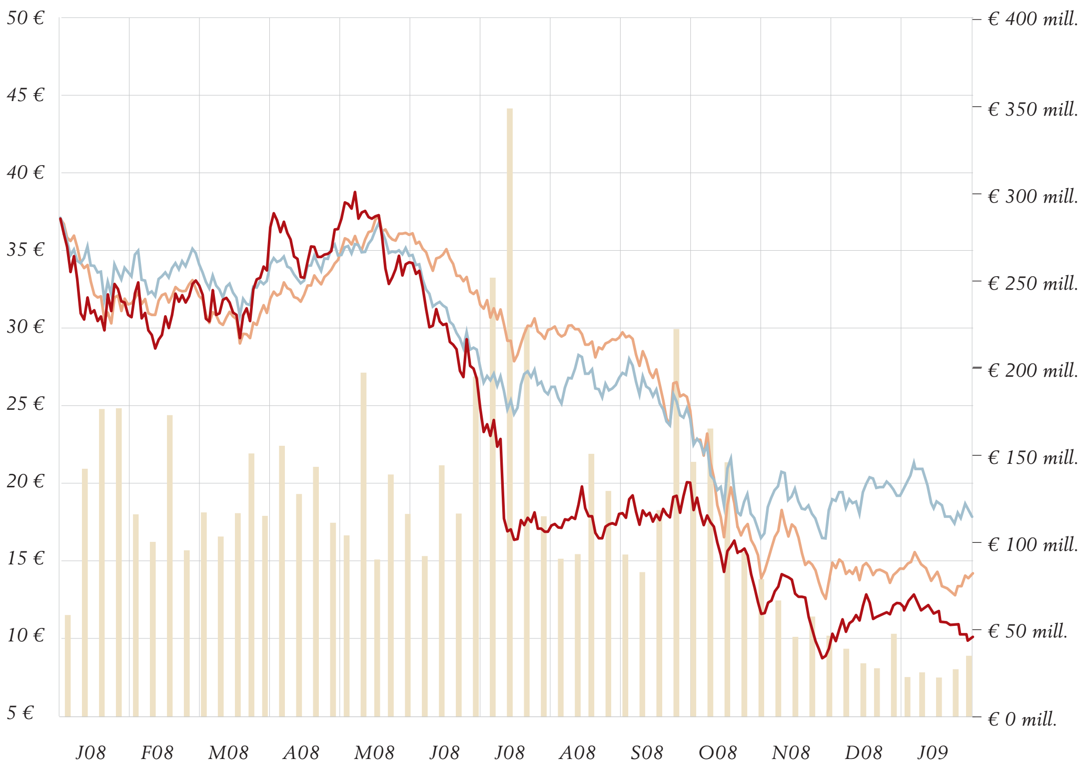
US-based financial crisis triggers decline in global stocks

A series of strong downward corrections also characterized the performance of US stock indexes in 2008. The write-off of loans by major US investment banks and fears of further such surprises caused a sharp slide in share prices during the summer. At the end of September the Lehman Brothers bankruptcy led to a sell-off on global exchanges and a massive intensification of the financial crisis. This development was mirrored in the US stock indexes: the Dow Jones Industrial closed the year with a 34% drop to 8,776.39 points, and the S&P 500 was even weaker with a 38% decline to 903.25 points for the year. The impact of the real estate crisis and a negative outlook for the global construction industry were responsible for a 49% drop in the Dow Jones Euro Stoxx Construction & Materials during 2008.

Massive drop in share prices for building materials sector and Wienerberger in 2008

The construction sector was relatively stable at the start of the year. Wienerberger reported good results for the first quarter, which supported an increase in the share price to an annual high of € 39.02 in May. On July 10 Wienerberger became the first in the branch to issue a profit warning for the first half-year and an expected decline in results for the full 12 months of 2008, an announcement that was not well received by the capital market. The share lost 23% on this day alone, for the worst loss in 17 years. Further declines were caused by the effects of the financial crisis in Western Europe, the continuous revision of economic forecasts for 2009 and signs of possible weakness in Eastern Europe. The share price reached an annual low of € 8.24 at the beginning of November. While operating EBITDA fell by 20% in 2008, Wienerberger can look back at the worst stock market year in its history with annual performance of minus 69% to € 11.90. However, 2008 was a difficult year not only for Wienerberger but for the entire building materials sector. The shares of all well-known competitors also closed the year with heavy losses. At the beginning of 2009 the Wienerberger share remained stable, but fell to a historical low of € 6.45 on February 27, 2009 as a result of negative reports on Central and Eastern Europe.

Development of the Share Price



Wienerberger AG

ATX – Austrian Traded Price Index

DJ Euro Stoxx TMI Construction & Materials

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

Substantial rise in liquidity of Wienerberger share

The trading volume of Wienerberger shares declined by almost 16% year-on-year in this very difficult stock market climate. With annual turnover of € 6,280.8 million or an average of 1,107,905 shares per day (purchases and sales, double-count method), the liquidity of the Wienerberger share was 70% higher in than the previous year and rose to sixth place in a ranking of top issues on the Vienna Stock Exchange. Over-the-counter sales totaled € 670.9 million in 2008, compared with € 2,323.9 million in 2007. On the Austrian Futures and Option Exchange (ÖTOB) 113,906 option contracts with a total volume of € 242.1 million were traded for Wienerberger shares.

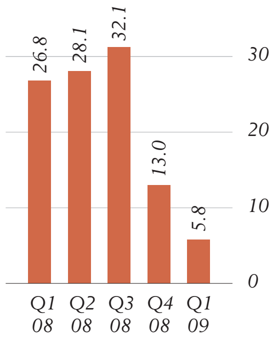
Waiver of dividend to strengthen liquidity

As a result of the deterioration in economic conditions and in accordance with the company's focus on liquidity, the Managing Board will recommend that the Annual General Meeting on May 14, 2009 waive the payment of the dividend for the 2008 financial year and use the retained funds to safeguard the liquidity and strengthen the capital base of the Group.

Key Data per Share		2006	2007	2008	Chg. in %
Earnings	*in €*	2.95	3.46	0.81	-77
Adjusted earnings 1)	*in €*	3.02	3.46	1.69	-51
Dividend	*in €*	1.30	1.45	0.00	<-100
Free cash flow 2)	*in €*	3.71	3.89	2.36	-39
Equity 3)	*in €*	21.71	28.88	24.18	-16
Share price high	*in €*	45.00	58.06	39.02	-33
Share price low	*in €*	32.11	32.84	8.24	-75
Share price at year-end	*in €*	45.00	37.93	11.90	-69
P/E ratio high 4)		14.9	16.8	23.1	-
P/E ratio low 4)		10.6	9.5	4.9	-
P/E ratio at year-end 4)		14.9	11.0	7.0	-
Shares outstanding (weighted) 5)	*in 1,000*	73,309	75,491	82,895	+10
Market capitalization at year-end	*in € mill.*	3,337.6	3,184.1	999.0	-69
Ø stock exchange turnover/day	*in € mill.*	17.8	30.2	25.1	-17

1) Before restructuring costs and impairment charges to property, plant and equipment and goodwill, and the addititon to a provision for an impending antitrust penalty, adjusted for related tax effects
2) Cash flow from operating activities minus cah flow from investing activities plus growth investments
3) Equity including minority interest and excluding hybrid capital
4) Based on adjusted earnings per share
5) Adjusted for treasury stock

Liquidity
in € mill.



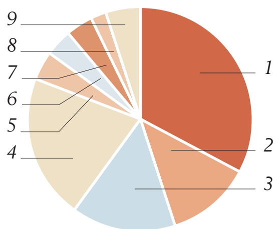
Shareholder Structure

Wienerberger AG is listed with 83.9 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 € 1.0 billion and a weighting of 4% in the ATX at year-end 2008, Wienerberger is one of the largest listed companies in Austria.

Wienerberger is a pure free float company without a core shareholder, and 100% of the shares are held in free float. Free float is distributed among Austrian and international investors, whereby an American fund holds more than 10% of the issued capital and a Canadian fund holds more than 5% of the issued capital of Wienerberger AG. Dodge & Cox Inc., based in San Francisco, reported a holding of more than 10% in July 2008, and Invesco Trimark Ltd., which has its registered headquarters in Canada, reported a holding of less than 10% in November 2008. There are no other current reports of shareholdings that exceed 5%.

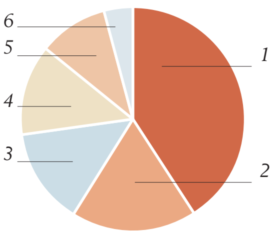
Wienerberger has a widely diversified shareholder structure, which is typical for an international publicly traded company. The majority of professional investors come from North America (45%) as well as Great Britain and Ireland (15%). The share of private investors totals 13%, whereby 87% are dominated by institutional investors. Value-oriented investors gained a large stake with 40% followed by growth-oriented and GARP investors respectively. (see the graphs on the right and on the next page).

Shareholder Structure by Country



1 USA 33%
2 Canada 12%
3 UK & Ireland 15%
4 Austria 21%
5 Germany 4%
6 North Europe 4%
7 France 4%
8 Switzerland 2%
9 Other 5%

Shareholder Structure by Investor Type



1 Value 41%
2 Growth 18%
3 GARP 14%
4 Retail 13%
5 Index 10%
6 Other 4%

Investor Relations

Professional investor relations have had a high priority at Wienerberger for many years. This function reports directly to the Chief Executive Officer, but its work is also closely integrated with the Chief Financial Officer. The primary goal of our investor relations activities is to establish and maintain open communications with the investors and shareholders of Wienerberger in order to guarantee the best possible transparency. As a reaction to the uncertainty and nervousness on capital markets that has repeatedly led to the spread of rumors before our earnings reports, we decided to follow international practices and introduce 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 as soon as stability and calm return to the capital markets.

Wienerberger also held numerous road shows and participated in investor conferences throughout Europe and the USA during 2008. 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 and press conferences, recordings of conference calls, analysts' earnings estimates and current reports, and a specially designed online annual report (annualreport.wienerberger.com).

Annual report 2007 receives international awards

Our efforts to continually improve investor relations were again honored by the financial community in 2008 with numerous national and international prizes. At the ARC (Annual Report Competition) in New York, Wienerberger was able to repeat its successful 2007 performance, receiving five golden awards as the world's best annual report in the branch (from over 2,100 reports submitted from 26 countries) as well as two platinum awards as the world's best annual report across all branches (in the categories for financial data and cover design). For the best corporate communications in the German-speaking countries, the 2007 Wienerberger annual report received its first gold at the renowned Econ Award in Berlin. Our 2007 annual report was also recognized at the Austrian Annual Report Awards for publicly traded companies, which are presented by the Austrian business journal "trend". Wienerberger won first prize as the best annual report in Austria for the fifth year in succession. At the Vienna Stock Exchange awards, Wienerberger received first prize for its corporate governance. The Wienerberger investor relations team was also honored by IR Magazine with its 2008 award for the best IR work by an Austrian company. In addition, the annual web ranking by the Swedish agency Hallvarsson & Halvarsson rated the Wienerberger website number one from over 30 of the largest Austrian corporations.

Wienerberger covered by 19 national and international analysts

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. During the past year Bayerische Landesbank (Munich), Cheuvreux (Zurich), Collins Stewart (London) and Exane BNP Paribas (London) started coverage of Wienerberger, while Capital Bank (Vienna) ended its coverage. As of March 2009 Wienerberger was covered by 19 analysts, and the following brokers publish regular reports on Wienerberger and its stock (in alphabetical order): Bank of America Merrill Lynch (London), Bayerische Landesbank (Munich), Berenberg Bank (Frankfurt), Cheuvreux (Zurich), Citigroup (London), Collins Stewart (London), Credit Suisse (London), Davy Securities (Dublin), Deutsche Bank (Frankfurt), Erste Bank (Vienna), Exane BNP Paribas (London), Goldman Sachs (London), MF Global (London), Morgan Stanley (London), RCB (Vienna), Royal Bank of Scotland (London), Sal. Oppenheim (Vienna), UniCredit (Vienna) and UBS (London).

Information on the Company and the Wienerberger Share

Investor Relations Officer	Barbara Braunöck
Shareholders‘ Telephone	+43 (1) 601 92-463
E-Mail	communication@wienerberger.com
Website	www.wienerberger.com
Online Annual Report	annualreport.wienerberger.com
Vienna Stock Exchange	WIE
Thomson Reuters	WBSV.VI
Thomson Financial	WIE-VI
Bloomberg	WIE AV
Datastream	O: WNBA
ADR Level 1	WBRBY
ISIN	AT0000831706

Highlights 2008

January 11 Wienerberger acquires a majority stake in Sandtoft

Wienerberger acquires 74% of Sandtoft, the third largest producer of clay roof tiles in Great Britain with four plants and the market leader in the large tile segment.

January 22 Wienerberger enters the market in Serbia

Wienerberger purchases 100% of the Serbian IGM Backa Nova. This company operates a clay block plant in Mali Idjos, which has an annual production capacity of 40 million NF; plans call for the extension of capacity up to 140 million NF. This transaction, which was part of the bolt-on program for 2007, was concluded in December 2007.

March 6 New communications team for Wienerberger

Barbara Braunöck (37) is named Head of Investor Relations with responsibility for financial communications. Karin Hofmann (32) takes over press activities and internal communications as the Head of Public Relations. They succeed Thomas Melzer, who resigned as speaker of the company and IR manager at the end of February.

March 26 Successful year for Wienerberger in 2007

Wienerberger exceeds its own ambitious targets for 2007. Group revenues rise by 11% to € 2,477.3 million, operating EBITDA by 17% to € 551.2 million and operating EBIT by 18% to € 353.1 million.

May 6 Further growth for Wienerberger in the first quarter of 2008

Despite a larger number of vacation days at Easter and unfavorable weather conditions, Wienerberger records further growth during the first three months of 2008 with earnings rising above the record first quarter of 2007. Group revenues increase 13% to € 574.0 million and EBITDA 10% to € 92.3 million, whereby Wienerberger continues to profit from the strong momentum in Central-East Europe.

May 28 Wienerberger honored for best corporate governance in Austria

Wienerberger is awarded a prize at the Vienna Stock Exchange Awards 2008 for the best corporate governance in Austria.

May 29 Supervisory Board extends terms of office for Heimo Scheuch and Johann Windisch

At a meeting on May 28, 2008 the Supervisory Board of Wienerberger AG approves the extension of the contracts with Heimo Scheuch and Johann Windisch, which would have expired on May 21, 2009. The new terms of office were set at five years, e.g. up to May 2014.

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June 18 Wienerberger expands brick activities in Croatia

Wienerberger expands its activities in Croatia with the acquisition of a 25% stake in the clay block plant IGM Ciglana d.o.o. Petrinja. The purchase contract also provides an option for the acquisition of the remaining shares. This location was modernized in 2005 and now has a production capacity of 110 million NF.

July 10 Revenues for first half-year weaker than expected; announcement of restructuring and optimization program

Following a strong first three months with a plus of 13%, revenues remain below expectations with a year-on-year decline of 4% in the second quarter. Wienerberger immediately starts a restructuring and optimization program in reaction to the weak market demand. This program involves the closure or mothballing of 27 primarily older plants as well as the temporary closing of eleven production lines. In addition, an extensive program is implemented to reduce administrative and selling costs.

August 19 Weak market climate has negative effect on Wienerberger half-year results

Against the backdrop of sound development in Central-East Europe and a significant deterioration on markets in the USA, Great Britain and Germany since the prior year, Wienerberger is able to increase revenues by 3% to € 1,263.6 million. Following a strong first three months with revenue growth of 13%, the second quarter brings a decline of 4% below the record level reported for the same period in 2007. Group EBITDA falls 8% to € 235.6 million and Group EBIT decreases 18% to € 136.0 million.

October 15 Award for best IR work

The Wienerberger investor relations team is honored by IR Magazine with its 2008 award for the best IR work by an Austrian company.

07 08 09 10 11 12

November 12 Wienerberger has clear strategy for weak market environment

Despite the spread of the financial crisis from the USA to Europe, positive developments in Central-East Europe support an increase of 2% in revenues to € 1,926.8 million. Operating EBITDA before restructuring costs declines 14% to € 364.7 million for the reporting period. The maximization of cash flow to safeguard liquidity is given top priority.

December 10 Wienerberger guarantees long-term continuity on Managing Board

The Supervisory Board of Wienerberger AG extends the term of office for CFO Willy Van Riet to May 20, 2014 at its meeting on December 9, 2009. In addition, the Supervisory Board appoints Heimo Scheuch, COO of Wienerberger AG, Deputy Chairman as of January 1, 2009. The term of office for CEO Wolfgang Reithofer remains unchanged to May 20, 2011.

December 11 Wienerberger donates € 50,000 of bricks

At the traditional Christmas cocktail, which brings together customers and business partners as well as high-ranking representatives of politics, business and industry, Wienerberger announces this year's Christmas donation. Bricks with a value of € 50,000 will be donated for the expansion and renovation of charitable facilities.

December 11 Number one in Webranking

Wienerberger is ranked number one for the first time in the annual Webranking conducted by the Swedish agency Hallvarsson & Halvarsson, which evaluates the Internet portals of all publicly traded companies in Austria.

December 16 Joint venture between Semmelrock and Ebenseer in Austria

Semmelrock International, a 75% subsidiary of Wienerberger AG, and Zementwerk LEUBE GmbH announce the combination of their Austrian subsidiaries Semmelrock Baustoffindustrie GmbH and the Ebenseer Group into a joint venture, the newly founded Semmelrock Ebenseer Baustoffindustrie GmbH & Co KG. The goal of this new organization is to realize positive synergies through the optimization of central corporate functions.

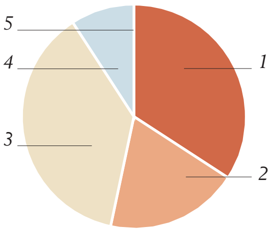
December 22 Wienerberger subsidiary Koramic files appeal against regulatory fine levied by antitrust authorities in Germany

The antitrust authorities in Germany fine Koramic Dachprodukte GmbH & Co KG € 42 million for alleged agreements in restraint of trade. Koramic Dachprodukte GmbH & Co KG intends to appeal this decision, since the grounds for and amount of this decision are not understandable.

Financial Review

Earnings

Revenues by Segment

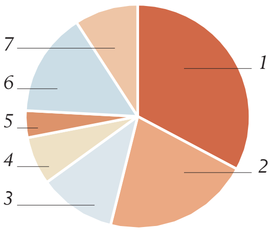


1 *Central-East Europe 37%*
2 *Central-West Europe 18%*
3 *North-West Europe 37%*
4 *North America 10%*
5 *Investments and Other -2%*

Wienerberger was unable to repeat the record prior year performance in 2008. The increasing deterioration of the economic climate across the USA and Europe led to a decline of 20% in operating EBITDA (before restructuring costs) to € 440.1 million.

Group revenues fell by 2% to € 2,431.4 million in 2008. Of the total revenues, € 65.6 million were generated mainly by the initial consolidation of Sandtoft in Great Britain, Bockhorner Klinker in Germany and a brick plant in Serbia. The weak US dollar and the devaluation of the British pound represented the primary causes for negative foreign exchange effects of € 17.2 million. After an adjustment for acquisitions and foreign exchange effects, organic growth declined by 7% due to a decrease in sales volumes on markets in North America and North-West Europe. The 2% decline in Group revenues for the reporting year reflected a 4% drop in sales volumes that was partly offset by 2% of positive price effects.

Revenues by Region



1 *Eastern Europe 33%*
2 *Benelux 21%*
3 *Germany 12%*
4 *France 7%*
5 *Austria 4%*
6 *Other Europe 13%*
7 *North America 10%*

Higher revenues were recorded in Central-East Europe with an increase of 6% over the strong prior year, while revenues in the mature markets of Central-West Europe declined by 3%. North America reported a sharp drop of 29% for the year. In North-West Europe, revenues reached the 2007 level due to the initial consolidation of Sandtoft. In the Central-East Europe segment, steady and sound demand in Poland as well as new production capacity in Romania and Bulgaria offset the lower sales volumes that were recorded in Hungary. The Semmelrock Group (concrete pavers) and Bramac (concrete roof tile joint venture) also made a positive contribution to the development of business in this segment with an increase in revenues. Central-West Europe followed a weak year in 2007 with a further slight decline in revenues for 2008, which resulted from the continuing weakness of new residential construction in Germany as well as increasing pressure on prices in Italy. Revenues in Switzerland reflected the prior year level. North-West Europe reported slightly lower revenues in Belgium and France as well as a sharp drop in Scandinavia. These declines were offset by the consolidation of Sandtoft in Great Britain, which in total held revenues at the prior year level. The development of new residential construction in the United States was significantly weaker than expected at the beginning of 2008, and led to a major slump in sales volumes. However, Arriscraft, the Canadian manufactured stone producer that was acquired in 2007, generated a further increase in revenues.

Lower operating EBITDA due to decline in sales volumes and higher costs

The Wienerberger Group recorded operating EBITDA of € 440.1 million for the reporting year, for a decrease of 20% below the comparable 2007 value. Lower sales volumes, cost inflation and more flexible pricing policies in some countries as well as the costs related to plant standstills and idle capacity triggered a decline in the operating EBITDA margin from 22.3 to 18.1%. Energy costs rose by 5.7% or € 20.2 million to € 374.5 million and equaled 15.4% of revenues for 2008, compared with 14.3% in the previous year.

Operating EBITDA in Central-East Europe 7% below record 2007 level

Operating EBITDA in Central-East Europe totaled € 262.0 million in 2008, which is 7% less than the record prior year results. This development resulted from a slightly lower utilization of capacity in year-on-year comparison, cost inflation and a sales volume decline in Hungary. In the Czech Republic and Slovakia, more flexible pricing and sales promotions were successful in significantly reducing imports from Germany. Continued strong growth was generated by the markets in Romania and Bulgaria, where additional capacity came on line at the end of 2007. The demand in Poland remained high in 2008 after the 2007 boom on building materials. Bramac and the Semmelrock Group recorded a further improvement in earnings during the reporting year. As a reaction to the growing budget crisis and resulting lower demand in Hungary, Wienerberger reduced its production capacity there in 2008. Two smaller, older plants in Poland and the Czech Republic were also closed to optimize the segment's cost structure. The optimization measures carried out in Central-East Europe included the mothballing or shutdown of six plants and two production lines at a total cost of € 13.9 million (including € 8.6 million of special write-downs).

Central-West Europe with 44% drop in operating EBITDA to € 42.5 million

In Central-West Europe, operating EBITDA fell by 44% to € 42.5 million. The primary reasons for this sharp drop were weakness on the German residential construction market as well as extended plant closings in Germany at the beginning of 2008 and increased pressure on prices in Italy. Capacity adjustments were also carried out in Germany, which resulted in the shutdown of four older plants and one production line. The resulting costs totaled € 14.8 million (including € 5.4 million of special write-downs).

Operating EBITDA in North-West Europe falls 22% to € 144.0 million, chiefly due to market slump in Great Britain

North-West Europe reported a 22% drop in operating EBITDA to € 144.0 million for the reporting year. Foreign exchange effects from the British pound had a negative impact of € 1.4 million on EBITDA in this segment. The collapse of new residential construction in Great Britain during the second quarter led to high costs for production standstills and idle capacity as well as lower capacity utilization. Wienerberger reacted quickly to this development by closing or mothballing seven plants. In Belgium and the Netherlands, the Lehman bankruptcy triggered increasing weakness on the previously stable residential construction markets beginning in the third quarter. The slowdown in residential construction in France was almost offset by a volume increase in the market share of clay blocks, but higher energy costs caused a decline in earnings below the prior year level. A total of 12 plants across the region were closed or mothballed during the reporting year, more than half of them in Great Britain. The resulting costs amounted to € 24.1 million (including € 6.3 million of special write-downs).

Operating EBITDA in North America reaches € 15.1 million

Housing starts in the USA fell by more than 30% in 2008. Substantial declines in the sales volumes recorded by our American subsidiary and the resulting costs for production standstills and idle capacity were reflected in a 57% drop in operating EBITDA to € 15.1 million. Even the sound development of Arriscraft, which generates roughly half its revenues from commercial construction, was unable to offset this trend. As a reaction to the ongoing market weakness, wide-ranging measures were implemented in the USA: administrative and selling expenses were reduced, two more plants were closed, and more than 1,000 jobs were cut. The related costs equaled € 2.2 million (including € 1.2 million of special write-downs).

A cost reduction program led to the reduction of holding company costs, which are reported under the Investments and Other segment.

Non-recurring effects of € 81.7 million

Earnings Development	2007	Disposals	Purchase [1]	F/X [2]	Organic	2008
	in € mill.	*in € mill.*	*in € mill.*	*in € mill.*	*in € mill.*	*in € mill.*
Revenues	2,477.3	0.0	136.4	-17.2	-165.1	2,431.4
Operating EBITDA [3]	551.2	0.0	11.5	9.4	-132.0	440.1
Operating EBIT [3]	353.1	0.0	3.7	11.1	-128.1	239.8
Non-recurring items	0.0	0.0	0.0	3.7	-85.4	-81.7
Financial results [4]	5.3	0.0	-2.5	0.8	-38.6	-35.0
Profit before tax	358.4	0.0	-0.2	12.0	-247.1	123.1
Profit after tax	295.8	0.0	-0.7	11.1	-202.9	103.3

1) Effects from changes in the consolidation range
2) Foreign exchange effects
3) Before restructuring costs and impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty
4) Including income from investments in associates

Restructuring costs total € 55.0 million

The € 132.0 million organic decline in operating EBITDA was offset in part by € 11.5 million from changes in the consolidation range and € 9.4 million of positive foreign exchange effects, primarily from Eastern European currencies. Wienerberger closed or mothballed 27 plants during the reporting year. These measures were responsible for restructuring costs of € 55.0 million, which include € 33.5 million of cash out and € 21.5 million of special write-downs. A major part of these funds was used for social plans.

A provision for an impending antitrust penalty was created during the reporting year. The German antitrust authorities levied an administrative fine of € 42.0 million against a wholly owned subsidiary of Wienerberger AG in Germany for alleged price agreements in violation of fair competition. The company immediately appealed this decision. Based on estimates of antitrust experts, the fine and costs for legal proceedings are not expected to total more than € 10.0 million. A provision was therefore established for this amount during the reporting year.

Operating EBITDA -20% to € 440.1 million

Operating EBITDA [1]	2007	2008	Chg.
	in € mill.	*in € mill.*	*in %*
Central-East Europe	282.8	262.0	-7
Central-West Europe	76.5	42.5	-44
North-West Europe	183.7	144.0	-22
North America	35.3	15.1	-57
Investments and Other [2]	-27.1	-23.5	-13
Wienerberger Group	**551.2**	**440.1**	**-20**

1) Before restructuring costs and impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty
2) Including holding company costs

Wienerberger tests its asset for impairment at regular intervals in connection with corporate planning processes. The results of these tests in 2008 indicated a need for impairment charges of € 16.7 million to goodwill, thereof € 14.1 million in Great Britain and € 2.6 million in Denmark. The expenses arising from restructuring, the non-recurring addition to a provision for antitrust proceedings and the impairment charges to goodwill – which represent a combined total of € 81.7 million – are shown separately on the income statement to improve transparency.

Impairment charges of € 16.7 million to goodwill related primarily to Great Britain

There were no major sales of assets from non-core operations in 2008. Operating depreciation rose from 8.0% of revenues in 2007 to 8.2% for the reporting year. This value, which is relatively high in international comparison, resulted from the strong pace of investment activity in recent years. It is also an indicator of the capital intensive nature of our business and the technical potential of the Wienerberger Group.

Operating EBITDA margin declines from 22.3 to 18.1%

Profitability Ratios	2007	2008
	in %	*in %*
Gross profit to revenues	39.0	34.8
Administrative expenses to revenues	6.0	6.1
Selling expenses to revenues	18.4	19.3
Operating EBITDA margin [1]	22.3	18.1
Operating EBIT margin [1]	14.3	9.9

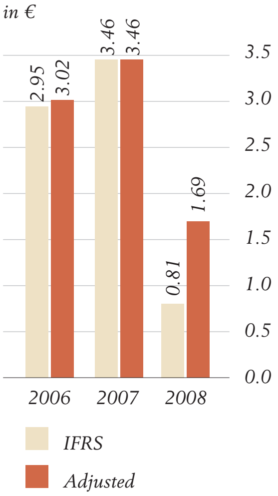
1) Before restructuring costs and impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty

Operating EBIT declines 32% to € 239.8 million

Income Statement	2007	2008	Chg.
	in € mill.	*in € mill.*	*in %*
Revenues	2,477.3	2,431.4	-2
Cost of goods sold	-1,511.0	-1,585.6	+5
Selling and administrative expenses [1]	-604.2	-617.4	+2
Other operating expenses	-49.8	-35.7	-28
Other operating income	40.8	47.1	+15
Operating EBIT [2]	**353.1**	**239.8**	**-32**
Restructuring costs and impairment charges to property, plant and equipment	0.0	-55.0	>100
Addition to a provision for an impending antitrust penalty	0.0	-10.0	>100
Impairment charges to goodwill	0.0	-16.7	>100
EBIT	**353.1**	**158.1**	**-55**
Financial results [3]	5.3	-35.0	<-100
Profit before tax	**358.4**	**123.1**	**-66**
Taxes	-62.5	-19.8	-68
Profit after tax	**295.8**	**103.3**	**-65**

1) Including freight costs
2) Before restructuring cost and impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty
3) Including income from investments in associates

Earnings per Share
in €



The unfavorable market environment was responsible for a 32% drop in operating EBIT before restructuring costs to € 239.8 million in 2008. The significant decline in financial results from € 5.3 million in the previous year – which also includes a non-recurring effect of roughly € 10 million from the sale of securities – to € -35.0 million in 2008 resulted above all from fair value hedges. Lower income from the investments in Pipelife and Tondach Gleinstätten also had a negative effect on financial results. Net financing costs showed a slight improvement during the reporting year. The interest cover (ratio of operating EBIT to net financing costs) decreased to 5.7 (2007: 8.2). The tax rate declined from 17.4% in 2007 to 16.1% in 2008. The reduction in the Group tax rate reflects the higher share of earnings generated in East European countries with lower taxes as well as the tax deductibility of the hybrid coupon.

Earnings per share are computed after the deduction of minority interest and the € 32.5 million coupon payment on the hybrid bond. The capital increase in October 2007 raised the weighted number of shares outstanding by 10% to 82.9 million. The calculation of earnings per share based on this higher number shows a decline from € 3.46 in the previous year to € 0.81 for 2008. Adjusted earnings per share of € 1.69 (2007: € 3.46) were calculated before restructuring costs, before the provision for an impending antitrust penalty and before impairment charges to goodwill and the related tax effects.

Asset and Financial Position

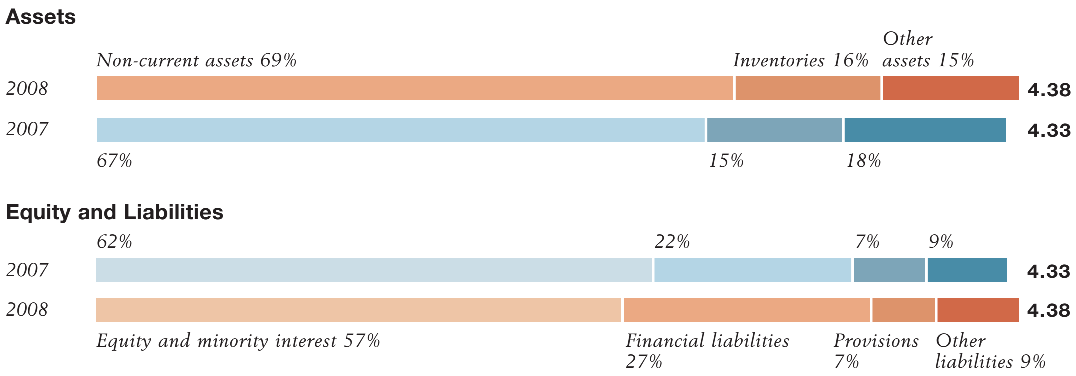
Acquisitions and inventories lead to slight rise in balance sheet total

Growth investments and higher inventories were responsible for a slight 1% increase in the balance sheet total to € 4,383.9 million in 2008. 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.

Turnover of trade receivables declines from 31 to 28 days

Non-current assets increased to 69% (2007: 67%) of total assets. Property, plant and equipment remained unchanged at 64% of capital employed and exceeded the comparable prior year value by € 130.1 million. Inventories as shown on the balance sheet totaled € 720.0 million (2007: € 669.8 mill.), whereby roughly € 12 million were related to acquisitions. The growth in inventories resulted above all from the difficult market conditions in the USA and North-West Europe. The turnover of trade receivables fell from 31 to 28 days at the end of the year, and the average turnover of trade payables remained constant at 27 days. Working capital (inventories + trade receivables – trade payables) rose due to the increase in inventories, and equaled 22% (2007: 23%) of capital employed with a turnover of 110 days (2007: 102 days). Liquidity, which is comprised of cash, deposits with banks, securities and other financial assets, fell 23% to € 296.3 million due to a decline in bank balances.

Development of Balance Sheet Structure
in € billion



Dividend payment and negative foreign exchange effects reduce equity

Group equity, including minority, interest declined 7% to € 2,497.2 million (2007: € 2,672.7 mill.). The main contributing factors in this development were: a decrease in net profit to € 103.3 million, the € 120.1 million dividend paid by Wienerberger AG, € 113.3 million of negative foreign exchange differences (after the offset of effects from hedging instruments), a € 32.5 million coupon payment for the hybrid bond and cash outflows of € 9.3 million for the share buyback program as well as € 5.0 million of other changes in minority interest. Investments made during the reporting year were financed by current cash flow and long-term debt. The equity ratio (including minority interest) fell from 62 to 57%. As of the balance sheet date, equity covered 83% of non-current assets.

Increase in financial liabilities due to investments and higher working capital

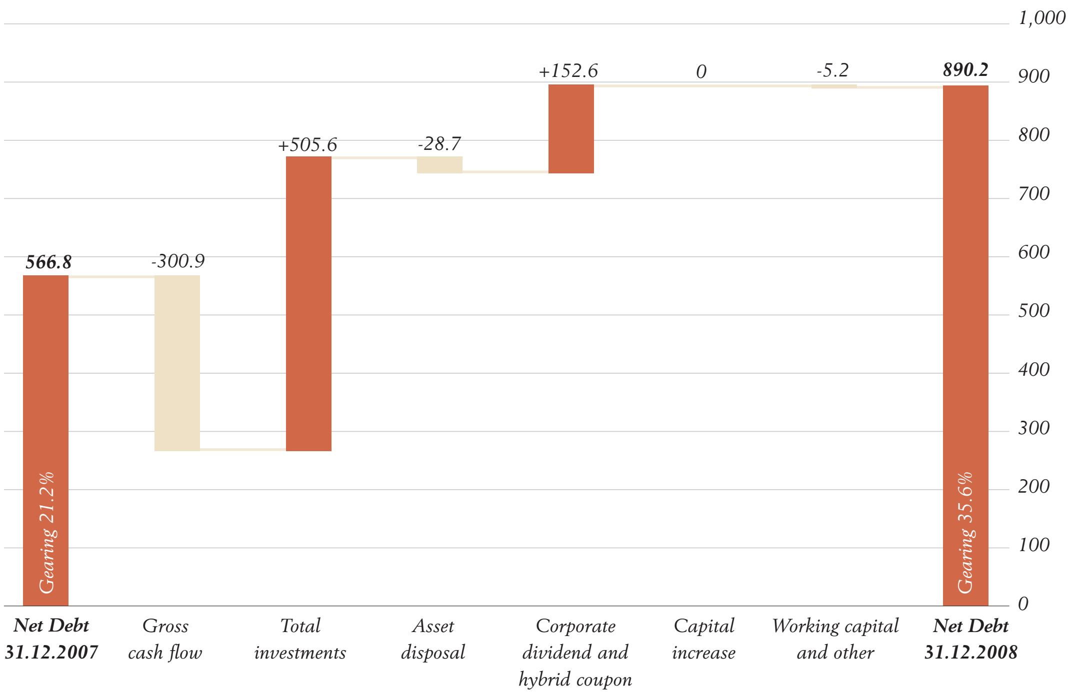
Non-current provisions decreased 2% to € 261.0 million following a reduction in the provisions for pensions. Current provisions rose by 17% to € 55.5 million, primarily due to the creation of a provision for an impending antitrust penalty in Germany. Non-current and current provisions again equaled 7% of the balance sheet total. The provisions for deferred taxes rose by 1% to € 126.5 million during the reporting year. The provisions for pensions were € 46.8 million lower than in 2007 because of foreign exchange effects and reversals, and are of lesser importance for the long-term financing of the Wienerberger Group. Interest-bearing loans (financial liabilities) rose by € 237.5 to € 1,186.5 million, and include € 1,164.5 million due to banks and bondholders, € 14.3 million of derivative financial liabilities, € 7.1 million of leasing liabilities and € 0.6 million of Group liabilities. These liabilities are contrasted by cash, bank deposits and securities of € 296.3 million. Of the € 1,164.5 million in liabilities due to banks and bondholders, 85% (2007: 87%) are long-term and 15% (2007: 13%) short-term in nature.

Calculation of Net Debt	2007	2008	Chg.
	in € mill.	*in € mill.*	*in %*
Long-term financial liabilities	812.0	1,006.3	+24
Short-term financial liabilities	123.4	172.4	+40
Financial leases	12.8	7.1	-45
- Intercompany receivables and payables from financing	-9.4	-14.7	+56
- Securities	-78.6	-74.1	-6
- Cash and cash at bank	-293.4	-206.8	-30
Net debt	**566.8**	**890.2**	**+57**

Investment-related increase in net debt and gearing

Net debt totaled € 890.2 million as of December 31, 2008, and reflects an increase of 57% over the prior year value of € 566.8 million. Investments raised net debt by € 505.6 million, while the dividend payment (including the hybrid coupon) led to an increase of € 152.6 million. Net debt was reduced by operating cash flow of € 300.9 million and divestments of € 28.7 million as well as changes in working capital, foreign exchange differences and other items totaling € 5.2 million. The combined effect of these factors was an increase in gearing from 21.2 to 35.6%. Long-term financing such as equity, minority interest, non-current provisions and long-term liabilities covered 127% of fixed and financial assets at year-end 2008 (2007: 130%). The ratio of net debt to operating EBITDA equaled 2.0, compared with 1.0 in 2007. Even if the global economic crisis continues, we expect to reduce net debt by at least € 100 million annually in 2009 and the coming years.

Development Net Debt
in € mill.



Balance Sheet Development	2007	Disposals	Puchases[1]	F/X[2]	Organic	2008
	in € mill.	*in € mill.*	*in € mill.*	*in € mill.*	*in € mill.*	*in € mill.*
Fixed and financial assets	1,945.8	0.0	57.2	-82.7	155.6	2,075.9
Intangible assets	764.2	0.0	61.1	-31.3	-24.5	769.5
Other non-current assets	251.1	0.0	-9.0	-5.7	-35.7	200.7
Inventories	669.8	0.0	12.0	-1.5	39.7	720.0
Other current assets	699.0	0.0	-29.5	105.2	-156.9	617.8
Balance sheet total	**4,329.9**	**0.0**	**91.8**	**-16.0**	**-21.8**	**4,383.9**
Equity[3]	2,672.7	0.0	65.6	-125.8	-115.3	2,497.2
Provisions	313.4	0.0	11.4	-6.7	-1.6	316.5
Liabilities	1,343.8	0.0	14.8	116.5	95.1	1,570.2

1) Effects of companies and stakes acquired or sold in 2008
2) Foreign exchange effects
3) Including minority interest and hybrid capital

Increase in balance sheet total due to organic growth and acquisitions

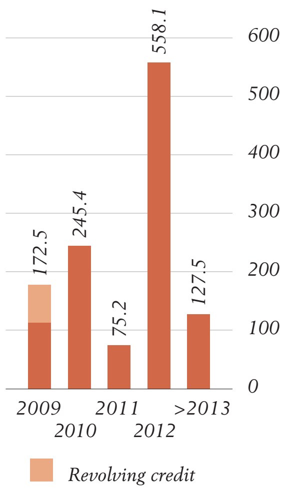
The acquisition of Sandtoft (Great Britain), Bockhorner Klinker (Germany) and IGM Backa Nova (Serbia) as well as the initial consolidation of Wienerberger Brick Private Limited in India led to an increase of 1% in the balance sheet total. An organic decrease of € 21.8 million in the balance sheet total resulted above all from impairment charges to goodwill and the sale of plant and equipment.

Balance Sheet Ratios		2007	2008
Capital employed	*in € mill.*	3,060.2	3,252.2
Net debt	*in € mill.*	566.8	890.2
Equity ratio	*in %*	61.7	57.0
Gearing	*in %*	21.2	35.6
Asset coverage	*in %*	91.7	82.9
Working capital to revenues	*in %*	28.0	30.0

Treasury

A primary objective of the Wienerberger Group is to safeguard liquidity. Financing requirements were relatively low in 2008 and, for this reason, only smaller tranches of debt with a total volume of roughly € 160 million were borrowed during the reporting year. In order to further strengthen liquidity, a € 90 million line of credit was concluded in addition to the € 250 million line already in place. The terms of these lines extend to 2011 and 2013, respectively. Short-term liabilities are backed by liquid funds, which minimize the refinancing risk. Wienerberger monitors mid-term liquidity based on a rolling analysis of maturities over the next 24 months. As of December 31, 2008 liquid funds and committed credit lines were available to cover the Group's refinancing needs of € 429 million up to the end of 2011. Since the committed lines are held as a liquidity reserve, debt that is scheduled to mature in 2010 will be refinanced or the required liquidity will be secured during 2009. Wienerberger has developed a core group of banks over the past years, which will continue to play an important role in this process. In order to improve the Group's internal financing potential, a project has been started to optimize net current assets. The related activities are expected to make a positive contribution to the reduction of net debt in 2009.

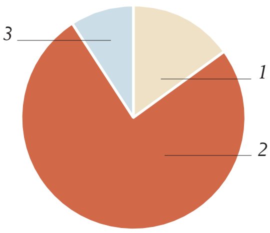
Term Structure of Interest-bearing Financial Liabilities
in € mill.



53% of liabilities are variable-interest

Including the interest rate swaps that were concluded at an attractive level, fixed-interest liabilities equaled 47% and variable interest liabilities 53% of the portfolio as of December 31, 2008.

Term Structure of Financial Liabilities



1 <1 year 15%
2 1–5 years 75%
3 >5 years 10%

The major component of the Group's financing is denominated in the euro. Wienerberger monitors the foreign exchange risk associated with balance sheet items based on the net risk position in its major currencies (USD, CHF, CZK, GBP, PLN) and hedges this risk with cross currency swaps based on monthly stress tests. Since the risk position includes equity as well as debt components, an allocation to financial liabilities does not make sense.

Treasury Ratios	2007	2008
Net Debt / operating EBITDA	1.0	2.0
Operating EBITDA [1] / Interest result	12.8	10.4
Operating EBIT [1] / Interest result	8.2	5.7

1) Before restructuring costs and impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty

Cash Flow

Free cash flow declines due to weaker earnings and higher working capital

The decline in operating earnings led to a 37% decrease in gross cash flow to € 300.9 million for 2008. Cash flow from operating activities equaled € 262.8 million (2007: € 361.5 million) and reflected the cash outflows related to the growth of working capital, which in turn resulted from a widespread market weakness. Cash flow from investing activities totaled € -474.6 million. The reduction in free cash flow (cash inflow from operating activities minus cash outflow from investing activities plus growth investments) from € 293.8 million in 2007 to € 195.4 million for the reporting year will form the starting point to further strengthen the financial basis of the Wienerberger Group. Cash flow from financing activities includes the € 120.1 million dividend for the 2007 financial year as well as the hybrid coupon of € 32.5 million. Cash inflows from financing activities were generated by a € 200.9 million increase in the Group's long-term lines of credit and € 42.1 million of dividends received from associated companies.

Cash Flow Statement	2007	2008
	in € mill.	*in € mill.*
Cash flow from operating activities	**361.5**	**262.8**
Maintenance capex (maintenance, rationalization, environment)	-120.2	-98.4
Bolt-on projects (new plant construction, extensions, small acquisitions)	-297.0	-308.3
Strategic projects (large acquisitions)	-228.4	-98.9
Divestments and other	52.4	31.0
Cash flow from investing activities	**-593.2**	**-474.6**
Growth investments	525.4	407.2
Free cash flow	**293.8**	**195.4**

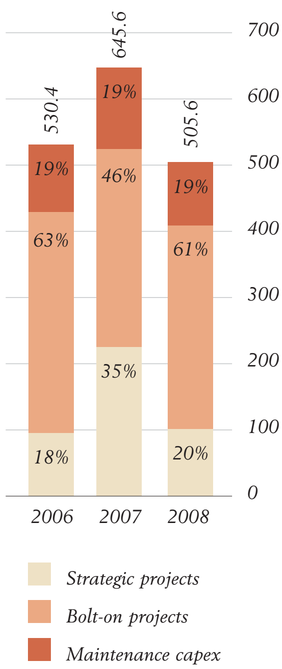
Investments

Investments totaling € 505.6 million were made during the reporting year (2007: € 645.6 mill.). Maintenance, rationalization and environmental investments (maintenance capex) equaled € 98.4 million (2007: € 120.2 mill.) or 49% of depreciation for the year (2007: 61%). This represents the part of capital expenditure that is required to maintain current production capacity and modify equipment to meet the latest technical standards. A total of € 308.3 million (2007: € 297.0 mill.) was spent on smaller acquisitions as well as the construction of new plants and capacity extensions (bolt-on projects) in existing markets. The bolt-on investments were distributed as follows in 2008: 54% in Central-East Europe, 24% in North-West Europe and 11% in North America. A total of € 98.9 million was invested in strategic acquisitions of Sandtoft in Great Britain and IGM Ciglana Petrinja in Croatia.

Substantial reduction in maintenance capex from € 120.2 to 98.4 million

Investments in property, plant and equipment are divided among the various asset groups as follows: land and buildings at € 43.1 million, machinery and equipment at € 114.3 million, fixtures, fittings and office equipment € 10.5 million and construction in progress at € 220.2 million.

Total Investments
in € mill.



Development of Non-current Assets	Intangible	Tangible	Financial	Total
	in € mill.	*in € mill.*	*in € mill.*	*in € mill.*
31.12.2007	**764.2**	**1,972.3**	**179.3**	**2,915.8**
Capital expenditure [1]	2.2	388.1	0.5	390.8
Changes in the consolidation range	61.1	59.7	-9.0	111.8
Depreciation	-26.1	-212.4	-0.3	-238.8
Disposal	-1.0	-19.0	-42.4	-62.4
Currency translation and other	-30.9	-82.3	7.0	-106.2
31.12.2008	**769.5**	**2,106.4**	**135.1**	**3,011.0**

1) Additions as per schedule of fixed and financial assets

Total investments [1]	2007	2008	Chg.
	in € mill.	*in € mill.*	*in %*
Central-East Europe	140.3	226.0	+61
Central-West Europe	61.7	37.6	-39
North-West Europe	291.6	176.7	-39
North America	148.1	47.1	-68
Investments and Other	3.9	18.2	>100
Wienerberger Group	**645.6**	**505.6**	**-22**

1) Additions to property, plant and equipment and intangible assets, including working capital and changes in the consolidation range or maintenance capex plus growth investments

Wienerberger Value Management

CFROI and CVA 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. We have established a minimum sustainable CFROI target of 11.5% (= hurdle rate), after adjustment for non-recurring income and expenses, for all segments. The hurdle rate equaled 12.0% in past years, but was reduced to 11.5% in 2008 to reflect the lower costs of capital. 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.

Group CFROI below hurdle rate of 11.5%

Calculation of Group CFROI		2007	2008
Operating EBITDA [1]	*in € mill.*	**551.2**	**440.1**
Average capital employed	*in € mill.*	2,829.2	3,156.2
Average accumulated depreciation	*in € mill.*	1,407.4	1,566.7
Average historical capital employed	*in € mill.*	**4,236.6**	**4,722.9**
CFROI	*in %*	**13.0**	**9.3**

1) Before restructuring costs and impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty

CFROI 2008 by Segment	Operating EBITDA [1]	Average historical CE	CFROI [2]	CVA [2]
	in € mill.	*in € mill.*	*in %*	*in € mill.*
Central-East Europe	262.0	1,338.1	19.6	108.1
Central-West Europe	42.5	820.1	5.2	-51.8
North-West Europe	144.0	1,821.0	7.9	-65.4
North America	15.1	697.5	2.2	-65.1
Investments and Other	-23.5	46.2	-50.9	-28.8
Wienerberger Group	**440.1**	**4,722.9**	**9.3**	**-103.0**

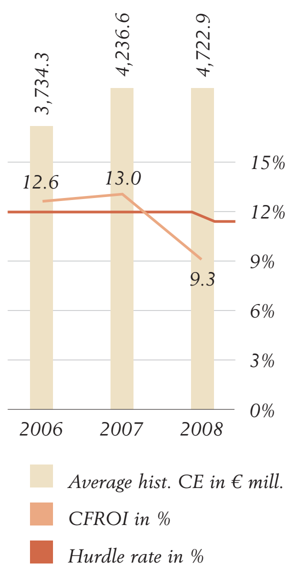
1) Before restructuring costs and impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty
2) Calculated on the basis of average historical capital employed
3) Including holding company costs

Group CFROI fell below the hurdle rate to equal 9.3% for the reporting year. As a consequence of the weak development of earnings in the USA and Western Europe, the only segment to significantly exceed this target was Central-East Europe with CFROI of 19.6%.

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 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 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 declined from 7.5% in 2007 to roughly 7.0% for the reporting year.

Net operating profit after tax (NOPAT) is calculated on the basis of operating EBIT before restructuring costs and impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty. This indicator fell 32% to € 194.1 million in 2008. Average capital employed rose 12% to € 3,156.2 million as a result of growth investments and the increase in working capital. ROCE reached only 6.2% because of the decline in earnings (2007: 10.1%) and led to a decrease in EVA[3] to € 27.8 million.

CFROI



Calculation of Group ROCE		2007	2008
Operating EBIT[1]	*in € mill.*	353.1	239.8
Taxes	*in € mill.*	-62.5	-19.8
Adjusted taxes	*in € mill.*	-5.6	-25.9
NOPAT	*in € mill.*	**285.0**	**194.1**
Equity and minority interest	*in € mill.*	2,672.7	2,497.2
Financial liabilities and financing leases	*in € mill.*	948.1	1,185.8
Intercompany receivables and payables from financing	*in € mill.*	-9.4	-14.7
Cash and financial assets	*in € mill.*	-551.2	-416.1
Capital employed	*in € mill.*	**3,060.2**	**3,252.2**
Average capital employed	*in € mill.*	**2,829.2**	**3,156.2**
ROCE[2]	*in %*	**10.1**	**6.2**

ROCE equals 6.2%, less than WACC of 7.0%

Value Ratios		2007	2008
ROCE[2]	*in %*	10.1	6.2
EVA[2][3]	*in € mill.*	72.8	-27.8
CFROI[4]	*in %*	13.0	9.3
CVA[4]	*in € mill.*	42.8	-103.0

Weaker earnings lead to negative EVA of € 27.8 million

1) Before restructuring costs and impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty
2) Calculated on the basis of average capital employed (average of capital employed on January 1, 2008 and December 31, 2008)
3) EVA is a registered brand name of Stern Stewart & Co.
4) Calculated on the basis of average historical capital employed

Interview with Willy Van Riet, CFO

The whole world is talking about the banking crisis – has is it really become that much more difficult for companies to obtain financing? Is Wienerberger also affected?

It's really not easy to arrange for financing these days, and the cost of new financing has increased considerably. Of course, Wienerberger is also affected by this situation – but to a limited extent because of our strong equity base. One of my main objectives is to make sure our refinancing needs are met –

One of my main objectives is to make sure our refinancing needs are met.

and I'm happy to say that from the current point of view we now have sufficient financing to meet our requirements up to the end of 2011.

Austrian federal guarantee – on the one hand, you say financing is secured up to the end of 2011, but on the other hand you've said Wienerberger is interested in a federal guarantee for a bond. What would you do with these funds?

Let me explain: in times like these, it's very important to have sufficient reserves and the greatest possible protection for liquidity. In any event I intend to make Wienerberger's financial position

In times like these, it's very important to have sufficient reserves.

as strong as possible, and I see the federal guarantee as a potential – but from today's point of view not very likely – option to meet this goal.

The hybrid bond is currently trading at roughly € 48. At this price, wouldn't it be interesting to start a buyback?

That may sound interesting at first glance, but two arguments speak against such a decision in the current economic environment. First of all, the hybrid bond represents 100% equity for Wienerberger – if we decide to start a buyback, we would have to borrow money and that would

The hybrid bond represents 100% equity for Wienerberger. For a buyback, we would have to borrow money, and that would worsen our gearing and increase our net financing costs.

worsen our gearing ratio. The hybrid bond has a fixed interest rate of 6.5% up to 2017, and I can't say whether a loan would be less expensive in the current market environment. Secondly, you must realize that the bond is not very liquid and that would make a repurchase at € 48 impossible

A downgrade from Moody´s and a negative outlook from S&P – what effect will this have on Wienerberger? Can we expect an increase in financing costs? What consequences would it have for our financing if the rating fell to sub-investment grade?

First of all, I would like to note that the downgrade by Moody's was not a reaction to Wienerberger's financial reports – it reflected a valuation of the sector in which we operate and an assessment of the general economic

Both rating agencies also acknowledge the fact that Wienerberger took the right actions at the right time.

environment. The ratings by both these agencies also acknowledge the fact that Wienerberger took the right actions at the right time. And I see this as an important difference. The downgrade itself will not directly affect Wienerberger, but will of course have an impact on the investors who hold our bonds and also lower the attractiveness of any further public bond we issue. Whatever our rating is, we will have to expect higher financing costs in the current market environment. To give you a comparison: in 2005 we issued a bond with an interest rate of 3.875%. One of our largest competitors, which has a better rating, recently placed a bond with an interest rate of 8.5%. We're still in a good position to obtain financing at favorable conditions, but we must expect to pay more for these funds in the future.

Mr. Van Riet was interviewed on January 7, 2009 by Manuela Krist, Head of Accounting at Wienerberger.

Outlook and Goals

Lower revenues and earnings in 2009; cost savings of € 90 million expected

The financial crisis is gradually spreading to more and more sectors of the real economy and will lead to substantial weakness on all our core markets during 2009. The resulting effect will be a decline in revenues and earnings for the Wienerberger Group, although the extent of this development is not yet clear. We will therefore continue to pursue our adjusted strategy with its focus on the changed market environment and concentrate our efforts on the protection and strengthening of liquidity, the maximization of cash flow and increased marketing activities. The measures implemented to date are expected to result in cost savings of € 90 million during 2009.

Extent of financial crisis in Central-East Europe unclear

The forecasts for Central-East Europe are linked with significant uncertainty. We assume the financial crisis will have an increasing impact on this region and trigger a decline in earnings, but the outcome cannot be quantified at this time. The pace of construction by builders and property developers will most likely be slower, since these groups are predominantly dependent on bank financing. However, we expect more stable development from our core market – private single and two-family housing construction – because of the larger role played by equity financing. Brick imports should also fall substantially due to the general weakness of the currencies in this region.

Further weakness on markets in Western Europe

In Western Europe, we are anticipating further market declines in 2009. There are no signs of recovery in German residential construction, and a reduction in brick exports from this country will increase the pressure on local prices. We are also anticipating greater pressure on prices in Italy. In Belgium and the Netherlands, the downward spiral is expected to continue during the coming year. The decline in new residential construction is likely to continue in France, but clay blocks are gaining market shares at the expense of other wall building materials; in the roof sector we are forecasting a more stable development. Forecasts call for a further sharp drop in housing starts in Great Britain during 2009, and we expect a parallel decline in sales volumes on the British market.

No further earnings decline in North America expected

Housing starts in the USA are forecasted to fall by a substantial 28% to 650,000 units during the coming year. However, we do not expect a further deterioration of earnings in the North America segment – although sales volumes will most likely be lower – because of the widespread restructuring measures implemented in recent years and the resulting strong improvement of our cost structure.

2009: further capacity adjustments; capex limit of € 180 million; cut of € 100 million in net debt annually

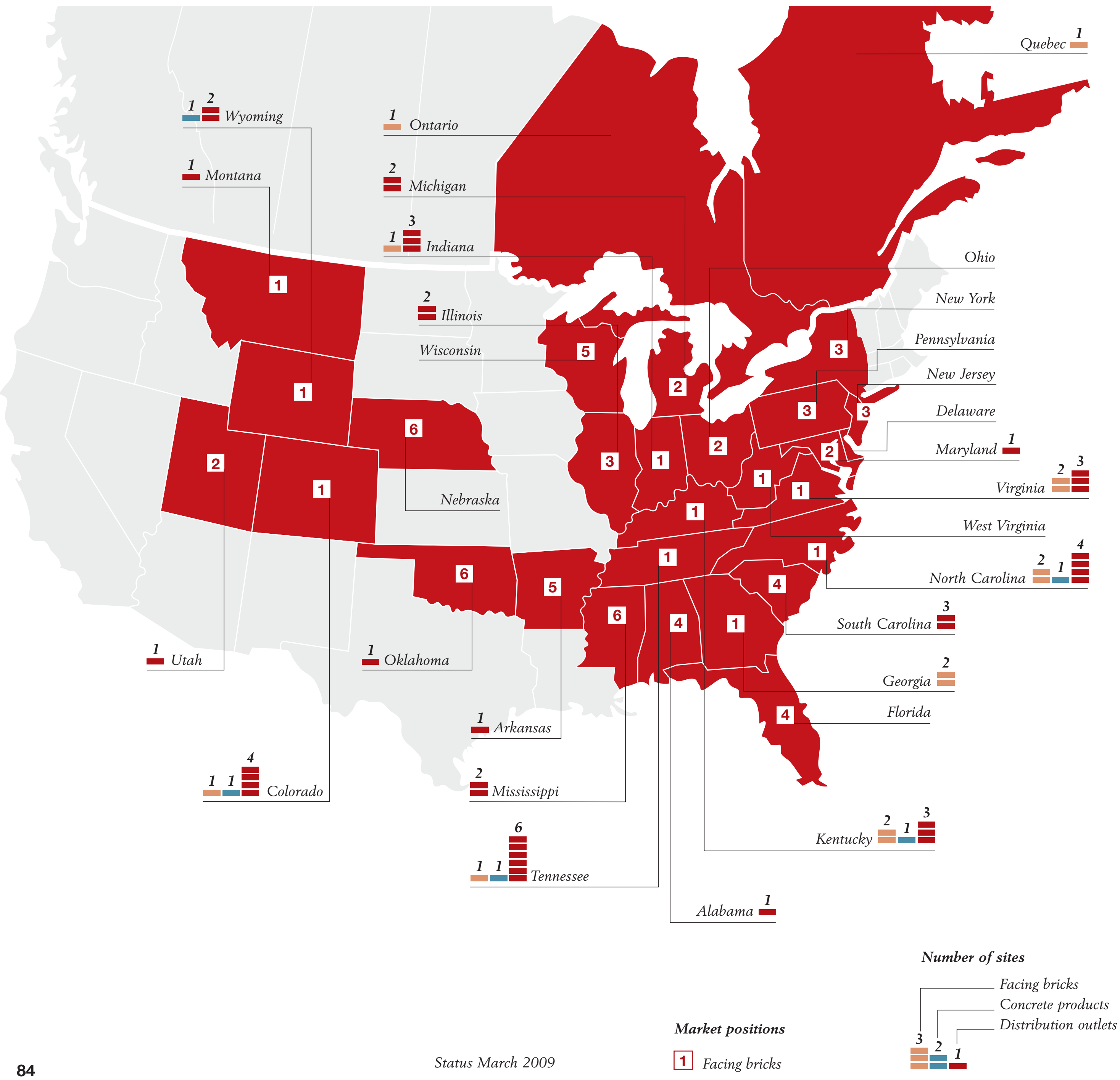
We have prepared various scenarios and will quickly take the necessary steps to adjust our capacity and cost structure to reflect the development of our markets. Our objective is to realize further cost savings of € 40 million. In 2009 we plan to limit total investments to roughly € 180 million. A maximum of € 80 million is budgeted for maintenance capex to service and optimize existing equipment (36% of scheduled depreciation), and a further € 100 million will be required to complete the projects that are currently in progress. We also started a series of inventory reduction measures at the end of 2008, which should substantially lower working capital. Even if the economic crisis continues, we intend to use the cash flows to reduce net debt by at least € 100 million annually, and thereby further strengthen our financial position.

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 shares in Wienerberger AG.

Plant Sites and Market Positions

Wienerberger is the only multinational producer of bricks and roof tiles, with a total of 243 plants in 26 countries and 5 export markets. We focus on our core areas of expertise and work steadily to strengthen our geographic portfolio. We don't want to be everywhere – our objective is to develop strong positions in the markets in which we are present.

Wienerberger Markets in North America



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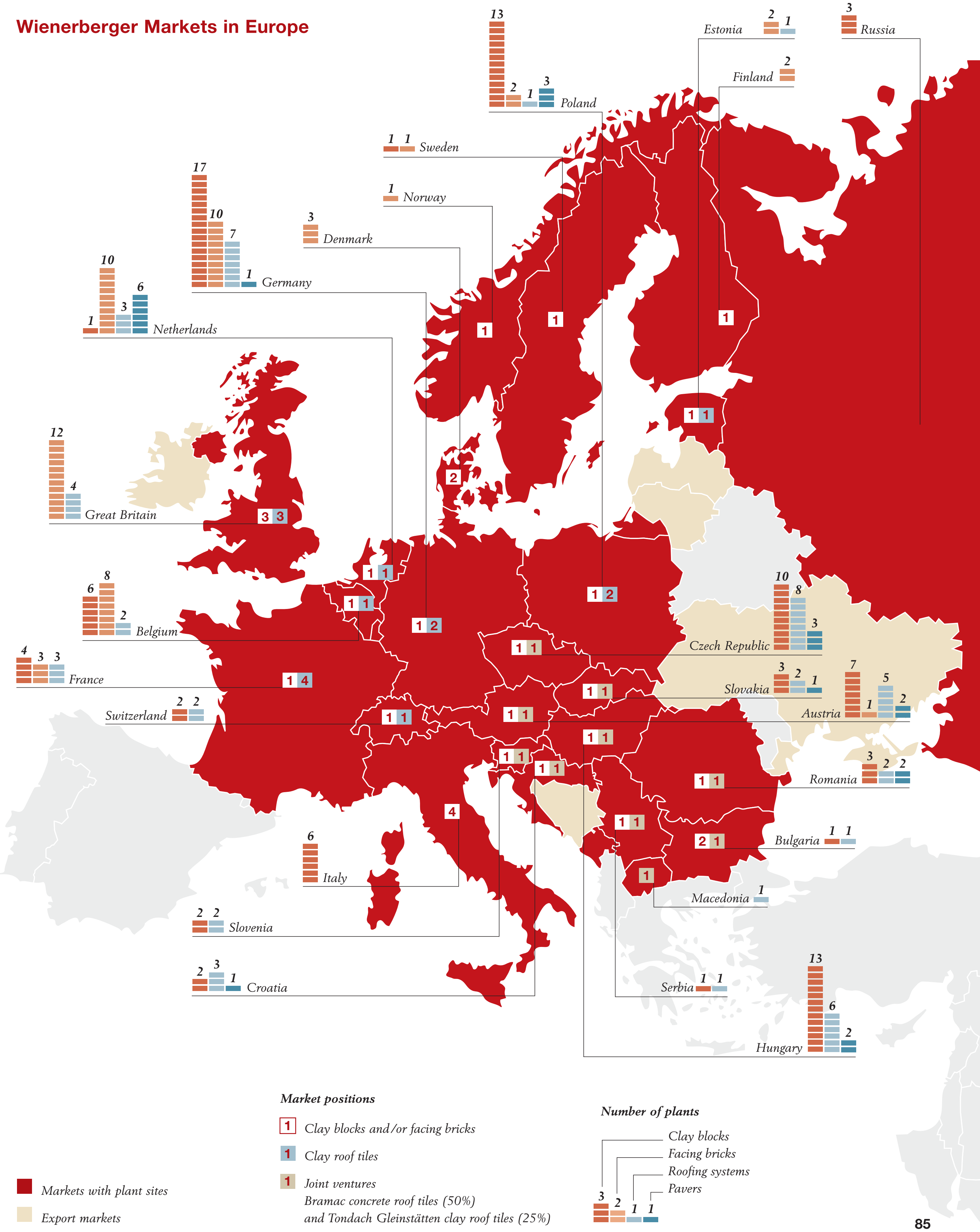
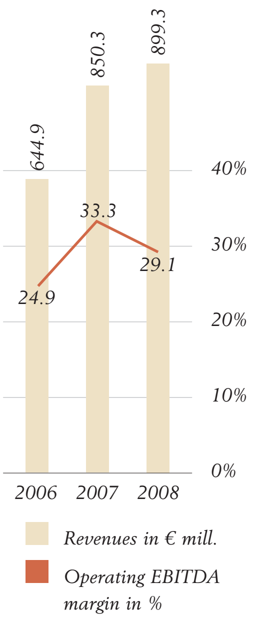
Wienerberger Markets in Europe



Central-East Europe

The Central-East Europe segment covers our brick and roof tile activities in Austria, Central and Eastern Europe as well as Semmelrock (concrete pavers, 75% stake, full consolidation), Bramac (concrete roof tiles, 50% stake, proportional consolidation) and Tondach Gleinstätten (clay roof tiles, 25% stake, at equity consolidation).

Revenues in this segment rose by 6% to € 899.3 million, while operating EBITDA fell by a slight 7% below the record prior year level to € 262.0 million. All countries in the region – with the exception of Hungary – recorded sound development during the first three quarters of 2008, but weakened steadily towards the end of the year. Sales volumes of clay blocks and concrete roof tiles matched the 2007 level in spite of substantially lower demand in Hungary and pressure from imports in the Czech Republic. An increase in sales volumes of pavers was also recorded, above all due to the start-up of new capacity. More flexible pricing policies in the Czech Republic and cost inflation from higher energy prices and wages as well as a minor decrease in capacity utilization compared with 2007 were reflected in a lower EBITDA margin for this region. A total of € 13.9 million (including € 8.6 million of special write-downs) was recognized for the shut-down of older plants that were reactivated to meet the 2007 demand boom in Poland and for optimization measures in Hungary und Czech Republic. This segment generated 37% of Group revenues and 60% of EBITDA in 2008.



Central-East Europe		2007	2008	Chg. in %
Revenues	in € mill.	850.3	899.3	+6
Operating EBITDA [1)]	in € mill.	282.8	262.0	-7
Operating EBIT [1)]	in € mill.	217.7	193.4	-11
CFROI [3)]	in %	24.0	19.6	-
CVA [2,3)]	in € mill.	141.6	108.1	-24
Total investments	in € mill.	140.3	226.0	+61
Capital employed	in € mill.	754.3	854.9	+13
Employees [4)]		5,432	5,832	+7
Sales volumes clay blocks	in mill. NF	4,013	4,040	+1
Sales volumes pavers	in mill. m^2	9.22	9.73	+6
Sales volumes concrete roof tiles [5)]	in mill. m^2	20.67	20.50	-1

1) Before restructuring costs and impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty
2) Hurdle rate 2007 = 12.0%; hurdle rate 2008 = 11.5%
3) Calculation based on average historical capital employed
4) Average number of employees for the year
5) Sales volumes are not proportional, but reflect 100%

Poland (8% of Group revenues)

Higher revenues but slight earnings decline in Poland

The demand for bricks was driven by the new construction boom in 2007 and continued to rise during the first three quarters of 2008, but weakened in the last three months of the year. Wienerberger recorded an increase in revenues for the reporting period, which was supported by moderate growth in sales volumes of clay blocks. However, earnings declined slightly as a result of cost inflation and prices only marginally above the 2007 average as well as a minor decrease in capacity utilization compared with the previous year. In September 2008 the largest plant ever constructed by the Wienerberger Group started operations in Olesnica. A resulting step involved the shutdown of three smaller plants that were reopened in 2007 to meet the sharp rise in demand. The forecast for 2009 is connected with substantial uncertainty because the reasons for the fourth quarter decline in new residential construction are not yet clear. We assume the financial crisis will also have an increasing impact on Poland, but the extent cannot be quantified at this time. For 2009 we expect a decline in construction activity by builders and property developers, who are dependent on bank financing. On the other hand, we expect more stable development from our core market – private single- and two-family housing construction – which is to a certain extent financed by equity. The share of brick imports should decline substantially due to the devaluation of the zloty.

Czech Republic (4% of Group revenues)

German imports led to slight volume decline in Czech Republic

A modest decline on the domestic market, favorable market prices in the Czech Republic and the weak condition of new residential construction in Germany led to increased pressure from imports, above all from Bavaria. A more flexible pricing policy made it possible for Wienerberger to push back these imports during the second half of the year, supported in part by a weakening of the Czech koruna in the fourth quarter. Lower sales volumes were recorded across all product groups and triggered a decline in revenues. A year-on-year decrease in average prices and a parallel rise in costs were reflected in lower margins. Our optimization program included the closing of two older, smaller plants in the Czech Republic during the reporting year. In spite of the financial crisis, stable demand for bricks in the Czech Republic during 2009 as well as a further drop in imports due to the weak Czech koruna are expected.

Hungary (3% of Group revenues)

Higher revenues and earnings despite subdued demand in Hungary

Hungary has been fighting a high budget deficit and lower real incomes since 2007, and slid into a severe economic crisis during 2008. These developments also had a negative impact on new residential construction, as was demonstrated by a drop of approx. 15% in the demand for bricks and a following decrease in sales volumes. In spite of rising costs and the lower utilization of capacity, margins remained near the prior year level because of price adjustments made in April 2008 and a higher share of premium products. Wienerberger reacted quickly to the weakening of demand and reduced its capacity in Hungary through the shutdown or mothballing of three plants. In expectation of a further deterioration in the operating environment during 2009 and as part of our active working capital management, we will continue to shift production to our most efficient plants and further promote the sale of premium products.

Romania (3% of Group revenues)

New capacity supports substantial earnings growth in Romania

New residential construction in Romania was characterized by dynamic momentum during the first three quarters of 2008, with significant weakness only appearing towards the end of the year. Wienerberger utilized this market growth and – supported by the start of operations in the Tritenji plant at the end of 2007 – recorded a sound increase in sales volumes and revenues. However, margins in this country fell slightly because of higher costs that could not be passed on to the market in full through price adjustments. For 2009 we expect a decline in housing starts because of the high budget deficit in Romania and the escalating impact of the financial crisis, whereby the actual extent of these effects can only be estimated during the course of the year.

Austria (2% of Group revenues)

Higher sales volumes and revenues in Austria

Housing starts in Austria fell somewhat below the prior year level in 2008. The integration of Salzburger Ziegelwerk GmbH & Co KG supported an increase in sales volumes and growth in revenues on the domestic market. Key support for this development was also provided by the broad-based market introduction of the Dryfix® plane brick system. In order to remove excess capacity from the market, the plant in Weitwörth was closed during the reporting year. For 2009 we expect moderate weakness in new residential construction, but the Austrian subsidies for homebuilders should have a generally stabilizing effect. We intend to further strengthen our market position in this country by focusing on high-margin products such as the plane brick and the Dryfix® plane brick system.

Slovakia (2% of Group revenues)

Revenues and earnings in Slovakia roughly match prior year

Our estimates indicate that the pace of new residential construction in Slovakia accelerated in 2008. However, an increase in imports from neighboring countries formed the basis for intensified competition. Wienerberger sales volumes declined, but we were able to hold revenues and earnings in this country at the record prior year level by focusing on premium products. For 2009 we are forecasting a slowdown in new residential construction and a further increase in competition. The introduction of the euro in January 2009 is expected to provide added support for imports, and the competition has expanded the production capacity for clay blocks. Wienerberger intends to counter this situation with a more flexible pricing policy and the marketing of premium products.

Finland and the Baltic States (2% of Group revenues)

Sharp decline in revenues and earnings for the Baltic States

The slump in new residential construction on the Finnish market in 2008 was responsible for a year-on-year decline in sales of facing bricks and a resulting drop in revenues and earnings. In the Baltic States, the massive economic downturn triggered the collapse of new residential construction. Despite an increase in exports to Russia, this development resulted in lower sales volumes and earnings for Wienerberger in the Baltic region compared to 2007.

Southeast Europe (2% of Group revenues)

Revenue growth in Southeast Europa with earnings-driven strategy

The brick activities in Croatia, Slovenia, Serbia and Bosnia are combined in this region. A further improvement in revenues was achieved through an earnings-driven price strategy and a focus on quality, in particular through the sale of premium bricks. Wienerberger significantly expanded its presence in this region with the December 2007 acquisition of a clay block plant in Serbia (Backa Nova) and the full takeover of the Petrinja plant in Croatia during the fourth quarter of 2008.

Russia (1% of Group revenues)

Increase in revenues and earnings in Russia from low level

The building materials market in this country was characterized by steady and strong growth during the first six months of 2008, above all in the major population centers. However, the spread of the financial crisis to Russia and a sharp drop in raw material prices brought this momentum to an abrupt halt during the second half of the year. Wienerberger recorded a sizeable increase in sales volumes of bricks to the Russian market during 2008, albeit from a low level. Revenues also rose by a considerable amount and margins showed significant improvement.

Operations will start at two new plants, one near Moscow and the other in Kazan, during the first quarter of 2009. We expect this new capacity will support further revenue growth in Russia during 2009, even though the market will remain extremely difficult.

Bulgaria (1% of Group revenues)

Significant expansion of market position in Bulgaria

After dynamic growth during the first three quarters, new residential construction in Bulgaria slowed down towards the end of the year. The start of full operations at our Lukovit plant, which came on line in autumn 2007, formed the basis for a near threefold increase in revenues and the substantial expansion of the Group's market position in 2008. Sales volumes continued to rise during the fourth quarter in contrast to the market trend because of the continuing strong demand for high-quality products and our increased focus on the modern, large-sized bricks made by Wienerberger. We hope to also profit from this trend in 2009 because of the high quality awareness of Bulgarian consumers in the purchase of building materials. This should allow us to hold revenues and earnings at the 2008 level, even if the market development is weaker.

Semmelrock Concrete Pavers (5% of Group revenues)

Further revenue and earnings growth for Semmelrock

Our specialist for design-oriented concrete pavers was able to continue its growth course in 2008 with a further improvement in revenues and earnings over the record 2007 results. In spite of a difficult economic climate in Hungary and increased competition in Austria through imports from the Czech Republic, sales volumes of concrete pavers rose significantly year-on-year in Central-East Europe. This growth was supported by the start of operations at new facilities in Poland, Croatia and Romania during the past year. The January 2009 combination of business activities with Ebenseer, the largest producer of concrete pavers in Austria, which was approved by the responsible cartel authorities, marked an important step toward the expansion of the company's position on the domestic market.

Bramac Concrete Roof Tiles (4% of Group revenues)

Bramac earnings slightly above record prior year level in 2008

Bramac (50% stake, proportional consolidation) profited from a strong position on Central and East European markets. The company reported an increase in revenues and was able to slightly exceed the record prior year level of earnings. Sales volumes were higher, especially in Romania and Slovakia. In Hungary revenues equaled the 2007 level despite a weak market environment, in particular due to the focus on new products. A product innovation that was launched in 2007 – concrete roof tiles that can be used at a slope of 7° or more – is intended to develop new markets in the flat roof segment. The weaker condition of markets in Central-East Europe is forecasted to result in a decline in revenues and earnings during 2009.

Tondach Gleinstätten AG (consolidated at equity)

Expansion of capacity at Tondach Gleinstätten

Tondach Gleinstätten, a 25% investment that is consolidated at equity in the financial statements of the Wienerberger Group, recorded further revenue growth in 2008 but a decline in margins as the result of higher costs. The expansion of the company's market position that was started in 2007 continued during the reporting year with the construction of a new plant in Hungary (Bekescaba) and the enlargement of a plant in the Czech Republic (Hranice). Both facilities started operations during the fourth quarter of 2008 and are now in the start-up phase. This new capacity should support the further expansion of the market position in 2009, above all through the sale of high-quality, large-sized roof tiles.

Interview with Hans Windisch, COO

Eastern Europe – an eldorado? Were past expectations too high? Have we reached our limits in this region?

Not at all, you just have to look at developments over the long-term. Markets with an above-average potential for growth – like the ones in this region – are generally more volatile. That means they are

The current level of pent-up demand will not disappear as a result of this crisis.

subject to greater fluctuations in demand than the saturated markets of Western Europe. Temporary dips in the growth curve are therefore nothing exeptional. Unusual, however, and therefore unexpected is the decline throughout the entire region, which was triggered not by demand as such but by the financial crisis. People want to build, but financing has become increasingly difficult. The current level of pent-up demand – the construction of single- and two-family houses in a number of countries is only in its early stages – will not disappear as a result of this crisis. On the contrary, I expect to see renewed strong growth in new residential construction throughout the entire region as soon as the economy recovers.

The CEE region now generates 60% of EBITDA – doesn't substantial weakness in this region represent a major risk factor for the Group?

Of course, the risk of a decline in earnings from this region is greater because of its significance for Wienerberger. But we do have two major advantages: First of all, we have built highly cost-efficient

We have built highly cost-efficient plants in CEE during recent years, and this allows us to concentrate production at the most economical locations.

plants in these countries during recent years, and this allows us to concentrate production at the most economical locations. Second, we have successively positioned our company as a quality leader with high-value products in these markets and can therefore use our product portfolio, in particular the new high thermal insulating bricks and plane bricks, to realize strategic and profitability objectives. This should help us do significantly better than our competitors in a declining market.

The prices in Eastern Europe are currently at a very good level. Won't they come under increasing pressure as demand declines?

You're basically right when you say that declining markets generally lead to increased pressure on prices. Price declines are a possibility in individual markets, and we will defend our positions with a more flexible pricing policy if necessary – but I don't expect a general drop in prices across the region.

I don't expect a general drop in prices across CEE.

A question to you as the head of the engineering team: maintenance was reduced from 60% to below 50% of depreciation in 2008. In 2009 a further cut to less than 40% is planned. Won't this damage the substance of the plants, and how long can you hold maintenance at this level?

The reduction in maintenance capex does not represent a problem and will in no way damage our plants. The optimization of our plant network in recent years has given us a number of newer facilities that

We will always do everything necessary to make sure our plants are in good condition.

require less maintenance. We will always do everything necessary to make sure our plants are in good condition and see that cost cutting programs do not lower the operating efficiency of our plants or the quality of our products. For this reason, maintenance capex cannot be reduced over the long-term – but it is possible to remain at this level for roughly two to three years without damaging our operating capability.

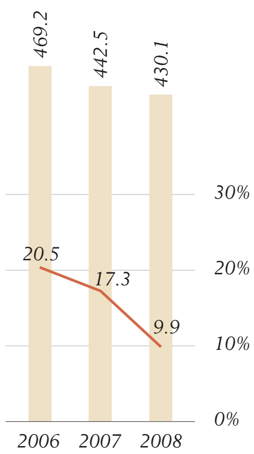
Mr. Windisch was interviewed on February 2, 2009 by Gernot Schöbitz, Managing Director of Wienerberger Bulgaria and Finland.

Central-West Europe

The markets of Germany, Italy and Switzerland, which form the Central-West Europe segment, followed disappointing performance in 2007 with a further slight decline in sales volumes of clay blocks and clay roof tiles in 2008. The facing brick product group was able to increase sales volumes due to the integration of Bockhorner Klinker, a company acquired in 2007. Segment revenues fell by 3% to € 430.1 million and operating EBITDA dropped 44% to € 42.5 million. The reasons for this development were weak demand for building materials in Germany and a slowdown in new residential construction in Italy. Extended plant closings in Germany at the beginning of 2008 and increased pressure on prices in Italy also had a negative effect on earnings in this segment. The continuing weakness of new residential construction in Germany was reflected in an adjustment of capacity through the shutdown of four older plants and the mothballing of one product line during the reporting year. The resulting costs totaled € 14.8 million (including € 5.4 million of special write-downs). Central-West Europe was responsible for 18% of the revenues and 10% of the EBITDA recorded by the Wienerberger Group in 2008.

Central-West Europe		2007	2008	Chg. in %
Revenues	*in € mill.*	442.5	430.1	-3
Operating EBITDA [1]	*in € mill.*	76.5	42.5	-44
Operating EBIT [1]	*in € mill.*	32.9	4.6	-86
CFROI [3]	*in %*	10.0	5.2	-
CVA [2,3]	*in € mill.*	-15.7	-51.8	<-100
Total investments	*in € mill.*	61.7	37.6	-39
Capital employed	*in € mill.*	500.5	480.6	-4
Employees [4]		2,414	2,366	-2
Sales volumes clay blocks	*in mill. NF*	1,613	1,581	-2
Sales volumes facing bricks	*in mill. WF*	120	134	+12
Sales volumes clay roof tiles [5]	*in mill. m^2*	8.95	8.80	-2

1) Before restructuring costs and impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty
2) Hurdle rate 2007 = 12.0%; hurdle rate 2008 = 11.5%
3) Calculation based on average historical capital employed
4) Average number of employees for the year
5) Sales volumes of clay roof tiles include accessories



Germany (12% of Group revenues)

Housing completions in Germany at historical low in 2008

The number of housing completions in Germany fell by 8% to a new historical low of 171,900 in 2008. Building permits declined by 5% and the renovation market, which is a key driver for sales of clay roof tiles (65% of clay roof tiles are sold in this segment), showed no signs of recovery. The absence of financial and tax incentives for homebuilders as well as a loss of consumer confidence in the wake of the financial crisis are the reasons for the current low readiness to invest in Germany.

Weak demand from the domestic market as well as declining exports to Poland and the Benelux countries triggered a drop in sales volumes of clay blocks, while sales volumes of clay roof tiles remained at the prior year level. Through the extension of the product range to include non-ceramic accessories, Wienerberger has positioned itself as a system provider in the roof segment. The increase in sales volumes of facing bricks resulted primarily from the consolidation of

Bockhorner Klinker, which was acquired in 2007. We successfully introduced our new ArGeTon products (facade boards made of clay) to the market and recorded an increase in sales volumes. Revenues generated in Germany fell slightly short of the prior year level, but earnings dropped substantially as the result of costs for idle capacity. Extended winter shutdowns in the first quarter of 2008, the lower utilization of capacity and rising production costs – coupled with constant prices – were the main reasons for the decrease in margins. As a reaction to the continuing market weakness, four plants and one production line in Germany were closed during the past year.

No signs of recovery for German residential construction in 2009

We also expect weak demand for building materials in Germany during 2009. There is no recovery in sight for new residential construction or renovation because of the general decline in purchasing power. A further increase in competition is forecasted for the domestic market due to the loss of exports to neighboring countries in Eastern Europe. We will therefore take all steps required to adjust our capacity to meet further market developments and to reduce working capital. Our activities in 2009 will focus on marketing and sales in order to strengthen customer ties and improve the positioning of Wienerberger as a system provider for wall and roofing products.

Italy (3% of Group revenues)

Heavy pressure on prices in Italy

The consequences of the economic downturn in Italy included a drop of roughly 15% in housing starts during 2008. In the Italian brick industry, which is characterized by a large number of small- and mid-sized businesses, the decline in demand led to intense price competition. The acquisition of RIL Laterizi in November 2007 allowed us to outperform the market, and our revenues declined by only a small amount. However, the strong pressure on prices had a significant negative effect on margins. For 2009 we expect sustained weakness in residential construction and ongoing pressure on prices due to a further increase in competition. We intend to counter this development by focusing on premium products and intensifying our sales efforts.

Switzerland (3% of Group revenues)

Slightly declining revenue in Switzerland

The demand for clay blocks and clay roof tiles in Switzerland slowed somewhat during 2008 and resulted in a minor year-on-year decline in revenues. For 2009 we expect a further weakening in new residential construction from the good level recorded in recent years, whereby the roof tile and insulation product groups should profit from federal subsidies for energy-saving measures (roof insulation).

Interview with Heimo Scheuch, COO

In Great Britain the takeovers of Baggeridge in 2007 and Sandtoft at the start of 2008 were followed by write-downs to goodwill. Did Wienerberger pay too much for these companies? Do you regret the acquisition of Baggeridge?

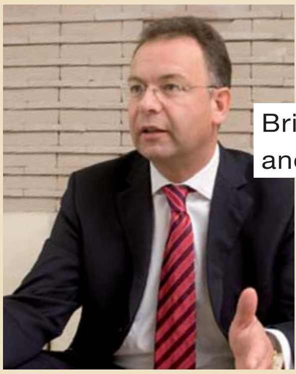
Hindsight is always perfect. When we signed the agreement for this acquisition in 2006, there was no way we could predict the type of market collapse that we are now seeing in England. These transactions were and are very important for us from a strategic viewpoint, especially in a weak market

In addition, the slump in new residential construction in UK was not triggered by a lack of demand but by the financial crisis.

environment. In addition, the slump in new residential construction was not triggered by a lack of demand but by the financial crisis. A lot of people would like to buy a house, but the banks are just not lending. Construction activity in England has remained at a low level in recent years, which translates into pent-up demand for new residential construction. Consequently, I have a positive long-term outlook for Wienerberger in Great Britain, which is the largest facing brick market in Europe.

Can we turn to the subject of energy-efficient construction? Will bricks keep up with this trend? Do bricks have a future?

Absolutely. Bricks are the most popular building material in the world – for good reason. They have the best overall properties of any building material with respect to thermal insulation, acoustic insulation and stability. And bricks have one property that is becoming more and more important in the context of global warming – a high capacity for heat accumulation. In other words, bricks can store cold overnight and release it during the day, and vice versa. That's why most houses in warmer southern regions are made of bricks. The situation has developed to a point where, in many regions, more energy is used now to cool buildings in the summer than is needed to heat during the winter. Bricks cool a house naturally when the weather is warm, and store heat during the colder periods of the year. That's why you can turn on the heat much later in a brick house, especially during the transitional periods. In order to further improve thermal insulation,



Bricks cool a house naturally when the weather is warm, and store heat during the colder periods of the year.

we fill the voids in our bricks with Perlite, a pure mineral insulating material made of expanded volcanic rock. You can use this product to build a passive energy house without adding extra insulation on the facade, and you still have an outstanding breathable, environmentally compatible wall system with a healthy and comfortable room climate. That saves time and money compared with wall systems that require insulation.

What measures do you think are necessary to meet this crisis?

Customer ties are extremely important – of course, they are always important for Wienerberger, but they become even more crucial during a crisis. We have therefore introduced an extensive range of measures to

This year we want to increase the range of system solutions for our customers to help them save time and money, and make construction even more economical.

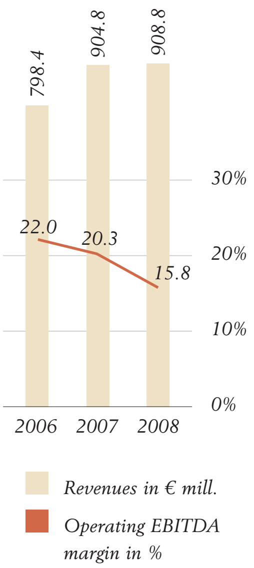
further strengthen customer ties and improve our customer relations. When construction activity is on the decline, we need to fight for each and every project – with better service as well as technically and financially optimized solutions. For example, we have expanded our line of roofing products to include non-ceramic accessories. Wienerberger is now a full system provider that can offer its customers complete roofing solutions from a single hand. Another example is our Dryfix® system. Dryfix® is an adhesive that is used in place of mortar – in other words, the bricks are more or less glued together. In addition to saving time and reducing costs, the bricks can be laid more quickly and the drying time is significantly shorter, you no longer need electricity or water for masonry work at the construction site and bricklaying at temperatures below zero – an important factor for the winter season – has now become a reality. This year we want to increase the range of system solutions for our customers to help them save time and money, and make construction even more economical.

Mr. Scheuch was interviewed on February 5, 2009 by Karin Hofmann, Head of Public Relations at Wienerberger.

North-West Europe

Wienerberger brick and roof tile activities in the Netherlands, Belgium, France, Great Britain and Scandinavia are combined under the North-West Europe segment. The development of business in this region was influenced to a significant extent by Great Britain, the first European country to be hit by the financial crisis. New residential construction in this country subsequently collapsed in April 2008, and triggered a slump in sales volumes of facing bricks in this segment. The markets in Belgium and the Netherlands also weakened during the second half of the year, causing a minor drop in sales volumes of clay blocks for 2008. However, Wienerberger recorded a substantial increase in sales volumes of clay roof tiles during the reporting year following the acquisition of the English producer Sandtoft.

Revenues generated in this segment totaled € 908.8 million for the reporting year, and roughly matched the prior year level (€ 904.8 mill.) as the result of consolidation effects from the acquisitions in Great Britain and the Netherlands, but operating EBITDA fell by 22% to € 144.0 million. Measures implemented as part of the restructuring program were directed primarily to Great Britain, but older plants were also shut down and production lines were closed in the Netherlands, France and Belgium. The related costs totaled € 24.1 million (including € 6.3 million of special write-downs). North-West Europe recorded 37% of revenues and 33% of EBITDA for the reporting year.



North-West Europe		2007	2008	Chg. in %
Revenues	*in € mill.*	904.8	908.8	0
Operating EBITDA [1]	*in € mill.*	183.8	144.0	-22
Operating EBIT [1]	*in € mill.*	120.9	73.2	-39
CFROI [3]	*in %*	11.2	7.9	-
CVA [2,3]	*in € mill.*	-13.2	-65.4	<-100
Total investments	*in € mill.*	291.6	176.7	-39
Capital employed	*in € mill.*	1,280.4	1,298.0	+1
Employees [4]		4,246	4,769	+12
Sales volumes clay blocks	*in mill. NF*	1,186	1,125	-5
Sales volumes facing bricks	*in mill. WF*	1,749	1,545	-12
Sales volumes clay roof tiles [5]	*in mill. m^2*	13.24	16.50	+25

1) Before restructuring costs and impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty
2) Hurdle rate 2007 = 12.0%; hurdle rate 2008 = 11.5%
3) Calculation based on average historical capital employed
4) Average number of employees for the year
5) Sales volumes of clay roof tiles include accessories

Netherlands (11% of Group revenues)

Consolidation effects lead to higher revenues in the Netherlands

The demand for bricks on the domestic market reflected the prior year level in 2008. Sound development in new residential construction and renovation during the first six months was followed by growing weakness in the summer that accelerated towards the end of the year. Wienerberger acquired two smaller specialized brick merchants in April 2007 as well as Korevaar, the third largest clay paver producer in den Netherlands, in June 2007. These transactions substantially expanded the clay paver and specialized merchandise businesses. We were able to profit from the integration of these companies in 2008 and increase revenues in the Netherlands. The expansion of merchandise sales reduces the overall margins, but at the same time strengthens our cross-selling activities. For 2009 we expect a decline on both the new residential construction and renovation markets and increasing pressure on prices, especially for clay roof tiles.

Belgium (10% of Group revenues)

Slight drop in revenues, but Wienerberger holds margins in Belgium

Residential construction started the reporting year at a good pace, but began to weaken steadily beginning in the summer. The result was a decline in housing starts for the 12 months of 2008 from the good level registered in past years. A substantial drop was also noted in Belgian exports, above all to Great Britain. Wienerberger was able to outperform the market, and recorded only a slight decline in sales volumes and revenues in all three product groups. First successes were registered in the development of a more cost-efficient plant structure for clay blocks, which was started in 2007 and continued in 2008 with the shutdown of an older location. Margins in Belgium remained at the prior year level in spite of cost inflation (wage adjustments, energy). We expect continued weakness on the new residential construction and renovation markets in Belgium during 2009, with a decline from the good prior year level.

France (7% of Group revenues)

Wienerberger increases market share with clay blocks in France

The double-digit drop in single- and two-family housing construction was nearly offset by an increase in the market share of clay blocks in the wall segment. Wienerberger profited from this development and recorded only a minor decline in sales volumes for this product group in a difficult market environment. Weakness on the renovation market during the second half of 2008 was reflected in slightly lower sales volumes of clay roof tiles. Production standstills at the beginning of the reporting year, which were connected with investments in the clay block area, resulted in the recognition of idle capacity costs that had a negative effect on earnings. We were able to strengthen our position on the facing brick market with the acquisition of Briqueterie Bar Frères in April 2007. For 2009 we are forecasting a further decline in housing starts, since more restrictive lending practices have significantly limited the number of potential homebuyers.

Great Britain (7% of Group revenues)

Collapse of new residential construction in Great Britain

Great Britain was the first country in Europe to be hit by the financial crisis. More restrictive mortgage lending and a drastic reduction in loans to builders led to the collapse of new residential construction in mid-April 2008. Higher inflation and rising unemployment had an added negative impact on the demand for single- and two-family houses. The number of private housing starts consequently fell by more than 40%, and the demand for bricks dropped by more than one-third.

The consolidation of Baggeridge limited our decline in sales volumes to less than 20% in the facing bricks segment which is well below the market average. The clay roof tile producer Sandtoft, which was acquired in January 2008, reported somewhat better development because the renovation market, where more than half of all roof tiles are sold, was more stable than new residential construction. Wienerberger reacted quickly to the slump in demand and implemented a series of measures to adjust capacity. Seven plants and two production lines were mothballed or closed on a temporary basis. In addition, the remaining plants were shut down for longer periods during the winter to reduce the higher inventories that had been accumulated by the end of the year. The integration of Baggeridge und Sandtoft supported double-digit revenue growth in Great Britain, but these results were significantly reduced at the Group level by € 28.1 million of negative foreign exchange effects. Earnings declined notably in 2008 because of restructuring costs, costs resulting from the lower utilization of capacity and negative foreign exchange effects. A further massive drop in new residential construction during the fourth quarter resulted in an impairment charge of € 14.1 million to goodwill in Great Britain at the end of the reporting year. For 2009 we expect another substantial contraction on the new residential construction market and continued weakness in the renovation sector.

Scandinavia (2% of Group revenues)

Residential construction weak in Scandinavia

Denmark, Sweden and Norway reported a decline in revenues and earnings due to the general weakness in residential construction. However, the downturn in Denmark was considerably stronger than expected and accelerated towards the end of 2008. An impairment test carried out at the end of the fourth quarter of 2008 indicated a need to recognize an impairment charge of € 2.6 million for the Danish company. There are no signs of recovery in this region during 2009, and we are accordingly forecasting a moderate decline in revenues and earnings for Scandinavia in the coming year.

North America

Stronger-than-expected drop in US residential construction

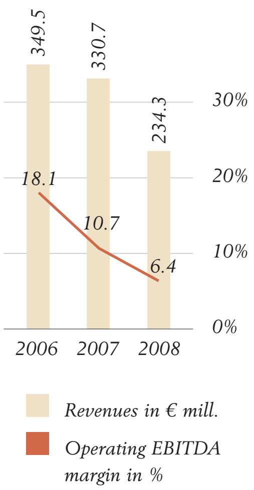
The spread of the financial crisis to the real economy drove the USA into a recession during 2008, with new residential construction declining much more strongly than expected at the beginning of the year. According to the NAHB (National Association of Home Builders) housing starts fell about 33% to 908,000 units, and in turn triggered a further sharp drop in sales volumes of facing bricks. Despite the continued stable development of Arriscraft, the Canadian manufactured stone producer that generates nearly half its revenues in the commercial construction sector, revenues in the North America segment fell 29% to € 234.3 million and operating EBITDA dropped 57% to € 15.1 million. These results reduced the segment's share of Group revenues to 10% and EBITDA to only 3%.

Earnings negatively affected by costs of idle capacity

The weakness of the US dollar had a negative effect of € 14.9 million on revenues and € 0.5 million on EBITDA. Earnings were also adversely affected by costs resulting from the lower utilization of capacity. In this difficult market environment, Wienerberger was able to hold average prices stable in 2008.

North America		2007	2008	Chg. in %
Revenues	*in € mill.*	330.7	234.3	-29
Operating EBITDA [1]	*in € mill.*	35.3	15.1	-57
Operating EBIT [1]	*in € mill.*	14.0	-4.0	<-100
CFROI [3]	*in %*	5.8	2.2	-
CVA [2,3]	*in € mill.*	-38.4	-65.1	-70
Total investments	*in € mill.*	148.1	47.1	-68
Capital employed	*in € mill.*	521.2	583.2	+12
Employees [4]		2,520	1,969	-22
Sales volumes facing bricks	*in mill. WF*	904	535	-41

1) Before restructuring costs and impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty
2) Hurdle rate 2007 = 12.0%; hurdle rate 2008 = 11.5%
3) Calculation based on average historical capital employed
4) Average number of employees for the year



Reduction of more than 1,000 employees in 2008

As a reaction to this stronger-than-expected market downturn, further extensive measures were implemented to cut costs (in addition to the shutdowns completed in 2006 and 2007). The related steps included a substantial reduction in the administrative and sales workforce as well as the mothballing or shutdown of two additional plants and one production line. More than 1,000 employees were affected by these measures. The number shown in the above table is an average, and as such does not fully reflect the changes in the workforce as of year-end. The resulting restructuring costs totaled € 2.2 million (including € 1.2 million of special write-downs).

NAHB forecasts further decline in housing starts for 2009

The NAHB forecasts a further drop in housing starts to 650,000 in 2009, which represents less than one-third of the comparable figure for 2005. We do not expect any easing of the tense situation on the US housing market, in particular due to the very low demand and current supply of more than one year (12.8 months).

Investments and Other

Non-core activities, holding company costs and Indian brick business in this segment

The Investments and Other segment comprises the Group headquarters and related costs, the Wienerberger brick business in India and the non-core activities of the Group. These non-core activities include Pipelife plastic pipes (50/50 joint venture with Solvay) and real estate. In recent years the Pipelife Group has developed into an independent company with autonomous management, and is now regarded as a financial investment. It is consolidated as a financial investment at equity, and is not included in the operating results of this segment.

Negative results due to inclusion of holding company costs in this segment

The operating results of this segment cover the Group headquarters and holding company services that are charged out as well as the Wienerberger brick activities in India. The resulting revenues totaled € 14.9 million in 2008. The cost reduction program that was started in the holding company during summer 2008 led to a year-on-year decline in headquarters expenses. Operating EBITDA improved by 14% to € -23.5 million.

Investments and Other		2007	2008	Chg. in %
Revenues	*in € mill.*	12.5	14.9	+19
Operating EBITDA [1]	*in € mill.*	-27.1	-23.5	+13
Operating EBIT [1]	*in € mill.*	-32.4	-27.4	+16
Capital employed	*in € mill.*	3.8	35.5	>100
Employees [2]		173	226	+31

1) Before restructuring costs and impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty
2) Average number of employees for the year

Pipelife holds revenues at prior year level

The Pipelife Group, the fourth largest producer of plastic pipe systems in Europe, was also affected by the economic crisis in 2008. This situation was reflected in significant drop in demand, above all in the USA, Ireland and Spain. However, revenues rose by 2% to € 894 million due to sound development in Central and Eastern Europe as well as the consolidation of Quality Plastics in Ireland (acquired in 2007) and Instaplast in the Czech Republic (acquired in 2008). Operating EBITDA fell 22% to € 70 million. As a reaction to the general market weakness, the Group implemented extensive restructuring measures in Ireland and Spain and also introduced a group-wide cost reduction program. The acquisitions made in recent years and the start-up of new production lines in Russia and Hungary during 2008 give Pipelife a solid position in the hot and cold water segment and in waste water treatment. Pipelife intends to strengthen and expand these market positions in 2009, above all in Central-Eastern Europe.

Non-core real estate valued at € 45 million

The sale of non-operating assets is designed to refinance our core business, and we will continue to pursue this strategy in the future. There were no sales of real estate from the portfolio during the reporting year. At the present time, we estimate the value of our remaining non-core real estate at roughly € 45 million.

FINANCIAL STATEMENTS

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Income Statement

Notes		2008 *in TEUR*	2007 *in TEUR*
(8)	Revenues	2,431,388	2,477,339
(9, 10, 14)	Cost of good sold	-1,585,560	-1,510,998
	Gross profit	**845,828**	**966,341**
(9, 10, 14)	Selling expenses	-467,971	-454,789
(9, 10, 14)	Administrative expenses	-149,427	-149,375
(12)	Other operating expenses	-35,734	-49,810
(13)	Other operating income	47,151	40,759
	Profit before restructuring costs and impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty	**239,847**	**353,126**
(15)	Restructuring costs and impairment charges to property, plant and equipment	-55,020	0
(9)	Impairment charges to goodwill	-16,717	0
(15)	The addition to a provision for an impending antitrust penalty	-10,000	0
	Profit after restructuring costs and impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty	**158,110**	**353,126**
	Income from investments in associates	13,389	27,605
(16)	Interest and similar income	40,956	43,947
(16)	Interest and similar expenses	-83,105	-87,029
(16)	Other financial results	-6,244	20,727
	Financial results	**-35,004**	**5,250**
	Profit before tax	**123,106**	**358,376**
(17)	Income taxes	-19,788	-62,536
	Profit after tax	**103,318**	**295,840**
	Thereof attributable to non-controlling interests	3,350	5,382
	Thereof share planned for hybrid capital holders	32,500	29,069
	Thereof attributable to equity holders	**67,468**	**261,389**
(18)	**Adjusted earnings per share (in EUR)**	**1.69**	**3.46**
(18)	**Earnings per share (in EUR)**	**0.81**	**3.46**
(18)	**Diluted earnings per share (in EUR)**	**0.81**	**3.45**
(18)	**Recommended or paid dividend per share (in EUR)**	**0.00**	**1.45**

Statement of Comprehensive Income

Notes		2008 *in TEUR*	2007 *in TEUR*
	Profit after tax	**103,318**	**295,840**
	Foreign exchange adjustment	-125,795	-66,106
(22)	Changes in the fair value of available-for-sale financial instruments	-628	-127
	Hedging reserves	12,528	39,803
	Other	-51	28
	Other comprehensive income	**-113,946**	**-26,402**
	Total comprehensive income	**-10,628**	**269,438**
	Thereof comprehensive income attributable to non-controlling interests	2,377	6,153
	Thereof share planned for hybrid capital holders	32,500	29,069
	Thereof comprehensive income attributable to equity holders	**-45,505**	**234,216**

Cash Flow Statement

Notes		2008 in TEUR	2007 in TEUR
	Profit before tax	123,106	358,376
	Depreciation, amortization and impairment charges to goodwill	217,283	198,055
(15)	Impairment of property plant and equipment related to restructuring	21,543	0
	Write-ups of fixed and financial assets	-157	-2,933
	Increase/decrease in long-term provisions	-16,608	282
	Income from associates	-13,389	-27,605
	Income/loss from the disposal of fixed and financial assets	-8,391	-7,545
(16)	Interest result	42,149	43,082
	Interest paid	-81,795	-82,568
	Interest received	41,894	39,870
	Income taxes paid	-24,780	-40,009
	Gross cash flow	**300,855**	**479,005**
	Increase/decrease in inventories	-38,277	-117,867
	Increase/decrease in trade receivables	33,505	47,429
	Increase/decrease in trade payables	-16,630	-34,370
	Increase/decrease in other net current assets	-12,366	-11,550
	Changes in non-cash items resulting from foreign exchange translation	-4,254	-1,123
	Cash flow from operating activities	**262,833**	**361,524**
	Proceeds from the sale of assets (including financial assets)	28,678	24,884
	Purchase of property, plant and equipment and intangible assets	-390,328	-319,604
	Payments made for investments in financial assets	-487	-10,539
(22, 30)	Increase/decrease in securities and other financial assets	2,823	38,099
	Net payments made for the acquisition of companies	-115,326	-326,015
	Net proceeds from the sale of companies	0	0
(19)	**Cash flow from investing activities**	**-474,640**	**-593,175**
	Increase/decrease in long-term financial liabilities	200,917	-2,602
	Increase/decrease in short-term financial liabilities	42,053	-479,049
(24)	Dividends paid by Wienerberger AG	-120,109	-94,923
(24)	Hybrid coupon paid	-32,500	0
(24)	Dividends paid to and other changes in non-controlling interests	2,010	-7,596
	Dividend payments from associates	42,092	4,087
(24)	Capital increase Wienerberger AG	0	424,136
(24)	Capital increase Wienerberger AG (hybrid capital)	0	492,896
	Cash inflows from exercise of stock options	0	7,672
	Purchase of treasury stock	-9,318	-13,392
	Cash flow from financing activities	**125,145**	**331,229**
	Change in cash and cash at bank	**-86,661**	**99,578**
	Effects of exchange rate fluctuations on cash held	123	264
	Cash and cash at bank at the beginning of the year	293,373	193,531
	Cash and cash at bank at the end of the year	**206,835**	**293,373**

Balance Sheet

Notes		31.12.2008 *in TEUR*	31.12.2007 *in TEUR*
	Assets		
(20)	Intangible assets	769,451	764,160
(20)	Property, plant and equipment	2,075,878	1,945,827
(20)	Investment property	30,543	26,511
(3, 20)	Investments in associates	115,679	150,002
(20)	Other financial assets	19,464	29,253
(27)	Deferred tax assets	35,071	45,379
	Non-current assets	**3,046,086**	**2,961,132**
(21)	Inventories	719,995	669,761
(22)	Trade receivables	187,750	211,006
(23)	Other current receivables	133,822	105,757
(22, 30, 31)	Securities and other financial assets	89,445	88,830
	Cash and cash at bank	206,835	293,373
	Current assets	**1,337,847**	**1,368,727**
	Total Assets	**4,383,933**	**4,329,859**
	Equity and Liabilities		
	Issued capital	83,948	83,948
	Share premium	829,408	829,408
	Hybrid capital	492,896	492,896
	Retained earnings	1,368,920	1,407,720
	Treasury stock	-40,697	-31,379
	Translation reserve	-260,699	-135,877
	Non-controlling interests	23,415	25,993
(24)	**Equity**	**2,497,191**	**2,672,709**
(25, 26)	Employee-related provisions	68,049	76,210
(25, 27)	Provisions for deferred taxes	126,457	125,045
(25)	Other non-current provisions	66,532	64,653
(28, 30)	Long-term financial liabilities	1,011,600	819,092
(28)	Other non-current liabilities	52,158	45,685
	Non-current provisions and liabilities	**1,324,796**	**1,130,685**
(25)	Other current provisions	55,503	47,513
(28, 30)	Short-term financial liabilities	174,858	129,871
(28)	Trade payables	177,319	186,405
(28)	Other current liabilities	154,266	162,676
	Current provisions and liabilities	**561,946**	**526,465**
	Total Equity and Liabilities	**4,383,933**	**4,329,859**

Changes in Equity Statement

in TEUR	Issued capital	Share premium	Hybrid capital	Retained earnings	Treasury stock	Translation reserve	Non-controlling interests	Total
Balance on 31.12.2006	**74,168**	**415,052**	**0**	**1,174,075**	**-30,269**	**-69,019**	**27,436**	**1,591,443**
Net profit				290,458			5,382	295,840
Dividend payments/hybrid coupon				-94,923			-1,236	-96,159
Foreign exchange adjustment						-68,267	752	-67,515
Foreign exchange adjustment to investments in associates						1,409		1,409
Hedging reserves				39,782			21	39,803
Capital increase	9,780	414,356	492,896				2,000	919,032
Increase/decrease in non-controlling interests							-8,360	-8,360
Increase/decrease in treasury stock				-4,610	-1,110			-5,720
Expenses from stock option plans				3,037				3,037
Other changes [1)]				-99			-2	-101
Balance 31.12.2007	**83,948**	**829,408**	**492,896**	**1,407,720**	**-31,379**	**-135,877**	**25,993**	**2,672,709**
Net profit				99,968			3,350	103,318
Dividend payments/hybrid coupon				-152,609			-2,505	-155,114
Foreign exchange adjustment						-118,541	-973	-119,514
Foreign exchange adjustment to investments in associates						-6,281		-6,281
Hedging reserves				12,526			2	12,528
Capital increase							4,515	4,515
Increase/decrease in non-controlling interests							-6,965	-6,965
Increase/decrease in treasury stock					-9,318			-9,318
Expenses from stock option plans				1,994				1,994
Other changes [1)]				-679			-2	-681
Balance 31.12.2008	**83,948**	**829,408**	**492,896**	**1,368,920**	**-40,697**	**-260,699**	**23,415**	**2,497,191**

1) Changes in the fair value of available-for-sale financial instruments, which were recognized to equity, are included under other changes.

Table of Non-Current Assets

in TEUR	Acquisition or Production Costs Balance on 1.1.2008	Change in consolidation range	Foreign exchange incr./decr.	Additions	Disposals	Transfers	Balance on 31.12.2008
Goodwill	**709,341**	38,016	-27,915	0	946	50	**718,546**
Other intangible assets	**87,070**	23,116	-6,661	2,206	298	240	**105,673**
Intangible assets	**796,411**	61,132	-34,576	2,206	1,244	290	**824,219**
Land and buildings	**1,114,309**	22,675	-37,475	42,801	13,509	26,313	**1,155,114**
Machinery and equipment	**2,024,971**	32,281	-46,226	114,280	12,648	33,447	**2,146,105**
Fixtures, fittings, tools and equipment	**104,965**	1,689	-2,342	10,481	1,603	-728	**112,462**
Prepayments and assets under construction	**121,232**	590	-15,310	220,287	2,812	-63,666	**260,321**
Property, plant and equipment	**3,365,477**	57,235	-101,353	387,849	30,572	-4,634	**3,674,002**
Investment property	**39,750**	2,431	990	273	1,869	4,344	**45,919**
Investments in associates	**61,598**	661	-6,474	0	0	0	**55,785**
Investments in subsidiaries	**10,298**	-9,673	1	482	277	0	**831**
Other investments	**19,817**	0	16	5	869	0	**18,969**
Other financial assets	**30,115**	**-9,673**	**17**	**487**	**1,146**	**0**	**19,800**
	4,293,351	**111,786**	**-141,396**	**390,815**	**34,831**	**0**	**4,619,725**

in TEUR	Acquisition or Production Cost Balance on 1.1.2007	Change in consolidation range	Foreign exchange incr./decr.	Additions	Disposals	Transfers	Balance on 31.12.2007
Goodwill	**607,833**	132,805	-30,726	0	266	-305	**709,341**
Other intangible assets	**56,080**	24,576	437	5,345	1,088	1,720	**87,070**
Intangible assets	**663,913**	157,381	-30,289	5,345	1,354	1,415	**796,411**
Land and buildings	**953,420**	104,394	-10,503	49,756	7,918	25,160	**1,114,309**
Machinery and equipment	**1,840,694**	43,208	-24,438	150,227	63,957	79,237	**2,024,971**
Fixtures, fittings, tools and equipment	**93,986**	1,760	-950	12,280	8,342	6,231	**104,965**
Prepayments and assets under construction	**134,085**	727	-4,552	101,515	1,484	-109,059	**121,232**
Property, plant and equipment	**3,022,185**	150,089	-40,443	313,778	81,701	1,569	**3,365,477**
Investment property	**42,171**	3,774	-318	481	3,374	-2,984	**39,750**
Investments in associates	**66,115**	-7,057	893	1,647	0	0	**61,598**
Investments in subsidiaries	**4,423**	-2,724	0	8,892	293	0	**10,298**
Other investments	**20,091**	1	-41	0	234	0	**19,817**
Other financial assets	**24,514**	**-2,723**	**-41**	**8,892**	**527**	**0**	**30,115**
	3,818,898	**301,464**	**-70,198**	**330,143**	**86,956**	**0**	**4,293,351**

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

Depreciation

Balance on 1.1.2008	Change in consolidation range	Foreign exchange incr./decr.	Current year	Write-up	Disposals	Transfers	Balance on 31.12.2008	Carrying amount 31.12.2008	Carrying amount 31.12.2007
3,433	0	-2,597	16,717	0	0	0	**17,553**	**700,993**	**705,908**
28,818	0	-649	9,367	1	287	-33	**37,215**	**68,458**	**58,252**
32,251	0	-3,246	26,084	1	287	-33	**54,768**	**769,451**	**764,160**
314,810	0	-5,498	47,365	8	531	-741	**355,397**	**799,717**	**799,499**
1,042,681	0	-12,012	151,770	136	12,129	-654	**1,169,520**	**976,585**	**982,290**
62,159	0	-1,180	12,430	12	677	487	**73,207**	**39,255**	**42,806**
0	0	0	0	0	0	0	**0**	**260,321**	**121,232**
1,419,650	0	-18,690	211,565	156	13,337	-908	**1,598,124**	**2,075,878**	**1,945,827**
13,239	0	399	884	0	87	941	**15,376**	**30,543**	**26,511**
-88,404	0	-193	0	13,389	-42,092	0	**-59,894**	**115,679**	**150,002**
14	0	0	0	0	0	0	**14**	**817**	**10,284**
848	0	14	293	0	833	0	**322**	**18,647**	**18,969**
862	**0**	**14**	**293**	**0**	**833**	**0**	**336**	**19,464**	**29,253**
1,377,598	**0**	**-21,716**	**238,826**	**13,546**	**-27,548**	**0**	**1,608,710**	**3,011,015**	**2,915,753**

Depreciation

Balance on 1.1.2007	Change in consolidation range	Foreign exchange incr./decr.	Current year	Write-up	Disposals	Transfers	Balance on 31.12.2007	Carrying amount 31.12.2007	Carrying amount 31.12.2006
3,500	0	52	0	0	119	0	**3,433**	**705,908**	**604,333**
23,067	0	97	6,196	0	541	-1	**28,818**	**58,252**	**33,013**
26,567	0	149	6,196	0	660	-1	**32,251**	**764,160**	**637,346**
276,512	0	-53	37,541	1,031	238	2,079	**314,810**	**799,499**	**676,908**
974,317	0	-7,108	137,978	1,843	60,697	34	**1,042,681**	**982,290**	**866,377**
58,961	0	-366	11,483	59	8,000	140	**62,159**	**42,806**	**35,025**
0	0	0	0	0	0	0	**0**	**121,232**	**134,085**
1,309,790	0	-7,527	187,002	2,933	68,935	2,253	**1,419,650**	**1,945,827**	**1,712,395**
13,398	0	-93	4,857	0	2,671	-2,252	**13,239**	**26,511**	**28,773**
-63,274	-1,096	-516	0	27,605	-4,087	0	**-88,404**	**150,002**	**129,389**
14	0	0	0	0	0	0	**14**	**10,284**	**4,409**
848	0	0	0	0	0	0	**848**	**18,969**	**19,243**
862	0	0	0	0	0	0	**862**	**29,253**	**23,652**
1,287,343	**-1,096**	**-7,987**	**198,055**	**30,538**	**68,179**	**0**	**1,377,598**	**2,915,753**	**2,531,555**

Segment Reporting

Segments	Central-East Europe		Central-West Europe		North-West Europe	
in TEUR	2008	2007	2008	2007	2008	2007
Third party revenues	894,960	841,920	405,444	414,612	894,817	888,427
Inter-company revenues	4,336	8,406	24,701	27,888	14,016	16,352
Total revenues	899,296	850,326	430,145	442,500	908,833	904,779
Operating EBITDA 1)	262,022	282,813	42,495	76,472	144,034	183,746
Depreciation and amortization	68,589	65,083	37,926	43,541	70,822	62,823
Operating EBIT 1)	193,433	217,730	4,569	32,931	73,212	120,923
Restructuring costs and impairment charges to property, plant and equipment	13,935	0	14,830	0	24,121	0
Impairment charges to goodwill	0	0	0	0	16,717	0
Addition to a provision for an impending antitrust penalty	0	0	10,000	0	0	0
Income from investments in associates	3,089	5,322	0	0	-150	0
Investments in associates	30,517	29,366	3,352	1,823	695	1,712
Interest result	-10,101	-8,655	-18,936	-13,490	-61,428	-46,921
Income taxes	-24,472	-40,359	-5,463	-11,733	-3,855	-14,360
Profit after tax	135,724	164,720	-50,519	1,180	-41,397	50,650
Liabilities	731,332	781,781	444,979	397,483	1,099,775	924,959
Capital employed	854,926	754,345	480,639	500,538	1,298,007	1,280,417
Assets	1,847,054	1,561,386	652,950	667,347	2,097,991	1,816,716
Maintenance capex	39,007	37,924	19,722	18,342	24,593	37,144
Growth investments	186,957	102,361	17,887	43,324	152,140	254,467
Employees	5,832	5,432	2,366	2,414	4,769	4,246

Products	Revenues		Operating EBITDA 1)		Capital employed	
in TEUR	2008	2007	2008	2007	2008	2007
Wall 2)	910,981	887,114	244,200	285,459	1,113,954	917,229
Facade	764,363	921,345	60,642	125,005	1,185,820	1,279,206
Roofing systems	538,091	477,047	122,609	135,100	677,444	631,540
Pavers	217,429	191,361	35,641	32,778	259,557	228,477
Other	524	472	-22,971	-27,161	15,452	3,763
Wienerberger Group	**2,431,388**	**2,477,339**	**440,120**	**551,181**	**3,252,226**	**3,060,215**

Revenues	Central-East Europe		Central-West Europe		North-West Europe	
in TEUR	2008	2007	2008	2007	2008	2007
Czech Republic	136,558	152,785				
Hungary	99,956	110,698				
Poland	251,507	228,574				
Other Eastern Europe	317,633	266,379				
Germany			276,591	282,001		
Switzerland			65,856	65,968		
Italy			63,941	67,388		
Belgium					240,877	244,914
Netherlands					270,263	257,543
France					168,015	170,841
Great Britain					172,443	165,674
Scandinavia					43,497	49,886
North America						
Wienerberger Group	**894,974**	**841,973**	**406,388**	**415,357**	**895,095**	**888,858**

1) Before restructuring costs, impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty
2) India is assigned to the geographical segment Investments and Other, but is reported under the wall systems product segment

North America 2008	North America 2007	Investments and Other [2)] 2008	Investments and Other [2)] 2007	Group Eliminations 2008	Group Eliminations 2007	Wienerberger Group 2008	Wienerberger Group 2007
234,326	330,678	528	330	0	0	**2,430,075**	**2,475,967**
0	0	14,395	12,142	-56,135	-63,416	**1,313**	**1,372**
234,326	330,678	14,923	12,472	-56,135	-63,416	**2,431,388**	**2,477,339**
15,083	35,311	-23,514	-27,161	0	0	**440,120**	**551,181**
19,126	21,276	3,810	5,332	0	0	**200,273**	**198,055**
-4,043	14,035	-27,324	-32,493	0	0	**239,847**	**353,126**
2,134	0	0	0	0	0	**55,020**	**0**
0	0	0	0	0	0	**16,717**	**0**
0	0	0	0	0	0	**10,000**	**0**
0	0	10,450	22,283	0	0	**13,389**	**27,605**
0	0	81,115	117,101	0	0	**115,679**	**150,002**
-23,110	-27,489	71,426	53,473	0	0	**-42,149**	**-43,082**
13,515	2,889	487	1,027	0	0	**-19,788**	**-62,536**
-18,202	-11,357	363,954	173,325	-286,242	-82,678	**103,318**	**295,840**
533,739	472,434	1,199,208	1,031,468	-2,122,291	-1,950,975	**1,886,742**	**1,657,150**
583,226	521,152	35,428	3,763	0	0	**3,252,226**	**3,060,215**
642,234	597,001	3,881,849	3,629,630	-4,738,145	-3,942,221	**4,383,933**	**4,329,859**
14,064	22,857	1,052	3,915	0	0	**98,438**	**120,182**
33,025	125,285	17,207	0	0	0	**407,216**	**525,437**
1,969	2,520	226	173	0	0	**15,162**	**14,785**

Total Investments 2008	Total Investments 2007
274,835	157,662
79,973	379,013
104,530	39,033
45,347	65,995
969	3,916
505,654	**645,619**

North America 2008	North America 2007	Investments and Other 2008	Investments and Other 2007	Wienerberger Group 2008	Wienerberger Group 2007
		605	473	**89,925**	**84,010**
				136,558	**152,785**
				99,956	**110,698**
				251,507	**228,574**
				317,633	**266,379**
				276,591	**282,001**
				65,856	**65,968**
				63,941	**67,388**
				240,877	**244,914**
				270,263	**257,543**
				168,015	**170,841**
				172,443	**165,674**
				43,497	**49,886**
234,326	330,678			**234,326**	**330,678**
234,326	**330,678**	**605**	**473**	**2,431,388**	**2,477,339**

Notes to the Financial Statements

General Information

1. Basis of preparation for 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 five segments according to the responsibilities of the Managing Board: Central-East Europe, Central-West Europe, North-West Europe, and North America as well as Investments and Other.

The consolidated financial statements were prepared in accordance with § 245a of the Austrian Commercial Code as well as the International Financial Reporting Standards (IFRSs) and Interpretations of the International Financial Reporting Interpretations Committee (IFRIC), which 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 International Accounting Standards Board (IASB) and require mandatory application in 2008.

Independent auditors have examined the annual financial statements of all national and international companies which require a statutory audit or have submitted to a voluntary audit to confirm their agreement with IFRS. The financial statements of all consolidated companies are based on historical acquisition and production costs or fair value (IAS 39), and were prepared as of the balance sheet date. Certain items on the balance sheet and income statement were grouped together to simplify presentation. The notes provide detailed information on all such items.

2. Effects of new and revised standards

The changes in IFRSs and in the interpretations of the IFRIC had the following effects on the consolidated financial statements of Wienerberger:

Of the IFRSs and interpretations that permit earlier application, Wienerberger applied IAS 1 revised (Presentation of Financial Statements) during the reporting year. The revision of IAS 23 (Borrowing Costs) had no effect on Wienerberger because the Group previously capitalized a proportional share of the borrowing costs that are attributable to the production of qualified assets and did not expense these costs as incurred. Wienerberger also complied with the addition to IFRS 2 (Share-Based Payment: Vesting Conditions and Cancellations) and IFRIC 16 (Hedges of a Net Investment in a Foreign Operation). IFRS 8 (Operating Segments) was applied on an early basis during the 2007 financial year. The additions to IAS 39 and IFRS 7 (Reclassification of Financial Instruments) as well as interpretations IFRIC 13, IFRIC 14 and IFRIC 15 are not relevant for the 2008 consolidated financial statements.

3. Consolidation range

An overview of fully or proportionately consolidated companies and companies valued at equity is provided in the list of Group companies at the end of the notes. The subsidiaries, joint ventures and associates included in the consolidated financial statements of the Wienerberger Group changed as follows during the reporting year:

Consolidation Range	**Full consolidation**	**Proportionate consolidation**	**Equity accounting**
Balance on 31.12.2007	**122**	**12**	**6**
Change in consolidation method	0	0	0
Included during reporting year for first time	17	3	1
Merged/liquidated during reporting year	-5	0	0
Divested during reporting year	0	0	0
Balance on 31.12.2008	**134**	**15**	**7**
Thereof foreign companies	118	13	5
Thereof domestic companies	16	2	2

Subsidiaries

Including Wienerberger AG, the 2008 financial statements comprise 16 (2007: 14) Austrian and 118 (2007: 108) 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. 22 subsidiaries were not consolidated in 2008 (2007: 30) because their influence on the financial position and financial performance of the Group is immaterial.

Joint ventures

Joint ventures under common control are included in the consolidated financial statements on a proportionate basis. This applies to 15 (2007: 12) companies in the Schlagmann and Bramac Groups.

The following tables show the pro rata values for the joint ventures included in the financial statements at their proportionate share:

in TEUR	**2008**	**2007**
Revenues	124,654	118,190
EBITDA	29,719	29,077
EBIT	22,835	23,487

Assets *in TEUR*	**31.12.2008**	**31.12.2007**	**Equity and Liabilities**	**31.12.2008**	**31.12.2007**
Non-current assets	65,991	65,362	Equity	39,365	49,091
Current assets	31,709	36,915	Non-current provisions and liabilities	17,362	17,035
			Current provisions and liabilities	40,973	36,151
	97,700	**102,277**		**97,700**	**102,277**

Investments in associates

Seven (2007: 6) major holdings over which Wienerberger exercises significant influence are included in the consolidated financial statements at equity. Following are the proportional values for companies valued at equity (above all, the Pipelife and the Tondach Gleinstätten Group):

in TEUR	2008	2007
Revenues	509,166	492,521
EBITDA	51,836	54,146
EBIT	31,527	36,311

Assets *in TEUR*	31.12.2008	31.12.2007	**Equity and Liabilities**	31.12.2008	31.12.2007
Non-current assets	159,261	157,459	Equity	112,416	145,280
Current assets	172,285	197,710	Non-current provisions and liabilities	69,808	70,937
			Current provisions and liabilities	149,322	138,952
	331,546	**355,169**		**331,546**	**355,169**

4. Acquisitions and disposals

The following acquisitions were consolidated for the first time in 2008:

Name of Company	Share in %	Name of Company	Share in %
IGM Backa Nova	100.00%	EUCOSO sp. Z.o.o.	49.00%
Sandtoft Ltd.	73.64%	IGM Ciglana d.o.o. Petrinja	100.00%
Bockhorner Klinker GmbH	83.33%		

The changes in the consolidation range since December 31, 2007 involved the following acquisitions and initial consolidations:

The clay paver producer Bockhorner Klinker in Germany as well as IGM Backa Nova in Serbia, which was acquired at the end of 2007, were fully consolidated as of January 1, 2008. The brick activities of Wienerberger in India were also included at the beginning of the reporting year through the initial consolidation of Wienerberger Brick Industry Private Limited. The business activities of the Bramac Group in Albania and Macedonia were also consolidated as a joint venture as of January 1, 2008.

On January 11, 2008 Wienerberger acquired Sandtoft, the third largest producer of clay roof tiles in Great Britain, and consolidated the company in full as of this date. The purchase price for roughly 74% of the shares was paid in cash, and the sellers hold a put option that allows them to sell the remaining shares to Wienerberger. This option is recorded under non-current financial liabilities, and the minority interest in earnings is therefore included under net financing costs.

As preparation for the construction of the Group's first plant in Lithuania, land was purchased through UAB Wienerberger Statybine Keramika, a company that was consolidated as of June 1, 2008. The Croatian brick plant IGM Ciglana d.o.o. Petrinja was consolidated as of December 31, 2008 on the basis of preliminary values, and the stake in the Polish EUCOSO sp. Z. o. o. was consolidated as an associate according to the equity method as of this same date.

The comparative financial year from January 1, 2007 to December 31, 2007 included two Dutch building material retailers (acquired as of January 1, 2007) for the full year as well as the following companies for only part of the reporting period: two other Dutch building material retailers and the French facing brick plant Briqueterie Bar Frères (all acquired as of April 1, 2007); Baggeridge Brick PLC, the fourth largest producer of bricks in Great Britain with five plants, as well as the

Dutch building materials company Bos en Vermeer B.V. and the paver producer Korevaar (all consolidated as of July 1, 2007). In addition, the consolidated financial statements for 2007 did not include the following companies for part of or the entire reporting period: the acquired operating companies of the Canadian Arriscraft International, (consolidated as of July 20, 2007), the Italian brick company RIL Laterizi S.p.a. (consolidated as of December 1, 2007) and Salzburger Ziegelwerk GmbH & Co KG (consolidated as of December 31, 2007).

Companies included in the consolidation for the first time generated revenues of TEUR 65,649 and EBITDA of TEUR 3,891 for the period from January 1, 2008 to December 31, 2008. The comparable prior year figures show revenues of TEUR 103,037 and EBITDA of TEUR 6,584.

The changes in the consolidation range have a combined net effect of TEUR 136,432 on revenues (2007: TEUR 143,722) and TEUR 11,542 on EBITDA (2007: TEUR 8,095).

The effect of changes in the consolidation range on the consolidated income statement and balance sheet is as follows for 2008 (from/as of the date of initial consolidation or deconsolidation):

in TEUR	**2008**
Revenues	136,432
EBITDA	11,542
EBIT	3,729

Assets *in TEUR*	**31.12.2008**	**Liabilities**	**31.12.2008**
Non-current assets	111,786	Non-current provisions and liabilities	11,738
Current assets	-84,198	Current provisions and liabilities	15,850
	27,588		**27,588**

5. Basis of consolidation

The acquisition method of accounting is applied to all companies included through full or proportionate consolidation. Under this method, the acquisition value of the investment is compared with the revalued 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 (2008: TEUR 38,016). Goodwill and the cash-generating unit to which it is allocated are tested for impairment each year, and are reduced to the lower applicable fair value in the event of impairment.

For associates consolidated at equity, the same basic methodology applied to subsidiaries and joint ventures is used to consolidate shareholders' 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 consolidated at 100% or their proportionate share 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, which arise from the sale of goods or services between Group companies and which affect current or non-current, are eliminated unless they are immaterial.

6. 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 on December 31, 2008. Goodwill is recorded as an asset in local currency and also translated at the closing rate on the balance sheet date for the financial statements. Expense and revenue items are translated at the average exchange rate for the year.

Unrealized currency translation differences arising from non-current Group loans are offset against the translation reserve without recognition to profit or loss.

Foreign currency swaps are used to limit the translation risk arising from the Group's brick activities in the USA, Great Britain and individual East European countries. These transactions involve the conclusion of a foreign currency-euro swap equal to the value of the assets held in the foreign currency.

Translation gains – including the translation differences related to minority interest – totaling TEUR 125,795 were recorded under equity without recognition through profit or loss during the reporting year (2007: TEUR 66,106). The recording of foreign currency transactions (hedging transactions) that were not recognized through profit or loss led to an increase of TEUR 12,528 in retained earnings. Translation gains and losses arising from the use of different exchange rates for the balance sheet (exchange rate on the balance sheet date) and income statement (average exchange rate for the year) are recognized directly to equity.

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	**31.12.2008**	**31.12.2007**	**2008**	**2007**
100 British Pound	104.98688	136.36054	125.62188	146.05836
100 Bulgarian Lev	51.12997	51.12867	51.12997	51.12738
100 Danish Krone	13.42174	13.40788	13.41201	13.42142
100 Canadian Dollar	58.83045	69.20894	64.14467	68.32159
100 Croatian Kuna	13.59527	13.64108	13.84216	13.62767
100 Norwegian Krone	10.25641	12.56597	12.16150	12.47586
100 Polish Zloty	24.07608	27.82802	28.47044	26.44300
100 Romanian Lei	24.86016	27.71849	27.15655	29.97736
100 Russian Ruble	2.42230	2.77886	2.74582	2.85276
100 Swedish Krone	9.19963	10.59154	10.40089	10.81295
100 Swiss Franc	67.34007	60.43392	62.98592	60.82269
100 Slovakian Koruna	3.31939	2.97770	3.19788	2.96109
100 Czech Koruna	3.72093	3.75545	4.00756	3.60317
100 Hungarian Forint	0.37495	0.39412	0.39758	0.39786
100 US Dollar	71.85457	67.93017	67.99203	72.89277

7. 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. Operating expenses are recognized when a service is rendered or a delivery is received, or at the point such liability is incurred.

Intangible assets: Identifiable intangible assets purchased by the Group are recorded at acquisition cost less amortization and any necessary impairment charges.

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)	25 years	Kilns and dryers (facing bricks)	10 – 20 years
Administrative buildings	40 – 50 years	Other machinery	5 – 15 years
Residential buildings	40 – 50 years	Fittings, furniture and office equipment	3 – 10 years
Kilns and dryers (clay blocks and roof tiles)	8 – 15 years	Other intangible assets	3 – 10 years

In accordance with IAS 36, assets are tested for impairment when there are indications of a lasting decline in value. This involves comparing the carrying amount of the asset with the sum of the present values (discounted at the average weighted cost of capital – WACC) of 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. A WACC of roughly 7.0% was determined for the Wienerberger Group, but different regional costs of capital are applied to the United States (6.76%), Great Britain (6.65%) and Russia (10.8%). In the Wienerberger Group, groupings of plants form the cash-generating units that are used for impairment testing. The expected future cash flows are based on internal forecasts, which are prepared for the following four years (2009-2012). The impairment tests for the cash-generating units in Great Britain, the USA and Russia are based on detailed plans that cover a six-year period (2009-2014). The quality of these forecasts is evaluated on a regular basis through a variance analysis that compares this data with actual figures, and the results of the analysis are incorporated into the subsequent planning process. The calculation reflects the planning periods from 2009 to 2012, whereby the future cash flows 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 annuity. Wienerberger tests its assets for impairment at least once each year after the conclusion of the corporate planning process. Any indication by interim forecasts or analyses of a negative variance from the original plan will lead to a new impairment test for the involved cash-generating unit. 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 the value in use is formed by assumptions for the future development of the local market and sales volumes. Therefore, the value in use is determined on the basis of forecasts published by statistical agencies (e.g. Euroconstruct) and values from past experience, which are coordinated with economic researchers in the various regional markets. Estimates for cost structures in the Wienerberger Group reflect the extrapolation of values from past experience. 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, previously recognized impairment losses to goodwill are not reversed.

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

When plant or equipment is shut down, sold or retired, the gain or loss arising from the difference between the proceeds on sale and the remaining book value 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 financed with non-current funds (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.

Investment property is carried at depreciated cost.

Investments in associates and other companies: Investments in associates are generally carried at equity, unless these investments are immaterial. 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.

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 as well as the categories of financial assets at fair value through profit or loss, financial assets held for trading, financial assets held to maturity and financial assets available for sale.

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 in individual company accounts are translated at the exchange rate on the balance sheet date.

Financial assets 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 no ***held-to-maturity financial instruments.***

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 equity without recognition to profit or loss up to the date of derecognition. An exception to this procedure is formed by impairment losses, which are recognized to reflect significant and lasting impairment. The fair value of listed securities is based on the relevant market prices, whereas non-quoted financial assets are carried at cost less any changes in market value. In the period of derecognition, all gains and losses accumulated in equity are recognized to profit or loss.

Liquid funds and cash equivalents are carried at amortized cost.

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 5.8%. 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 discount rate that lies between 4.0% and 7.0%, an expected increase of 4.0 – 5.0% in income, expected growth of 2.0 – 3.0% in pensions, average employee turnover of 2.0 – 4.0% and an expected return of 6.0 – 8.0% on pension fund assets. The provisions for pensions are calculated by actuaries.

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

The provisions for pensions were netted out with the pension plan assets that are held to cover commitments. The market values of fund assets that exceed pension obligations are shown under other current receivables.

Significant actuarial gains and losses are not recognized to income in the year they arise, but are amortized over the remaining service time of active employees (corridor rule).

In 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 countries where the Group is active. The provisions for site restoration on clay pits purchased before 2005 are based on depletion, in accordance with the transition rule to IAS 16. Other liabilities whose due dates or amounts are uncertain are recorded as liabilities in accordance with IAS 37.

Deferred taxes: In accordance with IAS 12 (revised), the provision for deferred taxes includes all temporary valuation and accounting differences arising between financial statements prepared for tax purposes and IFRS financial statements. The provision for deferred taxes is calculated at the tax rate expected when these differences reverse in the future, based on the local tax rate of the relevant Group company. Future changes in tax rates are included if the relevant legal amendment has been 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 other financial results. Therefore, the measurement of these items reflects amortized cost. Foreign currency liabilities are translated at the exchange rate on the balance sheet date.

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 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 equity (hedging reserve). For fair value hedges, the change in the value of the derivative used as a hedging instrument as well as any gain or loss on the hedged item attributable to the hedged risk are recognized to profit or loss. The hedge of a net investment in a foreign operation is accounted for by recording all changes in the effective portion of the hedge together with the gain or loss on the foreign currency translation of the hedged instrument under equity without recognition to profit or loss.

Derivative financial instruments are concluded only to hedge the risks arising from business operations. Interest rate and foreign exchange swaps as well as foreign exchange contracts 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. All derivative financial instruments are classified as held for trading as defined in IAS 39. However, only the derivative financial instruments that are not part of effective hedges are valued through profit or loss (ineffective portion); 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 minority interest and the planned component of earnings attributable to hybrid bondholders, divided by the weighted number of shares outstanding (less treasury stock). Wienerberger managers have been granted option rights based on a stock option plan, which generally have a diluting effect on earnings per share.

Estimates: In preparing the Group 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. The determination of the useful life of property, plant and equipment involves estimates, which are derived from the operation of comparable equipment. 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 future-oriented 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.

Segment reporting: In accordance with the management approach as defined in IFRS 8, the definition of business units for primary segment reporting must reflect the internal reporting structure. Wienerberger therefore structures its segments of business according to regions. Revenues, operating EBITDA and operating EBIT (both before restructuring costs, impairment charges to property, plant and equipment and goodwill, and the addition to a provision for an impending antitrust penalty) as well as financial results, income taxes, profit after tax, assets, liabilities, capital employed and investments are allocated according to the headquarters location of the relevant companies.

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

Notes to the Income Statement

8. Revenues

Consolidated revenues declined 2% to TEUR 2,431,388 in 2008. After an adjustment for changes in the consolidation range and excluding currency translation effects, organic growth totaled -7% (2007: growth of 5%). In Central-East Europe, the growth markets of Bulgaria, Poland, Romania and Russia generated a further increase in revenues but Hungary, the Czech Republic and Slovakia reported declines. Revenues in North-West Europe rose by only a slight amount despite the acquisition of Sandtoft at the beginning of the year because of the negative effects of the financial crisis on the construction industry during the second six months. Central-West Europe recorded year-on-year decline in revenues due to the ongoing market weakness in Germany and pressure on prices in Italy. In the North America segment, Wienerberger recorded a significant decrease in revenues despite the acquisition of Arriscraft in the prior year due to a sharp drop in new residential construction in the United States. Foreign exchange rates had a negative impact of TEUR 17,275 on revenues, whereby positive effects from an increase in the value of the Czech koruna and the Polish zloty were unable to offset a massive decline in the value of the British pound, the weaker US dollar and the devaluation of the Romanian lei. Detailed information on revenues by segment and region is provided under segment reporting on pages 106 and 107.

9. Material expense and depreciation

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

in TEUR	2008	2007
Cost of materials	333,877	372,538
Maintenance expenses	143,954	140,071
Cost of merchandise	181,961	152,870
Cost of energy	374,494	354,252
Total	**1,034,286**	**1,019,731**

The reported expenses were reduced by income of TEUR 33,842 (2007: TEUR 83,952) from changes in work in process and finished goods inventories as well as the capitalization of TEUR 13,980 (2007: TEUR 7,622) from own work capitalized and borrowing costs related to the production of qualified fixed assets. The resulting decrease in expenses totaled TEUR 47,822 (2007: TEUR 91,574).

The cost of materials includes expenses for clay, sand, sawdust and other additives, pallets and other packaging materials. Maintenance expenses involve the use of low-value spare parts (cost of materials) as well as third party services. The cost of goods sold, selling expenses, administrative expenses and other operating expenses includes the following depreciation and amortization:

in TEUR	2008	2007
Ordinary depreciation	196,616	185,215
Impairment charges	3,657	12,840
	200,273	**198,055**
Impairment charges to goodwill	16,717	0
Depreciation of plant, property and equipment and amortization of intangible assets	**216.990**	**198.055**

Impairment charges of TEUR 3,657 were recognized in the reporting year (2007: TEUR 12,840) in connection with the renovation of plants in Russia, Romania and Belgium. The impairment charges recognized to property, plant and equipment in connection with restructuring measures are shown separately under note 15.

In accordance with IFRS 3 (Business Combinations), goodwill is no longer amortized on a regular basis but tested annually for impairment (see 7. Significant Accounting Policies). Variances between the updated forecast and the 2008 budget were analyzed in December of the reporting year. For each cash-generating unit with a negative variance of more than 5% (trigger for impairment tests as defined in IAS 36), an updated business plan was prepared for the periods 2009-2012.

The impairment test carried out on the basis of these updated plans indicated a need for impairment charges totaling TEUR 14,096 in Great Britain as well as a negative difference of TEUR 2,621 between the carrying amount of total assets and the value in use in Denmark. Impairment charges totaling TEUR 16,717 were recognized to goodwill during the reporting year.

10. Personnel expenses

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

in TEUR	**2008**	**2007**
Wages	248,348	257,579
Salaries	201,128	187,065
Leased personnel (permanently)	14,075	-
Expenses for stock option plans	1,994	3,037
Expenses for severance payments	14,720	4,311
Expenses for pensions	8,255	10,496
Expenses for mandatory social security and payroll-related taxes and contributions	106,169	104,431
Other employee benefits	12,844	11,997
Personnel expenses	**607,533**	**578,916**

The remuneration for the members of the Managing Board totaled TEUR 2,470 in 2008 (2007: TEUR 4,486). Of this amount, TEUR 622 represents a variable component and TEUR 1,848 a fixed component. For the active members of the Managing Board, pension expenses in the form of contributions to pension funds (defined contribution plans) and the service costs for defined benefit plans totaled TEUR 1,518 (2007: TEUR 1,139). Payments of TEUR 638 (2007: TEUR 607) were made to former members of the Managing Board or their surviving dependents.

Remuneration of TEUR 343 was paid to the members of the Supervisory Board in 2008 for their activities during the 2007 financial year (payments in 2007: TEUR 305). Detailed information on these payments is provided in the remuneration report on page 31 f.

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

The members of the Managing Board and Supervisory Board are listed on pages 26 and 22. The number of shares owned by the members of the Managing Board and Supervisory Board is listed on page 32. Detailed information on compensation paid to the members of the Managing Board and Supervisory Board is provided in the remuneration report on pages 30 to 32. Expenses arising from the stock option plans are shown on pages 145 f.

11. Employees

The average number of employees in 2008 and 2007 is shown below:

	2008		2007	
	Total	Thereof joint ventures	Total	Thereof joint ventures
Production	10,685	480	10,567	478
Administration	1,397	67	1,239	64
Sales	3,080	177	2,979	169
Total	**15,162**	**724**	**14,785**	**711**
Thereof apprentices	152	2	74	2

Changes in the consolidation range led to an increase of 1,059 in the number of employees. Employees of companies included at their proportional share are reflected in this calculation in proportion to the holdings in these companies.

12. Other operating expenses

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

in TEUR	2008	2007
Non-income based taxes	26,616	23,349
Loss on the disposal of fixed assets, excluding financial assets	2,960	4,901
Transportation costs for customer deliveries	129,013	123,715
Internal transport	69,643	84,733
Environmental protection measures	15,323	12,114
Uncollectible receivables	2,781	2,264
Services	111,000	129,416
Miscellaneous	92,475	89,622
Other operating expenses	**449,811**	**470,114**

A reconciliation of expenses under the total cost method to expenses under the cost of sales method is provided on page 121.

The cost of services is comprised primarily of expenses for business trips and travel, legal advising and consulting, advertising, temporary personnel and telecommunications. Miscellaneous other expenses consist mainly of rents, commissions, patent and trademark rights, business entertainment and research and development. Research and development expenses at Wienerberger cover 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. In 2008 research activities totaled TEUR 2,214 (2007: TEUR 8,227).

13. Other operating income

in TEUR	2008	2007
Income from the disposal and write-up of tangible assets, excluding financial assets	11,510	15,379
Income from rental and leasing contracts	3,967	4,329
Subsidies	3,287	4,253
Insurance compensation	1,167	1,041
Miscellaneous	32,609	26,026
Other operating income	**52,540**	**51,028**

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

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

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

in TEUR	Cost of freight	Cost of materials	Cost of merchandise	Depreciation	Cost of energy	Personnel expenses	Other income	Other expenses	Total
Cost of goods sold	0	407,862	181,689	171,064	366,007	363,193	-2,720	98,465	**1,585,560**
Selling expenses	140,278	22,147	272	8,405	6,140	151,257	-1,002	140,474	**467,971**
Administrative expenses	0	0	0	10,778	879	93,083	-1,667	46,354	**149,427**
Other operating expenses	0	0	0	10,026	1,468	0	0	24,240	**35,734**
Other operating income	0	0	0	0	0	0	-47,151	0	**-47,151**
Impairment charges to goodwill	0	0	0	16,717	0	0	0	0	**16,717**
	140,278	**430,009**	**181,961**	**216,990**	**374,494**	**607,533**	**-52,540**	**309,533**	**2,208,258**

15. Restructuring costs and impairment charges of property, plant and equipment, and the addition to a provision for an impending antitrust penalty

Wienerberger reacted quickly to the weakening of the construction sector in the wake of the global financial crisis and launched an extensive Group-wide restructuring program in mid-2008. This program involves the implementation of optimization and restructuring measures throughout the plant network, and requires separate disclosure of the related costs because of their scope.

The earlier-than-planned shutdown of facilities to optimize and restructure the production network was responsible for costs of TEUR 55,020 in 2008 (2007: TEUR 0). TEUR 21,543 of this amount represented impairment charges for closed plants and other equipment, while TEUR 33,477 reflected other restructuring costs that were primarily used to fund plans for terminated employees. A smaller amount was related to costs for the scrapping and disposal of materials in connection with the shutdown of plants as well as legal and consulting fees. Most of the restructuring costs were incurred for plant shutdowns in North-West Europe (TEUR 24,121) and Central-West Europe (TEUR 14,830). The remaining balance resulted from the shutdown of older plants in Central-East Europe (TEUR 13,935) and two plants in the United States (TEUR 2,134).

In addition to the restructuring costs, a provision for an impending antitrust penalty was recognized. In a decision issued in December 2008, the German Cartel Office levied an administrative fine of approx. TEUR 42,000 against Koramic Dachprodukte GmbH & Co KG, a wholly owned subsidiary of Wienerberger AG in Germany, for alleged price agreements in violation of fair competition. The company immediately appealed this decision. Based on estimates of antitrust experts, the fine and costs for legal proceedings – provided that the allegations are confirmed on their merits – are not expected to total more than TEUR 10,000. A provision was therefore created for this amount during the reporting year. A court decision is not expected before 2010. The company is cooperating with the responsible authorities and emphasizes that agreements in violation of free competition are not part of the corporate policies of the Wienerberger Group, but are expressly prohibited through internal guidelines and will be met with sanctions.

16. Interest and other financial results

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

2008 *in TEUR*	**Total**	**Loans and receivables**	**AfS [1]**	**Derivatives**
Interest and similar income	40,956	40,889	67	0
Interest and similar expense	-83,105	-83,105	0	0
Interest result	**-42,149**	**-42,216**	**67**	**0**
Income from third parties (dividends)	1,209	0	1,209	0
Income from subsidiaries	99			
Gains on the disposal of available-for-sale (AfS) financial instruments	-16	0	-16	0
Valuation of fair value hedges	-3,441	0	0	-3,441
Impairment results	-324	0	-324	0
Valuation of held-for-trading financial instruments	0	0	0	0
Foreign exchange differences	-22			
Banking fees	-3,768			
Miscellaneous	19			
Other financial results	**-6,244**	**0**	**869**	**-3,441**
Total	**-48,393**	**-42,216**	**936**	**-3,441**

1) AfS = Available-for-sale

2007 *in TEUR*	**Total**	**Loans and receivables**	**AfS** [1]	**Derivatives**
Interest and similar income	43,947	43,623	324	0
Interest and similar expense	-87,029	-87,029	0	0
Interest result	**-43,082**	**-43,406**	**324**	**0**
Income from third parties (dividends)	696	0	695	0
Income from subsidiaries	164			
Gains on the disposal of available-for-sale (AfS) financial instruments	10,820	0	10,820	0
Valuation of fair value hedges	7,017	0	0	7,017
Impairment results	-279	0	-279	0
Valuation of held-for-trading financial instruments	-27	0	0	-27
Foreign exchange differences	6,859			
Banking fees	-4,434			
Miscellaneous	-89			
Other financial results	**20,727**	**0**	**11,236**	**6,990**
Total	**-22,355**	**-43,406**	**11,560**	**6,990**

1) AfS = Available-for-sale

Losses of TEUR 628 on available-for-sale financial assets were recognized directly in equity during reporting year (2007: losses of TEUR 127), and are shown separately on the statement of comprehensive income. The sale of securities generated a loss of TEUR 16 (2007: TEUR 10,820). Available-for-sales financial instruments also include losses of TEUR 324 (2007: TEUR 279) that were recognized to profit or loss, and resulted from lasting impairment. The measurement of fair value hedges at market value generated income of TEUR -3,441 (2007 TEUR 7,017).

Banking fees include current expenses, and also reflect the allocation of capitalized transaction costs for the conclusion of loans or issue of bonds (above all, bank fees) over the term of the financing. The reversal of discounts is included under interest result.

17. Income taxes

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

in TEUR	**2008**	**2007**
Current tax expense	24,766	40,009
Deferred tax expense	-4,978	22,527
Income taxes	**19,788**	**62,536**

The effective tax rate for 2008 was 16.1% (2007: 17.4%). This rate is 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% (2007: 25%) and the Group tax rate shown in these statements is due to the following factors:

in TEUR	2008	2007
Profit before tax	**123,106**	**358,376**
Tax expense at tax rate 25%	**-30,777**	**-89,594**
Other foreign tax rates	16,002	9,639
Non-temporary differences and tax income and expense from prior periods	-5,957	16,223
Change in valuation allowances for deferred tax assets and tax-loss carryforwards	1,329	2,470
Changes in tax rates	-385	-1,274
Effective tax expense	**-19,788**	**-62,536**
Effective tax rate in %	16.1	17.4

18. Earnings per share, recommendation for the distribution of profit

The number of issued shares totaled 83,947,689 as of December 31, 2008. Wienerberger carried out a share buyback program from March 4 to 28, 2008 to service the stock option plans, which resulted in the purchase of 300,000 shares. No options were exercised during the past year. As of December 31, 2008, 1,113,603 shares were held as treasury stock (2007: 813,603) and were deducted prior to the calculation of earnings per share. The resulting weighted average number of shares for the calculation of earnings per share in 2008 equaled 82,894,992.

Number of shares	2008	2007
Outstanding	83,947,689	83,947,689
Treasury stock	1,113,603	813,603
Weighted average	82,894,992	75,490,691

In accordance with the definition provided in IAS 33, the options granted in 2004, 2005, 2006 and 2007 did not have a diluting effect on earnings per share during the 2008 financial year.

In accordance with the provisions of the Austrian Stock Corporation Act, the financial statements of Wienerberger AG as of December 31, 2008 form the basis for the distribution of earnings. These financial statements show net profit of EUR 71,880,907.16. The Managing Board recommends that the Annual General Meeting waive the payment of a dividend for the 2008 financial year on issued capital of EUR 83,947,689, and also recommends that the Annual General Meeting approve the full carryforward of net profit totaling EUR 71,880,907.16.

Adjusted earnings per share of EUR 1.69 were calculated on the basis of operating profit before restructuring costs and impairment charges to property, plant and equipment and goodwill as well as the addition to a provision for an impending antitrust penalty, and subsequently adjusted for the tax effects arising from restructuring costs and the impairment of property, plant and equipment.

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, which includes other components of income that are recognized directly in equity. These items are comprised above all of foreign exchange adjustments, changes to the hedging reserve recorded under equity and the results of the valuation of available-for-sale financial instruments.

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.

19. Cash flow from investing activities

The acquisition of property, plant and equipment and intangible assets resulted in an outflow of funds totaling TEUR 390,328 (2007: TEUR 319,604). This amount includes TEUR 98,438 for maintenance, replacement, rationalization and environmental protection investments (maintenance capex) as well as TEUR 291,890 for the construction of new plants or the expansion or revitalization of existing facilities (growth investments). Investments of TEUR 487 (2007: TEUR 10,539) were made in financial assets.

Cash inflows from the disposal of fixed and financial assets totaled TEUR 28,678 (2007: TEUR 24,884). These disposals generated gains of TEUR 8,391 (2007: TEUR 7,545).

Net payments made for the acquisition of companies totaled:

in TEUR	2008	2007
Payments made for companies acquired	105,396	319,902
Cash from companies consolidated for the first time	-2,528	-431
Acquisition of minority stakes	12,458	6,544
Cash outflows from deconsolidated companies	0	0
Net payments made for the acquisition of companies	**115,326**	**326,015**

Net payments of TEUR 115,326 (2007: TEUR 326,015) for the acquisition of companies include the purchase price for the proportional share of equity as well as any debt assumed in connection with the transaction (debt-free company).

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

in TEUR	2008	2007
Payments made for investments in tangible and intangible assets	390,328	319,604
Net payments made for the acquisition of companies	115,326	326,015
Total investments	**505,654**	**645,619**
Maintenance, replacement, rationalization and environmental investments	98,438	120,182
Maintenance capex	**98,438**	**120,182**
Payments made for new plant construction and renovation	291,890	199,422
Net payments made for the acquisition of companies	115,326	326,015
Growth investments	**407,216**	**525,437**

Notes to the Balance Sheet

20. Non-current assets

The development of non-current assets is shown on pages 104 and 105. The effect of changes in the consolidation range is shown in a separate column. The figures shown for foreign exchange rate increases and decreases represent amounts arising from the use of different exchange rates to translate the assets of foreign companies at the beginning of the year and year-end.

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

in TEUR	2008	2007
Central-East Europe	65,967	51,505
Central-West Europe	85,273	84,231
North-West Europe	339,014	368,874
North America	209,534	201,157
Investments and Other	1,205	141
Goodwill	**700,993**	**705,908**

Goodwill in the North-West Europe segment resulted primarily from the acquisition of Baggeridge and the brick activities in Great Britain (TEUR 71,214), the clay roof tile producer Sandtoft (TEUR 23,823) as well as the roof tile business in Belgium, the Netherlands and France (total: TEUR 200.363). In North America goodwill arose from the purchase of General Shale and the Robinson Group (TEUR 191,004) as well as Arriscraft (TEUR 18,529).

Non-current assets include land with a value of TEUR 352,948 (2007: TEUR 356,142). Capitalized interest expense and foreign currency differences on new plant construction totaled TEUR 4,150 in 2008 (2007: TEUR 3,254).

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	**2008**	**2007**
Acquisition costs	43,998	42,820
Depreciation (accumulated)	11,092	8,376
Book value	32,906	34,444

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	**2008**	**2007**
For the following year	14,329	15,993
For the next two to five years	50,161	38,901
Over five years	19,476	18,690

Payments arising from operating leases, license and rental agreements totaled TEUR 42,102 for the reporting year (2007: TEUR 37,028).

The balance sheet item investment property includes real estate and buildings with a book value of TEUR 30,543 (2007: TEUR 26,511), which are not used in current business operations. These assets are scheduled for sale over the middle to long-term, and are therefore classified as investment property. Based on comparable transactions, the present value of these assets is estimated at TEUR 45,162 (2007: TEUR 45,743). This property generated rental and other income of TEUR 381 in 2008 (2007: TEUR 172). The Group sold investment property with a book value of TEUR 1,782 during the reporting year. Of the total non-current assets, items with a total carrying amount of TEUR 1,002 met the criteria of IFRS 5 for classification as ***non-current assets held for sale and discontinued operations.*** Included here are assets from deactivated plants and renovated facilities in Germany, Romania and Hungary, whose sale is highly probable within one year.

21. Inventories

in TEUR	**2008**	**2007**
Raw materials and consumables	105,914	101,985
Semi-finished goods	96,614	92,004
Finished goods and merchandise	514,385	471,140
Prepayments	3,082	4,632
Inventories	**719,995**	**669,761**

Pallets 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 7,169 (2007: TEUR 11,308) 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.

22. Receivables, securities and other financial assets

Loans and receivables

in TEUR	2008 Total	2008 Remaining term < 1 year	2008 Remaining term > 1 year	2007 Total	2007 Remaining term < 1 year	2007 Remaining term > 1 year
Trade receivables from third parties	187,296	173,008	14,288	210,514	209,323	1,191
Trade receivables from subsidiaries	454	454	0	492	492	0
Trade receivables	**187,750**	**173,462**	**14,288**	**211,006**	**209,815**	**1,191**
Financial receivables from subsidiaries	15,247	15,247	0	10,285	10,285	0
Receivables arising from loans	6,988	1,421	5,567	10,459	2,779	7,680
Loans granted	**22,235**	**16,668**	**5,567**	**20,744**	**13,064**	**7,680**
Loans and Receivables	**209,985**	**190,130**	**19,855**	**231,750**	**222,879**	**8,871**

Loans and receivables are carried at amortized cost, which is increased or decreased 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 2008 individual valuation adjustments totaled TEUR 2,781 (2007: TEUR 2,264). Individual valuation adjustments made to receivables during the reporting year equaled 1.3% of trade receivables and originated loans as well as less than 1% of total receivables, and are therefore not shown separately. The receivables due from Group companies result primarily from loans granted. Trade receivables totaling TEUR 11,333 (2007: TEUR 12,653) are secured by notes payable.

Available-for-sale financial instruments

	2008 Book value *in TEUR*	2008 Market value *in TEUR*	2008 Market value changes recog. to equity *in TEUR*	2008 Ø Effective interest rate *in %*	2007 Book value *in TEUR*	2007 Market value *in TEUR*	2007 Market value changes recog. to equity *in TEUR*	2007 Ø Effective interest rate *in %*
Shares in funds	3,987	3,987	-601	1.64	4,734	4,734	-77	1.40
Corporate bonds	6,256	6,256	-28	4.47	8,222	8,222	-50	4.47
Stock	6,452	6,452	1	-	6,451	6,451	0	-
Other	3,028	3,028	0	-	712	712	0	-
Available-for-sale financial instruments	**19,723**	**19,723**	**-628**		**20,119**	**20,119**	**-127**	

Held-for-trading financial instruments

	2008 Book value *in TEUR*	2008 Market value *in TEUR*	2007 Book value *in TEUR*	2007 Market value *in TEUR*
Derivatives from cash flow hedges	44,611	44,611	44,579	44,579
Derivatives from fair value hedges	1,755	1,755	0	0
Other derivatives	1,121	1,121	3,388	3,388
Derivatives with positive market values	**47,487**	**47,487**	**47,967**	**47,967**

The carrying amounts of securities and other financial assets totaled TEUR 89,445 (2007: TEUR 88,830). This amount includes TEUR 22,235 (2007: TEUR 20,744) of loans granted, TEUR 19,723 (2007: TEUR 20,119) of available-for-sale financial instruments and TEUR 47,487 (2007: TEUR 47,967) of derivatives with a positive market value.

23. Other receivables, prepaid expenses and deferred charges

	2008			2007		
in TEUR	**Total**	**Remaining term < 1 year**	**Remaining term > 1 year**	**Total**	**Remaining term < 1 year**	**Remaining term > 1 year**
Market value of plan assets in excess of pension obligations	9,201	9,201	0	8,530	8,530	0
Prepaid expenses and deferred charges	11,017	11,017	0	9,353	9,353	0
Miscellaneous receivables	113,604	88,265	25,339	87,874	70,001	17,873
Other current receivables, prepaid expenses and deferred charges	**133,822**	**108,483**	**25,339**	**105,757**	**87,884**	**17,873**

Miscellaneous receivables include receivables due from taxation authorities and social security carriers.

24. Capital and reserves

The development of capital and reserves in 2008 and 2007 is shown on page 103.

Efficient capital structure management represents a key goal for Wienerberger, whereby the composition of this structure is closely linked with the capital-intensive nature of the brick and roof tile business. The financial crisis and its effects on the liquidity of financial markets have led us to place a special focus on the maintenance and expansion of a strong equity base. Our targets for specific financial indicators are defined above all by the covenants in the financing agreements we have concluded with banks: net debt / operating EBITDA and interest cover (operating EBIT / net interest). The goal of Wienerberger is to hold the net debt / operating EBITDA ratio below 3.0 years; as of December 31, 2008 this indicator equaled 2.0 (2007: 1.0). Interest cover was 5.7 at year-end 2008 (2007: 8.2) and significantly exceeded our target of 2.75, which represents the minimum value according to our financial guidelines.

Equity totaled TEUR 2,497,191 as of December 31, 2008, compared to TEUR 2,672,709 in the prior year. The changes in equity resulted above all from an increase in retained earnings through the addition of profit recorded for the reporting year as well as deductions for the payment of the dividend and hybrid coupon. On February 9, 2008 Wienerberger AG paid the TEUR 32,500 coupon for the hybrid bond that was issued on February 9, 2007. 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 only Wienerberger AG may call the 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. The coupon interest reduced earnings per share by EUR 0.39 in 2008.

Retained earnings of TEUR 1,368,920 (2007: TEUR 1,407,720) include the retained earnings of Wienerberger AG and the retained earnings of subsidiaries not eliminated during the capital consolidation. Group profit for 2008, excluding the share of profit due to minority interest, is shown under retained earnings.

The share capital of Wienerberger AG totaled EUR 83,947,689 as of December 31, 2008 and is divided into 83,947,689 shares with zero par value.

The 139th Annual General Meeting on May 9, 2008 empowered the Managing Board to repurchase up to 10% of authorized share capital within a period of 30 months. Furthermore, the Annual General Meeting on May 11, 2004 passed a resolution that gives the Managing Board of Wienerberger AG the option to carry out a capital increase through the issue of up to 31,639,486 shares. Any capital increase carried out within the framework of this authorization, which is valid for five years, must be approved by the Supervisory Board. A total of 8,888,823 new shares were issued in 2004 to finance the acquisition of Koramic Roofing and other growth projects. In October 2007 Wienerberger AG issued 9,779,893 new shares to finance further growth and strengthen the capital structure of the Group. The Annual General Meeting on May 11, 2004 also authorized the Managing Board to issue up to 1,000,000 shares within the next five years to service the stock option plans; this authorization has not been used to date.

The Managing Board recommends that the Annual General Meeting waive the payment of a dividend for the 2008 financial year and use the retained earnings to safeguard the liquidity and strengthen the capital base of the Group in the present uncertain economic environment.

Free float is distributed among Austrian and international investors (also see page 65), whereby one international fund holds more than 10% of issued capital and another international fund holds more than 5% of the issued capital of Wienerberger AG. The US firm Dodge & Cox Inc. reported a holding of more than 10% in July 2008 and Invesco Trimark Ltd, which has its registered headquarters in Canada, reported a holding of less than 10% but still more than 5% in November 2008. 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.

25. Provisions

in TEUR	1.1.2008	Foreign exchange incr./decr.	Chg. in consolida-tion range	Reversal	Use	Addition	31.12.2008
Provisions for severance payments	15,101	-268	684	226	2,705	4,129	16,715
Provisions for pensions	56,068	-4,176	0	998	17,078	12,977	46,793
Provisions for service anniversary bonuses	5,041	-145	308	920	336	593	4,541
Employee-related provisions	**76,210**	**-4,589**	**992**	**2,144**	**20,119**	**17,699**	**68,049**
Provisions for deferred taxes	**125,045**	**969**	**10,201**	**4,973**	**30,072**	**25,287**	**126,457**
Provision for warranties	24,862	89	146	789	2,818	3,344	24,834
Provision for site restoration	36,113	-1,178	0	1,236	2,527	8,459	39,631
Provision for environmental measures	3,678	-49	0	1,561	653	652	2,067
Other non-current provisions	**64,653**	**-1,138**	**146**	**3,586**	**5,998**	**12,455**	**66,532**
Non-current provisions	**265,908**	**-4,758**	**11,339**	**10,703**	**56,189**	**55,441**	**261,038**
Provisions for current taxes	3,538	-53	0	150	47	38	3,326
Other current provisions	43,975	-1,862	50	10,577	31,191	51,782	52,177
Current provisions	**47,513**	**-1,915**	**50**	**10,727**	**31,238**	**51,820**	**55,503**
Provisions	**313,421**	**-6,673**	**11,389**	**21,430**	**87,427**	**107,261**	**316,541**

26. Provisions for pensions

Wienerberger has made pension commitments to selected managers as well as all employees in the Netherlands, Great Britain, the USA and Switzerland. Defined contribution plans represent the goal for future pension agreements. In 2004 a number of ***defined benefit*** pension agreements with active managers were converted to ***defined contribution*** pension models through the transfer of previously earned claims to a pension fund. Wienerberger has also made a number of defined pension commitments mainly to former managers, which are not tied to plan assets; the length of service forms the basis for retirement benefits under these plans. General Shale (USA) employees have a funded defined benefit pension plan as well as non-funded health insurance; the amount by which the fair value of pension plan assets exceeds pension obligations is shown under other receivables. ZZ Wancor (Switzerland) has a defined contribution pension plan through an external pension fund. Claims earned by Dutch employees are satisfied primarily through contributions to an industry-wide pension fund in the Netherlands. In Great Britain 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 provisions for pensions amount to TEUR 46,793 in 2008.

The major actuarial parameters and relevant accounting principles are described on pages 115 and 116.

Total pension expenses for 2008 cover both defined contribution and defined benefit pension plans, and include the following components:

in TEUR	2008	2007	2006
Defined contribution plans			
Expenses for defined contribution pension plans	**6,036**	**8,510**	**7,324**
Defined benefit plans			
Service costs for defined benefit pension plans	3,597	4,540	6,024
Interest costs	9,711	7,827	9,308
Expected income from plan assets	-8,426	-6,649	-8,087
Actuarial gain/loss	-2,697	-3,268	-3,674
Past service cost	34	-464	-45
Effect of plan curtailments and settlements	0	0	0
Expenses for defined benefit plans	**2,219**	**1,986**	**3,526**
Total expenses for pensions	**8,255**	**10,496**	**10,850**

Gross pension obligations represent the present value of pension commitments as calculated by actuaries. Total pension obligations of TEUR 158,858 (2007: TEUR 179,318) include TEUR 141,307 (2007: TEUR 165,306) that are covered in part or in full by investments in funds (plan assets). The gross pension obligations can be reconciled with net obligations as shown on the balance sheet by deducting unrecognized past service cost and unrecognized actuarial gains and losses as well as the fair value of pension plan assets.

Of the total net obligations, TEUR 10,845 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 defined benefit pension obligation.

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

	Defined benefit obligation			Fair value of plan assets		
in TEUR	2008	2007	2006	2008	2007	2006
Value as of 1.1.	**179,318**	**191,396**	**196,765**	**129,680**	**140,378**	**134,906**
Changes in consolidation range	660	40,903	923	377	31,491	0
Foreign exchange increase/decrease	-17,563	-12,194	-3,039	-13,658	-9,024	-4,991
Service costs for defined benefit plans	3,597	4,540	6,024			
Interest costs	9,711	7,364	9,308			
Expected income from plan assets				8,426	6,649	8,087
Effects of plan curtailments and settlements	-277	-44,000	3	-19	-43,072	3
Actuarial gain/loss	-6,585	-1,203	-11,938	-29,664	5,385	1,143
Past service cost	-3,755	582	137			
Payments to retirees	-6,383	-8,486	-7,980	-6,383	-8,486	-7,980
Payments received from employees	135	416	1,193	135	416	1,193
Payments received from employers	0	0	0	3,933	5,943	8,017
Value as of 31.12.	**158,858**	**179,318**	**191,396**	**92,827**	**129,680**	**140,378**
Fair value of plan assets (funded)	-92,827	-129,680	-140,378			
Present value of unfunded obligation as of 31.12.	**66,031**	**49,638**	**51,018**			
Non-recorded past service cost	269	268	0			
Non-recorded actuarial gains/losses (off-balance sheet risk)	-28,708	-2,368	-5,468			
Net pension obligations recorded as of 31.12.	**37,592**	**47,538**	**45,550**			
Thereof provision for pensions (p. 130)	46,793	56,068	55,011			
Thereof fair value of plan assets in excess of pension obligations (p. 129)	9,201	8,530	9,461			

Pension plan assets are comprised of assets from the defined contribution pension plans in the USA and the former defined benefit pension plan in Great Britain. The expected return on plan assets in 2008 was TEUR 8,426 and the realized loss was TEUR 21,238. The plan assets are invested in stocks (48%), bonds (41%) and other assets (11%).

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.

27. Provisions for deferred taxes

Deferred tax assets and deferred tax liabilities as of December 31, 2008 and December 31, 2007 are the result of the following temporary valuation and accounting differences between carrying amounts in the IFRS financial statements and the relevant tax bases:

	2008		2007	
in TEUR	Assets	Equity and Liabilities	Assets	Equity and Liabilities
Intangible assets	2,475	-35,406	1,765	-24,806
Property, plant and equipment	4,907	-115,593	8,009	-102,081
Financial assets	0	0	0	-27
Inventories	1,334	-11,189	1,597	-9,408
Receivables	3,599	-2,457	3,269	-2,971
Cash and cash at bank	0	0	0	0
Deferred charges	788	-47	1,926	-4,121
	13,103	**-164,692**	**16,566**	**-143,414**
Untaxed reserves	0	-14,979	0	-16,078
Provisions	19,183	-970	21,700	-2,154
Liabilities	7,791	-2,692	7,332	-6,265
Deferred income	13,820	-1,531	19,164	-2,735
	40,794	**-20,172**	**48,196**	**-27,232**
Tax loss carryforwards	94,123		69,557	
Deferred tax assets/provisions	**148,020**	**-184,864**	**134,319**	**-170,646**
Valuation allowance for deferred tax assets	-54,542		-43,339	
Offset within legal tax units and jurisdictions	-58,407	58,407	-45,601	45,601
Net deferred tax assets and provisions	**35,071**	**-126,457**	**45,379**	**-125,045**

In the consolidated financial statements, deferred tax assets were not calculated on temporary differences and tax loss carryforwards of TEUR 54,542 (2007: TEUR 43,339) because their use as tax relief is not yet sufficiently certain.

In accordance with IAS 12.39, provisions for deferred taxes were not recorded on temporary differences related to shares owned in subsidiaries. The cumulative value of shares in subsidiaries is TEUR 49,104 (2007: TEUR 175,465) less than the proportional share of equity owned in subsidiaries.

28. Liabilities

Other liabilities

Liabilities are measured at amortized cost. The remaining terms of the various categories of liabilities are shown in the following table:

2008 *in TEUR*	**Total**	**Remaining term < 1 year**	**Remaining term 1-5 years**	**Remaining term > 5 years**	**Thereof secured by collateral**
Interest-bearing loans	1,178,749	172,476	893,673	112,600	23,040
Finance leases	7,089	1,762	5,327	0	0
Financial liabilities owed to subsidiaries	620	620	0	0	0
Financial liabilities	**1,186,458**	**174,858**	**899,000**	**112,600**	**23,040**
Trade payables owed to third parties	176,686	168,901	7,779	6	0
Trade payables owed to subsidiaries	633	633	0	0	0
Trade payables	**177,319**	**169,534**	**7,779**	**6**	**0**
Prepayments received on orders	1,445	930	515	0	0
Amounts owed to tax authorities and social security carriers	48,159	46,365	1,609	185	0
Deferred income	24,304	10,927	9,330	4,047	0
Miscellaneous liabilities	132,516	96,044	31,077	5,395	0
Other liabilities	**206,424**	**154,266**	**42,531**	**9,627**	**0**
Liabilities as per balance sheet	**1,570,201**	**498,658**	**949,310**	**122,233**	**23,040**

2007 *in TEUR*	**Total**	**Remaining term < 1 year**	**Remaining term 1-5 years**	**Remaining term > 5 years**	**Thereof secured by collateral**
Interest-bearing loans	935,337	123,364	791,685	20,288	0
Finance leases	12,791	5,673	6,953	165	1
Financial liabilities owed to subsidiaries	835	835	0	0	0
Financial liabilities	**948,963**	**129,872**	**798,638**	**20,453**	**1**
Trade payables owed to third parties	185,989	185,472	517	0	1
Trade payables owed to subsidiaries	416	416	0	0	0
Trade payables	**186,405**	**185,888**	**517**	**0**	**1**
Prepayments received on orders	1,790	1,585	205	0	1
Amounts owed to tax authorities and social security carriers	60,328	59,946	174	208	0
Deferred income	29,612	19,409	8,567	1,636	86
Miscellaneous liabilities	116,631	91,811	16,547	8,273	1
Other liabilities	**208,361**	**172,751**	**25,493**	**10,117**	**88**
Liabilities as per balance sheet	**1,343,729**	**488,511**	**824,648**	**30,570**	**90**

Collateral is comprised primarily of mortgages on land and guarantee agreements.

Other liabilities include TEUR 43,674 (2007: TEUR 49,051) due to employees, TEUR 28,377 (2007: TEUR 26,338) of accruals for bonuses and other sales deductions due to customers and TEUR 29,532 (2007: TEUR 41,318) of tax liabilities. Deferred income includes TEUR 8,557 (2007: TEUR 12,702) of subsidies and investment allowances granted by third parties, which are released to the income statement over the useful life of the related assets.

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

Held-for-trading financial instruments

in TEUR	2008	2007
Derivatives from cash flow hedges	7,023	26,308
Derivatives from fair value hedges	6,088	8,538
Other derivatives	1,220	1,185
Derivatives with negative market values	**14,331**	**36,031**

Analysis of contractual cash flows

2008 *in TEUR*	Book value [1] 31.12.2008	Total	< 6 months	6-12 months	1-2 years	2-5 years	> 5 years
Bonds	408,463	-465,455	-15,523	-185	-15,755	-432,385	-1,607
Commercial paper	2,960	-3,000	-3,000	0	0	0	0
Liabilities to banks	748,421	-764,700	-86,585	-53,981	-257,363	-364,577	-2,194
Liabilities to non-banks	18,905	-10,654	-72	-854	-337	-1,839	-7,552
Original financial instruments	**1,178,749**	**-1,243,809**	**-105,180**	**-55,020**	**-273,455**	**-798,801**	**-11,353**
Interest rate derivatives	-1,755	1,830	269	709	883	-31	0
Forward exchange contracts and interest rate swaps	-31,401	13,563	-7,774	31,190	20,400	-30,253	0
Derivative financial instruments	**-33,156**	**15,393**	**-7,505**	**31,899**	**21,283**	**-30,284**	**0**
Contractual cash flows	**1,145,593**	**-1,228,416**	**-112,685**	**-23,121**	**-252,172**	**-829,085**	**-11,353**

2007 *in TEUR*	Book value [1] 31.12.2007	Total	< 6 months	6-12 months	1-2 years	2-5 years	> 5 years
Bonds	407,049	-477,500	-15,500	0	-15,500	-446,500	0
Commercial paper	0	0	0	0	0	0	0
Liabilities to banks	523,932	-562,884	64,981	-58,952	-65,808	-409,323	-93,782
Liabilities to non-banks	4,356	-6,986	-1	-1,481	-188	-750	-4,566
Original financial instruments	**935,337**	**-1,047,370**	**49,480**	**-60,433**	**-81,496**	**-856,573**	**-98,348**
Interest rate derivatives	8,538	3,654	-6,369	-3,278	-3,579	16,880	0
Forward exchange contracts and interest rate swaps	-20,438	891	3,637	24,186	0	-26,932	0
Derivative financial instruments	**-11,900**	**4,545**	**-2,732**	**20,908**	**-3,579**	**-10,052**	**0**
Contractual cash flows	**923,437**	**-1,042,825**	**46,748**	**-39,525**	**-85,075**	**-866,625**	**-98,348**

1) Negative values indicate an asset balance

29. Contingent liabilities and guarantees

Contingent liabilities and guarantees result from obligations to third parties, and are comprised of:

in TEUR	31.12.2008	31.12.2007
Sureties	416	432
Contingent liabilities	6,234	2,221
Obligations from bills of exchange	0	0
Other contractual obligations	2,662	16,950
Contingent liabilities	**9,312**	**19,603**

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.

In September 2007 the Danish antitrust authorities searched the offices of all major brick producers in Denmark. These investigations were made in connection with the suspicion of possible agreements in violation of free competition, and also involved the Danish subsidiary of Wienerberger AG, Wienerberger A/S. The related proceedings are pending, and there are no indications that a decision will be issued in the near future. A provision was not created as of December 31, 2008 because the outcome of the proceedings and the possible effects cannot be estimated at the present time. We would like to repeat that agreements in violation of free competition are not part of Wienerberger business policies and are expressly prohibited by internal guidelines.

The only financial obligations above and beyond these contingent liabilities and guarantees ***(off balance sheet risks)*** are the unrecognized actuarial losses arising from pension obligations (see page 132).

Financial Instruments

30. Financial instruments

Financial liabilities are comprised of the following items:

	Currency	Nominal value *in 1,000 local currency*	Market value *in TEUR*	Book value per 31.12. *in TEUR*	Effective interest rate *in %*
Loans	*EUR*	468,561	457,277	447,930	3.07
	GBP	488	634	512	7.81
			457,911	**448,442**	
Roll-over	*EUR*	50,000	51,157	50,615	5.68
			51,157	**50,615**	
Current loans	*EUR*	51,604	40,657	40,508	3.77
			40,657	**40,508**	
Fixed interest loans due to financial institutions			**549,725**	**539,565**	

	Currency	Nominal value *in 1,000 local currency*	Market value *in TEUR*	Book value per 31.12. *in TEUR*	Effective interest rate *in %*
Loans	*EUR*	143,247	143,646	143,646	3.30
	CAD	195	115	115	
	GBP	11,915	12,509	12,509	
			156,270	**156,270**	
Roll-over	*EUR*	915	915	915	3.41
			915	**915**	
Current loans	*EUR*	56,535	51,020	51,020	2.85
	USD	670	482	482	0.00
	HUF	5,243	20	20	0.00
	HRK	0	141	141	0.00
	INR	313	5	5	0.00
	RSD	261	3	3	0.00
			51,671	**51,671**	
Variable interest loans due to financial institutions			**208,856**	**208,856**	

	Currency	Nominal value *in 1,000 local currency*	Market value *in TEUR*	Book value per 31.12. *in TEUR*	Effective interest rate *in %*
Bonds – fixed interest	*EUR*	394,900	415,863	394,900	3.88
	USD	4,135	3,215	2,971	1.71
	EUR	10,592	10,592	10,592	-
Loans – fixed interest	*EUR*	5,886	2,969	2,969	7.45
	RSD	18,733	385	211	0.00
Roll-over – fixed interest	*EUR*	2,300	1,150	1,150	7.50
Commercial paper – fixed interest	*EUR*	2,883	2,986	2,960	5.35
Current loans – fixed interest	*EUR*	244	262	262	4.55
	RSD	18,830	377	213	2.80
Loans – variable interest	*GBP*	1,825	1,872	7,606	5.26
Current loans – variable interest	*HRK*	47,764	6,494	6,494	6.08
Loans due to non-banks			**446,165**	**430,328**	

In April 2005 Wienerberger issued a seven-year, fixed-interest, bullet repayment bond with a volume of TEUR 400,000, which is recorded under long-term borrowings. The related expenses of TEUR 10,139 (bank charges and interest rate hedges) were recorded together with the bond and not recognized to profit or loss. The difference will be recognized as interest expense or bank charges over the term of the bond in accordance with the effective interest rate method. The carrying amount of the bond includes accrued interest of TEUR 10,592.

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 143.

31. Derivative financial instruments

The fair value of forward exchange contracts is based on the market as of the balance sheet date. Certain OTC contracts are valued based on the prices for comparable transactions. The fair value for interest rate swaps represents the value that 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.

The interpretation of market information necessary for the estimation of fair values also requires a certain degree of subjective judgment. This can result in a difference between the figures shown here and the values subsequently realized on the marketplace.

	2008			2007		
	Currency	**Nominal value** *31.12.2008 in 1,000 local currency*	**Market value** *31.12.2008 in TEUR*	**Currency**	**Nominal value** *31.12.2007 in 1,000 local currency*	**Market value** *31.12.2007 in TEUR*
Forward exchange, CO_2 and gas contracts	*EUR*	30,207	-6,412	*EUR*	115,377	281
	DKK	0	0	*DKK*	44,000	-14
	GBP	8,221	408	*GBP*	61,000	1,573
	HUF	200,000	15	*HUF*	400,000	-1
	PLN	16,000	437	*PLN*	0	0
	USD	4,135	-115	*USD*	62,700	989
Interest rate swaps	*EUR*	226,240	1,755	*EUR*	278,162	-8,889
Cross currency swaps	*CAD/EUR*	20,000	2,620	*CAD/EUR*	40,000	317
	GBP/EUR	90,000	33,360	*GBP/EUR*	175,000	12,764
	PLN/EUR	0	0	*PLN/EUR*	417,270	-21,222
	CZK/EUR	560,000	-1,883	*CZK/EUR*	560,000	-2,967
	CHF/EUR	77,500	-4,205	*CHF/EUR*	77,500	563
	HUF/EUR	0	0	*HUF/EUR*	20,000,000	-1,454
	USD/EUR	199,868	7,176	*USD/EUR*	394,868	29,960
			33,156			**11,900**

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 principles of risk management for the Wienerberger Group are defined by the Managing Board and monitored by the Supervisory Board. The implementation of risk strategies 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 industry and is therefore affected by developments in the major economies that form the backdrop for its business activities. The building materials industry is affected above all by macroeconomic factors as well as developments in building construction in general and new residential construction and renovation in particular. The development of business is also influenced by consumer confidence, long-term interest rates, the availability of financing, tax policies and subsidies for housing construction as well as other factors that lie outside the Group's control.

Unfavorable developments with respect to 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, a decline in margins and/or revenues that fail 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 mid-term measures that include temporary or permanent plant closings as well as the relocation of production to more efficient facilities. The global financial crisis has triggered a sharp drop in new residential construction on a number of markets, and the related decline in sales volumes had a negative impact on earnings during the 2008 financial year. Wienerberger accordingly adjusted its capacity to meet the change in demand by closing older plants.

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

The Group is also exposed to the risk of a loss in market shares to substitution products such as concrete, wood, limestone, glass, steel, aluminum and other wall and roofing materials. The competitive situation on the building materials market requires specialized development (research and development) of our primary products – bricks, clay roof tiles and pavers.

The building materials industry is subject to seasonal fluctuations, whereby the volumes sold from April to October are substantially higher than the rest of the year. Similar to the building materials industry, the earnings of the Wienerberger Group are in part dependent on the weather, with the result that 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. 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 industry 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 phases 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.

Procurement, production, investment and acquisition risks

The majority of the Wienerberger plants were constructed or modernized in recent years, and the risk of operating breakdowns or longer loss of production is therefore low. Supplies of clay raw materials for the production of bricks and clay roof tiles are guaranteed on a lasting basis by sufficient deposits and long-term supply contracts.

The cost of energy used in the production of bricks represents a high percentage of the Group's cost structure. In 2008 energy costs for the Wienerberger Group totaled TEUR 374,494 (2007: TEUR 354,252), or 15.4% (2007: 14.3%) of revenues. These expenses are divided into 68% for natural gas, 22% for electricity, 5% for oil and 5% for coal and other materials. The prices of energy supplies are dependent on international and local market developments, and are subject to fluctuations.

Wienerberger works to minimize the risk connected with rising energy prices on liberalized markets in Great Britain and the USA (in total, 13% of energy costs) by concluding futures contracts. In numerous East European countries (in total, 24% of energy costs) the prices for natural gas are regulated by the federal government and contracts with local suppliers are negotiated each year. In most of the EU countries (in total, 63% of energy costs) Wienerberger concludes agreements with national and international suppliers, in which prices are determined using formulas that are tied to substitute products (such as 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.

The Wienerberger Group will also be exposed to the risk of increasing prices for CO_2 certificates as of 2013 if the volume of free certificates is not sufficient to cover emissions.

In addition to price risk Wienerberger is also exposed to a supply risk with respect to energy, in particular natural gas and electricity. Any disruption of energy supplies would invariably lead to the standstill of production, and can therefore have a negative effect on operating profit if demand cannot be met from inventories. The increasing uncertainty that has resulted from a dispute between the Russian Federation and Ukraine over natural gas deliveries represents a risk, above all for some of the Group's plants in Central and Eastern Europe. Wienerberger is currently testing the use of alternative fuels for the firing of kilns at plants in this region in order to safeguard the continuation of production if natural gas supplies should be disrupted.

Continuing optimization and internal as well as 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 cost. For this reason, all growth projects must meet the defined return on investment criteria for the Group's bolt-on and strategic projects (also see the chapter Strategy and Business Model on page 38 ff).

Financial risks

In addition to financing risk, operating activities expose Wienerberger to interest rate and exchange rate risks. Derivative financing instruments, in particular forward exchange contracts and interest swaps, are used to limit and manage this risk. All hedges 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 used for trading or speculative purposes.

The refinancing sources open to Wienerberger are determined by numerous financial, macroeconomic and other factors beyond the control of management. These factors can include covenants in the existing and future debt arrangements as well as the maintenance of the current rating. According to the Group's financial guidelines, the ratio of net debt to operating EBITDA may not exceed three years and interest cover (ratio of operating EBIT to net financing costs) must equal at least 2.75. 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 increase due to an increase in the credit risk premium and result in higher financing costs and lower cash flow. The failure to comply with covenants could also result in loans 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 53% of its revenues for the reporting year in currencies other than the euro, predominately East European currencies (31%). 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 under note 30.

However, the translation of foreign company financial statements into the euro results in currency translation differences (translation risk), which are recorded directly in equity under the position foreign exchange. 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.

	2008		2007	
Revenues	*in € mill.*	*Share in %*	*in € mill.*	*Share in %*
Euro	1,142.0	47	1,138.5	46
East European currencies	745.8	31	712.5	29
US Dollar	206.8	8	305.6	12
Other	336.8	14	320.7	13
Revenues	**2,431.4**	**100**	**2,477.3**	**100**

Capital employed	2008 in € mill.	2008 Share in %	2007 in € mill.	2007 Share in %
Euro	1,809.4	56	2,346.7	77
East European currencies	769.0	24	464.2	15
US Dollar	392.6	12	168.1	5
Other	281.2	8	81.2	3
Capital employed after hedging effect	**3,252.2**	**100**	**3,060.2**	**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, 2008, 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 € 172.4 million (2007: € 36.4 million) in equity and a decrease of € 0.2 million (2007: € 0.8 million) 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 reduced profit after tax by € 2.8 million (2007: € 1.7 million) and, through this change in the income statement, also reduced 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 exposure of Wienerberger AG 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 (page 136 f) 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.

	2008		2007	
in TEUR	Fixed interest rate	Variable interest rate	Fixed interest rate	Variable interest rate
Interest-bearing loans	955,793	222,956	835,254	100,083
Reclassification of short-term loans with fixed interest rate	-40,507	40,507	-30,003	30,003
Effects of derivative instruments (hedging)	-360,635	360,635	-226,240	226,240
Interest-bearing loans after hedging effects	**554,651**	**624,098**	**579,011**	**356,326**

Credit risks

Wienerberger has established strict requirements for the credit standing of its financial partners, which are defined in internal financial and treasury guidelines. Wienerberger works only with financing partners whose credit rating has thus far led to expectations of a sound financial standing, and sets transaction limits per partner in accordance with this rating; therefore the credit risk associated with the investment of liquid funds and securities is limited. 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 receivables and other assets to credit risks as of December 31, 2008, classified by region:

	2008		2007	
Credit risk	*in € mill.*	*Share in %*	*in € mill.*	*Share in %*
Western Europe	200.9	67	191.0	64
Central-East Europe	42.3	14	37.2	12
North America	30.7	10	39.4	13
Other	27.5	9	32.3	11
Credit risk for the Group	**301.4**	**100**	**299.9**	**100**

Trade receivables are comprised 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 1% of trade receivables, originated loans and other current receivables in 2008, and were not classified separately for this reason. Valuation adjustments had been recognized to all material overdue receivables as of the balance sheet date.

Liquidity risks

The maintenance of liquidity and the protection of a healthy financial base represent the focal point of the Wienerberger strategy, above all in times of the present worldwide financial and economic crisis. The most important instrument for achieving these goals is the maximization of free cash flow through cost reduction, active working capital management and the reduction of capital expenditure. In particular, liquidity risks arise 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.

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.

Due to the position of Wienerberger on individual regional markets, the pricing policies of Group subsidiaries are actively monitored by competition authorities. Antitrust proceedings are pending in Germany and Denmark, and a conviction would result in a fine. A provision was created for an impending antitrust penalty in Germany, and the pending antitrust proceedings in Denmark are explained under contingent liabilities. It should be noted that price-fixing agreements are not part of Wienerberger business policies; 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 the imposition of administrative fines, the assessment of damages or the suspension of operating permits. 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. The landfill business was transferred to a foundation in 2001, which considerably reduced the risk for Wienerberger AG from these activities. Legal commitments are identified and met through knowledge of current legal and contractual requirements as well as cooperation with experts and external consultants.

The risks associated with a breakdown of our centralized Group data processing system as the result of natural disasters have been minimized through the parallel installation of systems at facilities in different locations. In recent years, a number of building materials companies with operations in the USA became the subject of class action suits from patients with asbestos-related diseases. After an examination of our US activities, we have classified this risk as minimal because none of our American subsidiaries has ever produced or sold asbestos products.

Other Information

32. Significant events occurring after the balance sheet date (supplementary report)

On January 14, 2009 the management of Semmelrock International, a 75% subsidiary of Wienerberger AG, received the approval of the antitrust authorities in Austria for the planned combination of Ebenseer and Semmelrock paver activities. This joint venture represents a strategic step to improve the competitive position and bundle know-how. The goal is to broaden the product offering and optimize the plant network as well as key areas like sales, distribution and logistics.

33. Related party transactions

Transactions with companies in which members of the Supervisory Board of Wienerberger AG are active reflect third-party conditions and are immaterial in scope. Business relationships between the company and related parties, in particular members of the Managing and Supervisory Boards of Wienerberger AG, are disclosed in note 10 if any payments to these persons are involved (see Remuneration Report on pages 30 to 32). Information on the stock options held by members of the Managing Board is provided in note 34.

34. Stock option plan

On May 8, 2002 the Annual General Meeting of Wienerberger AG authorized the use of Wienerberger AG treasury stock for a stock option plan. Based on this authorization, an option program was implemented for key managers who have a direct influence on the company. In addition to the members of the Managing Board (see separate listing), the following options were granted during the reporting year: 10 managers received 5,000 each, 69 managers 3,000 options each and four managers 1,500 options each. The options have a five-year term, where by the earliest exercise period begins two years after the date of granting (three years up to and including the 2005 plan). After the expiration of this two-year period, the options may be exercised within certain windows four weeks after the announcement of quarterly results. If the employee resigns during the two-year period, the options expire. The exercise price represents the average of all daily closing prices over a period of four weeks beginning with the announcement of preliminary results for the past reporting year, and equals EUR 31.50 for 2008. One-third of the shares that are purchased through the exercise of these options are subject to a 24-month retention period; the remaining shares are not subject to a retention period. The options may not be transferred or traded, and each option represents the right to purchase one share.

After 2002, 2003, 2004, 2005, 2006 and 2007, options were granted for the seventh time in 2008. The number of options granted is dependent on the fulfillment of annual performance goals, with budgeted net profit for the Group again forming the target for 2008. In order for the 2008 options to become valid, Group net profit must equal at least 95% of budget for this year. If results fall between 95 and 100%, the options will be allocated on a proportional basis. Since the performance targets were not met during the reporting year, the options granted in 2008 have not become valid and expired. The existing stock option plan is no longer considered to be a modern and effective incentive for management and the Managing Board because of the change in the business and financial climate. Therefore, no options were granted for 2009. The Supervisory Board is currently working to develop an alternative model for 2010 and the following years, which will serve as a incentive for management to pursue the sustainable development of the company and also reflect the changed operating environment.

In order to service the stock options granted in 2004, 2005, 2006 and 2007 as well as any options granted in subsequent years, the Annual General Meeting on May 12, 2005 approved the issue of authorized conditional capital and the Annual General Meeting on May 9, 2008 authorized a share buyback. A share buyback program was carried out from March 4 to 28, 2008, which resulted in the purchase of 300,000 Wienerberger shares at a total cost of TEUR 9,318.

The development of issued stock options is shown in the following tables:

Development of options	2008 Number of options	2008 Average exercise price per option	2007 Number of options	2007 Average exercise price per option
Total at the beginning of the year	**796,471**	**40.28**	**866,373**	**31.85**
Options granted	326,000	0.00	286,500	45.50
Options exercised	0	0.00	-336,402	24.07
Options forfeited	-332,000	31.62	-20,000	22.63
Options subsequently accepted by employees	0	0.00	0	0.00
Total at the end of the year	**790,471**	**40.89**	**796,471**	**40.28**
Eligible for exercise at year-end	213,971	35.77	29,958	16.59

Number of options granted	From 2008	From 2007	From 2006	From 2005	From 2004	From 2003
Members of the Managing Board						
Wolfgang Reithofer	18,000	18,000	18,000	12,354	18,000	18,000
Heimo Scheuch	15,000	15,000	15,000	10,295	15,000	15,000
Willy Van Riet and Hans Tschuden	15,000	12,500	15,000	10,295	15,000	15,000
Johann Windisch	15,000	15,000	15,000	10,295	15,000	15,000
Total for the Managing Board	**63,000**	**60,500**	**63,000**	**43,239**	**63,000**	**63,000**
Other key employees	263,000	226,000	230,000	144,134	300,000	335,000
Total number of options granted	**326,000**	**286,500**	**293,000**	**187,373**	**363,000**	**398,000**
Expired	-326,000	0	-3,000	-3,000	-30,000	-60,000
Exercised options	0	0	0	0	-303,402	-338,000
Existing options	**0**	**286,500**	**290,000**	**184,373**	**29,598**	**0**
Eligible for exercise at year-end	0	0	0	184,373	29,598	0

Valuation of options		From 2008	From 2007	From 2006	From 2005	From 2004	From 2003
Major parameters for options granted							
Market price at granting	*in EUR*	30.40	45.57	42.20	33.86	27.53	17.32
Exercise price	*in EUR*	31.50	45.50	38.50	37.50	25.00	15.50
Term of options	*in years*	5	5	5	5	5	5
Risk-free interest rate	*in %*	3.90	4.01	3.32	3.15	3.90	3.17
Expected volatility	*in %*	30	28	28	28	30	17
Present value of options	*in EUR*	5.39	10.54	10.77	5.91	7.44	2.23
Fair value of stock options at grant date	*in TEUR*	**1,653**	**3,019**	**2,965**	**962**	**2,029**	**710**
Included in personnel expenses for 2008	*in TEUR*	0	1,414.1	494.2	85.2	0	0

The options were valued using the Black-Scholes option-pricing model. The interpretation of market information necessary for the estimation of market values also requires a certain degree of subjective judgment. The expected volatility was extrapolated based on the historical development of the price of the Wienerberger share. Therefore, the figures shown here may differ from the values subsequently realized on the marketplace.

The number of shares owned by the members of the Managing Board is disclosed in the remuneration report on page 32.

The Managing Board of Wienerberger AG released the consolidated financial statements on February 27, 2009 for distribution to the Supervisory Board. The Supervisory Board is responsible for examining and approving the consolidated financial statements.

Vienna, February 27, 2009

The Managing Board of Wienerberger AG

Wolfgang Reithofer CEO	Heimo Scheuch	Johann Windisch	Willy Van Riet

Statement by the Managing Board

The Managing Board of Wienerberger AG hereby declares to the best of its knowledge and belief that the audited 2008 financial statements provide a true and fair view of the asset, financial and earnings position of the Group in agreement with International Financial Reporting Standards (IFRSs), as adopted by the EU.

Vienna, February 27, 2009

The Managing Board of Wienerberger AG

Wolfgang Reithofer CEO	Heimo Scheuch	Johann Windisch	Willy Van Riet

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	Salzburg	438,000	EUR	100.00%	VK	
Wienerberger Teglaipari 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	961,543,960	CZK	100.00%	VK	
Cihelna Kinsky, spol. s r.o.	Kostelec nad Orlici	2,000,000	CZK	73.20%	VK	
Wienerberger cihelna Jezernice, spol. s r.o.	Ceske Budejovice	200,000	CZK	100.00%	VK	
Wienerberger cihelna Brozany, spol. s r.o.	Ceske Budejovice	75,000,000	CZK	100.00%	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	100,000	CZK	100.00%	VK	
Wienerberger euroform, spol. s r.o.	Ceske Budejovice	44,550,000	CZK	100.00%	VK	
Wienerberger service, spol. s r.o.	Ceske Budejovice	200,000	CZK	100.00%	OK	1)
Silike keramika, spol. s.r.o.	Ceske Budejovice	100,000	CZK	50.00%	EQ	
Wienerberger Slovenske tehelne spol. s r.o.	Zlate Moravce	100,000,000	SKK	100.00%	VK	
Wienerberger Cegielnie Lebork Sp. z o.o.	Warszawa	116,334,660	PLN	100.00%	VK	
Handel Ceramika Budowlana Sp. z o.o.	Warszawa	50,000	PLN	40.00%	OK	1)
Zaklad Ceramiki Budowlanej Stanislawów Sp. z o.o	Czestochowa	50,000	PLN	40.00%	OK	1)
Wienerberger Honoratka Ceramika Budowlana S.A.	Konin	20,187,000	PLN	100.00%	VK	
Wienerberger Karbud S.A.	Warszawa	17,081,200	PLN	100.00%	VK	
Wienerberger Ceramika Budowlana Sp. z o.o.	Warszawa	1,000,000	PLN	99.89%	VK	
Wienerberger Osiek Sp. z o.o.	Warszawa	10,008,000	PLN	100.00%	VK	
Wienerberger Zeslawice Sp. z o.o.	Warszawa	29,490,000	PLN	59.34%	VK	
Wienerberger Cegielnie Kraków S.A.	Warszawa	7,637,686	PLN	100.00%	VK	
Glina Nowa Sp. z o.o.	Warszawa	50,000	PLN	100.00%	VK	
Koramic Pokrycia Dachowe Sp. z o.o.	Warszawa	233,458,290	PLN	100.00%	VK	
EUCOSO sp. Z.o.o.	Zlotorya	60,000	PLN	49.00%	EQE	
Wienerberger OY AB	Helsinki	1,000,000	EUR	100.00%	VK	
Wienerberger AS	Aseri	24,074,000	EEK	100.00%	VK	
UAB Wienerberger Statybine Keramika Sp. Z o.o.	Vilnius	10,000	LTL	100.00%	VKE	
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%	VKE	
WIENERBERGER Industrija opeke d.j.l.	Sarajevo	2,000	KM	100.00%	VK	
Wienerberger Opekarna Ormoz d.d.	Ormoz	951,986	EUR	88.40%	VK	
Opekarna Pragersko d.d.	Pragersko	1,022,743	EUR	87.82%	VK	
Wienerberger EOOD	Sofia	4,000,000	BGL	100.00%	VK	
Uspeh AD	Sofia	1,471,040	BGL	97.59%	VK	
Agro Property Bulgaria EOOD	Sofia	5,000	BGL	100.00%	OK	1)
Wienerberger d.o.o.	Beograd	500	EUR	100.00%	VKE	
Wienerberger Backa d.o.o	Beograd	299,144	RSD	100.00%	VKE	
WIENERBERGER Sisteme de Caramizi S.R.L.	Bucaresti	39,147,100	RON	100.00%	VK	
OOO "Wienerberger Kirpitsch"	Kirschatsch	469,423,261	RUR	81.94%	VK	
OOO Wienerberger Investitions- und Projektmanagement	Kiprewo	356,000	RUR	100.00%	VKE	
WZI FINANZ-S.à.r.l.	Luxembourg	73,963,917	USD	100.00%	VK	
Wienerberger TOV	Kyiv	3,000,000	UAH	100.00%	VK	

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
Semmelrock International GmbH	**Vienna**	**3,000,000**	**EUR**	**75.00%**	**VK**	
Semmelrock Baustoffindustrie GmbH	Klagenfurt	1,000,000	EUR	75.00%	VK	
Semmelrock Industriebeteiligungsverwaltung GmbH	Vienna	35,000	EUR	75.00%	VK	
Semmelrock Stein & Design Kft.	Ócsa	983,000,000	HUF	75.00%	VK	
SEMMELROCK STEIN + DESIGN Dlazby s.r.o.	Sered	91,200,000	SKK	75.00%	VK	
Semmelrock Stein & Design d.o.o.	Ogulin	15,520,000	HRK	75.00%	VK	
Semmelrock Stein & Design Sp. z o.o.	Kolbiel	42,070,000	PLN	75.00%	VK	
Semmelrock Stein + Design S.R.L.	Bolintin-Vale	18,996,060	RON	75.00%	VK	
Semmelrock Tlakovci d.o.o.	Ormoz	8,763	EUR	75.00%	OK	1)
Semmelrock Colorbeton a.s.	Praha	2,000,000	CZK	75.00%	VK	
Semmelrock Stein + Design EOOD	Sofia	7,785,500	BGL	75.00%	VKE	
BRAMAC Dachsysteme International GmbH	**Pöchlarn**	**2,906,913**	**EUR**	**50.00%**	**QU**	
Bramac stresni systemy spol. s r. o.	Praha	160,000,000	CZK	50.00%	QU	
Bramac Kft.	Veszprem	1,831,880,000	HUF	50.00%	QU	
Bramac stresni sistemi d.o.o.	Skocjan	1,043,232	EUR	50.00%	QU	
Bramac Krovni Sistemi d.o.o.	Beograd	755,425	EUR	50.00%	QU	
Bramac Stresne Systemy spol. s r.o.	Ivanka pri Nitre	173,835,000	SKK	50.00%	QU	
Bramac Pokrovni Sistemi d.o.o.	Novi Zagreb	7,778,000	HRK	50.00%	QU	
Bramac Sisteme de Invelitori S.R.L.	Sibiu	8,658,000	RON	50.00%	QU	
Bramac pokrivni sistemi EOOD	Silistra	846,200	BGL	50.00%	QU	
Bramac Krovni Sistemi d.o.o.	Sarajevo	2,000	DEM	50.00%	QU	
Bramac Dachsysteme Holding GmbH	Pöchlarn	35,000	EUR	50.00%	QUE	1)
Bramac Sisteme për çati Sh.p.k, Tirana	Tirana	9,765,000	ALL	50.00%	QUE	1)
Bramac Pokrivni Sistemi DOOEL, Skopje	Skopje	9,610,000	MKD	50.00%	QUE	1)
Wienerberger Ziegelindustrie 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%	QU	
Pro Massivhaus Service und Training GmbH	Lanhofen	25,000	EUR	50.00%	OK	1)
Wienerberger Vermögensgesellschaft mbH	Hannover	25,000	EUR	100.00%	VK	
Wienerberger Systemschornstein GmbH & Co. KG	Hannover	130,000	DEM	100.00%	OK	1)
KRAUSS Kaminwerke Verwaltungs-GmbH	Hannover	26,000	EUR	100.00%	OK	1)
Ziegelwerk B GmbH	Hannover	26,000	EUR	100.00%	VK	
Tongruben Verwaltungs GmbH	Hannover	26,000	EUR	100.00%	OK	1)
TZ Tonabbau + Ziegelproduktion GmbH	Hannover	26,000	EUR	94.23%	VK	
KORAMIC Verwaltungs-GmbH	Hannover	26,000	EUR	100.00%	OK	1)
KORAMIC Dachprodukte GmbH & Co. KG	Hannover	39,000,000	EUR	100.00%	VK	4)
Bockhorner Klinker GmbH	Bockhorn	90,000	EUR	83.33%	VKE	
Bockhorner Rohstoffgesellschaft mbH & Co. KG	Bockhorn	100,000	EUR	60.00%	OKE	1)
Bockhorner Rohstoff Verwaltungs GmbH	Bockhorn	25,000	EUR	50.00%	OKE	1)
RM 2851 Vermögensverwaltungs GmbH	München	25,000	EUR	100.00%	OKE	1)
ZZ Wancor	**Regensdorf**	**1,000,000**	**CHF**	**100.00%**	**VK**	
ZZW Swissbrick AG	Regensdorf	200,000	CHF	100.00%	VK	
Wienerberger Brunori Srl	**Bubano**	**4,056,000**	**EUR**	**100.00%**	**VK**	
Wienerberger RIL Srl	Gattinara	6,539,000	EUR	100.00%	VK	
Wienerberger Tacconi Srl	Roma	1,187,952	EUR	100.00%	VK	
ALAUDAE Srl	Bubano	51,130	EUR	95.11%	VK	
Fornaci Giuliane S.p.A.	Cormons	1,900,000	EUR	30.00%	EQ	

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
Wienerberger NV	**Kortrijk**	**39,996,261**	**EUR**	**100.00%**	**VK**	
Steenbakkerij Egem NV	Pittem-Egem	21,000,000	EUR	100.00%	VK	
Syndikaat Machiensteen II NV	Rumst	8,484,400	EUR	100.00%	VK	
Terca Zonnebeke NV	Zonnebeke	8,040,500	EUR	100.00%	VK	
Deva-Kort NV	Kortemark	247,894	EUR	100.00%	VK	
Porotherm Wall Systems NV	Kortrijk	112,110,995	EUR	100.00%	VK	
Desimpel Kortemark Industries NV	Kortemark	350,000	EUR	100.00%	VK	
Wienerberger Coordination Center NV	Kortrijk	61,500	EUR	100.00%	VK	
Soltech NV	Hoegaarden	2,772,634	EUR	41.19%	EQ	
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.	Wijchen	249,700	EUR	100.00%	VK	
Oostergrachstwal Holding B.V.	Drachten	45,378	EUR	100.00%	VK	
Feikema B.V.	Leeuwarden	45,378	EUR	100.00%	VK	
Gelsing Oosterhout B.V.	Oosterhout	18,200	EUR	100.00%	VK	
Gelsing en Verbaan B.V.	Oosterhout	18,151	EUR	100.00%	VK	
Bos & Vermeer B.V.	Ede	22,689	EUR	100.00%	VK	
Aberson B.V.	Zwolle	60,000	EUR	100.00%	VK	
Koramic Dachziegel Handels GmbH	Brüggen-Niederrhein	25,565	EUR	100.00%	EQ	
Steencentrale Neerbosch B.V.	Wijchen	45,400	EUR	100.00%	VK	
Leeuwis B.V.	Wijchen	91,210	EUR	100.00%	VK	
Steinzentrale Nord Leeuwis GmbH	Rellingen	52,500	EUR	100.00%	VK	
Desimpel Klinker (Deutschland) GmbH	Emmerich	25,000	EUR	100.00%	VK	
Straatsbaksteen Nederland B.V.	Oosterhout	18,000	EUR	100.00%	VKE	
Galileo Brick Limited	**Cheadle**	**2,000,000**	**GBP**	**100.00%**	**VK**	
Wienerberger (UK) Limited	Cheadle	780,646	GBP	100.00%	VK	
The Brick and Stone Company Limited	Cheadle	5,000	GBP	100.00%	VK	
Terca Reclaimed Buildings Materials Limited	Cheadle	15,000	GBP	100.00%	VK	
Wienerberger Limited	Cheadle	24,340	GBP	100.00%	VK	
Galileo Block Limited	Cheadle	104,002	GBP	100.00%	VK	
Galileo Block 2 Limited	Cheadle	2	GBP	100.00%	VK	
Chelwood Group Unlimited	Cheadle	5,975,505	GBP	100.00%	VK	
The Brick Business Limited	Cheadle	900,002	GBP	100.00%	VK	
The Ockley Brick Company Limited	Cheadle	700	GBP	100.00%	VK	
Chelwood Brick Limited	Cheadle	890,850	GBP	100.00%	VK	
Ambion Brick Company Limited	Cheadle	6,698,797	GBP	100.00%	VK	
Ockley Building Products Limited	Cheadle	500,000	GBP	100.00%	VK	
Irlam Brick Limited	Cheadle	15,100	GBP	100.00%	VK	
Galileo Trustee Limited	Cheadle	1	GBP	100.00%	VK	
DMWSL 320 Limited	Cheadle	1	GBP	100.00%	VK	
Sandtoft Roof Tiles Limited	Sandtoft	11,029	GBP	73.64%	VKE	
Sandtoft Trading Limited	Sandtoft	1,000	GBP	73.64%	VKE	

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
WIENERBERGER PARTICIPATIONS SAS	**Achenheim**	**36,000,000**	**EUR**	**100.00%**	**VK**	
WIENERBERGER SAS	Achenheim	75,000,000	EUR	100.00%	VK	
PACEMA SAS	Achenheim	3,800,000	EUR	100.00%	VK	
Société du Terril d'Hulluch (STF) SNC	Lens	300,000	EUR	50.00%	OK	1)
Desimpel Briques SAS	Cauchy à la Tour	3,821,410	EUR	100.00%	VK	
Koramic Tuiles SAS	Recologne	10,000,000	EUR	100.00%	VK	
Wienerberger A/S	**Brøndby**	**107,954,000**	**DKK**	**100.00%**	**VK**	
Wienerberger AS	Lunde	43,546,575	NOK	100.00%	VK	
Wienerberger AB	Bjärred	17,550,000	SEK	100.00%	VK	
GSI General Shale, Inc	**Johnson City**	**5,491**	**USD**	**100.00%**	**VKE**	
General Shale Brick, Inc.	Johnson City	1,000	USD	100.00%	VK	
General Shale Finance S.à.r.l.	Luxembourg	12,500	EUR	100.00%	OK	1)
General Shale Building Materials, Inc.	Johnson City	1,000	USD	100.00%	VK	
Arriscraft International Holdings (USA) Inc.	Johnson City	3,000,001	USD	100.00%	VKE	
Arriscraft International LLC	Johnson City	3,389,930	USD	100.00%	VKE	
Emilyson Corporation	Johnson City	8,465,587	USD	100.00%	OK	1)
Arriscraft International (USA) Inc.	Johnson City	8,465,587	USD	100.00%	VKE	
General Shale Canada Acquisitions Inc.	**Halifax**	**26,500,000**	**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)
1741785 Ontario Inc.	Cambridge	100	CAD	100.00%	OK	1)
Wienerberger Brick Industry Private Limited	**Bangalore**	**600,000,000**	**INR**	**100.00%**	**VKE**	
PIPELIFE International GmbH	**Wr. Neudorf**	**29,000,000**	**EUR**	**50.00%**	**EQ**	**2)**
Wienerberger Dach Beteiligungs GmbH	**Vienna**	**500,000**	**ATS**	**100.00%**	**VK**	
WIBRA Tondachziegel Beteiligungs-GmbH	Vienna	500,000	ATS	50.00%	QU	
Tondach Gleinstätten AG	Gleinstätten	500,000	EUR	25.00%	EQ	3)
Wienerberger Beteiligungs GmbH	**Vienna**	**1,000,000**	**ATS**	**100.00%**	**VK**	
Wienerberger Anteilsverwaltung GmbH	Vienna	35,000	EUR	100.00%	VK	
Tondach Holding GmbH	Vienna	35,000	EUR	100.00%	VKE	
Wienerberger Industriebeteiligungsverwaltung GmbH	Vienna	35,000	EUR	100.00%	VK	
Wienerberger Finance Service B.V.	Zaltbommel	18,000	EUR	100.00%	VK	
Wienerberger Finanz Service GmbH	Vienna	25,435,492	EUR	100.00%	VK	
Wienerberger West European Holding GmbH	Vienna	35,000	EUR	100.00%	VK	
Wienerberger ZZ Holding GmbH	Vienna	35,000	EUR	100.00%	VK	
VVT Vermögensverwaltung GmbH	Vienna	36,000	EUR	100.00%	VK	
WK Services NV	Kortrijk	32,226,158	EUR	100.00%	VK	
Wienerberger Beteiligungs GmbH	Hannover	26,000	EUR	100.00%	OK	1)
Dryfix GmbH	Vienna	35,000	EUR	100.00%	OK	1)
Wienerberger Gamma Asset Management	Vienna	35,000	EUR	100.00%	VKE	

VK ......Full consolidation
VKE....First time full consolidation
QU......Proportionate consolidation
QUE ...First time proportionate consolidation
EQ ......First time equity accounting
EQE....Equity accounting
OK......No consolidation
OKE ...No consolidation (first time)

1) Immaterial
2) Holding company of Pipelife Group
3) Holding company of Gleinstätten Group
4) The subsidiary included in the consolidated financial statements has met the requirements of the German Commercial Code, and is therefore released from the obligation to disclose its annual financial statements.

Independent Auditor's Report

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Wienerberger AG, Vienna, for the financial year from 1 January to 31 December 2008. Those consolidated financial statements comprise the balance sheet as of 31 December 2008, the income statement, cash flow statement, statement of comprehensive income, and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible 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 financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing and International Standards on Auditing, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the 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 judgement, 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 entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluation of the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. Based on the results of our audit in our opinion the consolidated financial statements present fairly, in all material respects, the financial position of the group as of 31 December, 2008 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Report on Other Legal Requirements

Law and regulation applicable in Austria require us to perform audit procedures whether the Group Management Report is consistent with the consolidated financial statements and whether the other disclosures made in the Group Management Report do not give rise to misconception of the position of the Group.

In our opinion, the Group Management Report is consistent with the consolidated financial statements.

Vienna, February 27, 2009

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Rainer Hassler
Wirtschaftsprüfer

ppa Günther Hirschböck
Wirtschaftsprüfer

(Austrian Chartered Accountants)

Addresses of Major Companies

Headquarters:

Wienerberger AG
A-1100 Vienna, Wienerberg City
Wienerbergstrasse 11
T +43 (1) 60 192-0
info@wienerberger.com
www.wienerberger.com

Operating companies:

Wienerberger Ziegelindustrie GmbH
A-2332 Hennersdorf
Hauptstrasse 2
T +43 (1) 605 03-0
office.at@wienerberger.com
www.wienerberger.at

Wienerberger Teglaipari zRt.
H-1119 Budapest
Bártfai u. 34.
T +36 (1) 464 70 30
info@wienerberger.hu
www.wienerberger.hu

Wienerberger cihlarsky pumysl, a. s.
CZ-370 46 Ceske Budejovice
Plachého 388/28
T +420 (38) 382 61 11
info@wienerberger.cz
www.wienerberger.cz

Wienerberger Ceramika Budowlana Sp. z o.o.
PL-04-175 Warszawa
ul. Ostrobramska 79
T +48 (22) 514 21 00
office@wienerberger.com.pl
www.wienerberger.pl

Wienerberger-Slovenské tehelne, spol. s r.o.
SK-95301 Zlate Moravce
Tehelná 5
T +421 (37) 640 90 11
office.sk@wienerberger.com
www.wienerberger.sk

Wienerberger Ilovac d.d.
HR-47000 Karlovac
Donje Pokupje 2
T +385 (47) 69 41 00
office.hr@wienerberger.com
www.wienerberger.hr

Wienerberger Opekarna Ormož d.d.
SLO-2270 Ormož
Opekarniška cesta 5
T +386 (2) 7410 520
opekarna@wienerberger.com
www.wienerberger.si

Wienerberger Sisteme de Caramizi SRL
RO-013696 Bucuresti, sector 1
Sos. Bucuresti-Ploiesti 42-44
Baneasa Business &
Technology Park
T +40 (21) 362 04 51
office.romania@wienerberger.com
www.wienerberger.ro

Wienerberger EOOD
BG-1172 Sofia
4, St. Pimen Zografski Str.
Business Building 2, Office 1
T + 359 (2) 806 67 77
office.bg@wienerberger.com
www.wienerberger.bg

OOO Wienerberger Kirpitsch
RUS-107140 Moscow
Rusakowskaya Str. 13
T +7 (495) 981 95 20
moscow@wienerberger.com
www.wienerberger.ru

Wienerberger TOV
UA-02660 M. Kyiv
Kraynya Str. 1B
T +380 (44) 594 50 46
office@wienerberger.ua
www.wienerberger.ua

Wienerberger Brick Industry Pvt. Ltd
IND-560 025 Bangalore
88/4, Richmond Road,
Opp. HDFC Bank
T+91 (0)80 41491 682

Wienerberger Ziegelindustrie GmbH
D-30659 Hannover
Oldenburger Allee 26
T +49 (511) 610 70 0
info@wzi.de
www.wienerberger.de

ZZ Wancor
CH-8105 Regensdorf
Althardstrasse 5
T +41 (0) 44 871 32 32
info@zzwancor.ch
www.zzwancor.ch

Wienerberger Brunori SRL
I-40020 Mordano (Bo)
fraz. Bubano
Via Ringhiera 1
T +39 (0542) 56811
italia@wienerberger.com
www.wienerberger.it

Wienerberger NV
B-8500 Kortrijk
Kapel Ter Bede 86
T +32 (56) 24 96 35
info@wienerberger.be
www.wienerberger.be

Wienerberger B.V.
NL-5301LK Zaltbommel
Hogeweg 95
T +31 (418) 59 71 11
info.nl@wienerberger.com
www.wienerberger.nl

Wienerberger SAS
F-67204 Achenheim
8, Rue du Canal
T +33 (3) 90 64 64-64
info@wienerberger.fr
www.wienerberger.fr

Wienerberger Ltd
GB-SK8 3SA,Cheadle
Wienerberger House, Brooks Drive,
Cheadle Royal Business Park
T+44 (161) 491 8200
office@wienerberger.co.uk
www.wienerberger.co.uk

Wienerberger A/S
DK-2605 Brøndby
Kirkebjerg Allé 88
T +45 (70) 13 13 22
info@wienerberger.dk
www.wienerberger.dk

Wienerberger AB
S-237 91 Bjärred
Flädie
T +46 (0) 771 42 43 50
info.se@wienerberger.com
www.wienerberger.se

Wienerberger AS
N-3825 Lunde
Strengenveien 31
T +47 35 94 67 00
info@wienerberger.no
www.wienerberger.no

Wienerberger Oy Ab
FIN-00380 Helsinki
Strömberginkuja 2
T+358 (0) 207 489 200
info.fi@wienerberger.com
www.wienerberger.fi

Wienerberger AS
EST-43401 Aseri
Kordoni 1
T +37 (233) 42 135
estonia@wienerberger.com
www.wienerberger.ee

General Shale Brick, Inc.
USA-TN 37601,
Johnson City
3015 Bristol Highway
T +1 (423) 282-4661
office@generalshale.com
www.generalshale.com

Semmelrock International GmbH
A-1100 Vienna
Wienerberg City
Wienerbergstrasse 11
T +43 (1) 601 92-562
international@semmelrock.com
www.semmelrock.com

Bramac Dachsysteme International GmbH
A-3380 Pöchlarn
Bramacstrasse 9
T +43 (2757) 4010-0
mk@bramac.com
www.bramac.com

Tondach Gleinstätten AG
A-8443 Gleinstätten
Graschach 38
T +43 (3457) 2218-0
office@tondach.at
www.tondach.com

Pipelife International GmbH
A-2351 Wr. Neudorf
Triester Strasse 14
T +43 (2236) 439 39-0
info@pipelife.com
www.pipelife.com

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

BBB A corporate rating (see below) that indicates a suitable ability to meet payment obligations; unfavorable economic developments could impair the ability of a company to make interest payments or repay debt

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 all carry synergy potential through integration with existing operations

CAGR Compound Annual Growth Rate

Call option Derivative financial instrument; option to purchase the underlying (asset, stock, etc.) for a certain price on a certain date or during a certain period of time

CAP Agreed maximum interest for liabilities with variable interest rates; protection against rising interest rates

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

Corporate governance Rules for the responsible management and control of companies that are set forth in the Austrian Corporate Governance Code; compliance with this code is voluntary

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 amortization of goodwill) 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

EPS Earnings per share, net profit divided by the weighted number of shares outstanding minus treasury stock

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 investments; 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 minority interest; an indicator of financial security

Goodwill Surplus of the price paid for a company over 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 rate (see above)

Hybrid bond Junior subordinated 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

Investment grade rating Rating (also see below) between AAA (Aaa) and BBB (Baa) (also see above), which underscores the good credit standing of a debtor and is a sign of relatively low risk for the bondholder

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)

Non-core assets Assets not used in the ordinary business operations of a company

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

P/E ratio Price/earnings ratio; an indicator for the market valuation of a stock

Proportionate consolidation Method used to consolidate joint ventures in which a 50% stake is owned

Rating Standardized evaluation of the credit standing of a company, which indicates the probability of insolvency or delayed payments

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

SHE Reporting Safety, Health & Education reporting

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)

Total Shareholder Return (TSR) Average increase or decrease in the value of a stock investment over a specific period of time; based on gains and losses in the stock price and dividend payments

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

WF Abbreviation for “Waalformat”, the standard size for a facing brick (210 x 100 x 50 mm)

Financial Calendar

February 24, 2009	*Start of the quiet period*
March 17, 2009	2008 Final Results: Press and Analysts Conference in Vienna
April 20, 2009	*Start of the quiet period*
May 6, 2009	First Quarter Results for 2009
May 14, 2009	140th Annual General Meeting in the Austria Center Vienna
July 20, 2009	*Start of the quiet period*
August 18, 2009	Results for the First Six Months of 2009: Press and Analysts Conference in Vienna
August 19, 2009	Results for the First Six Months of 2009: Analysts Conference in London
October 12, 2009	*Start of the quiet period*
November 6, 2009	Third Quarter Results for 2009
November 12/13, 2009	Capital Markets Day 2009

Information on the Company and the Wienerberger Share

Investor Relations Officer	Barbara Braunöck
Shareholders' Telephone	+43 (1) 601 92-463
E-Mail	communication@wienerberger.com
Internet	www.wienerberger.com
Vienna Stock Exchange	WIE
Thomson Reuters	WBSV.VI
Bloomberg	WIE AV
Datastream	O: WNBA
ADR Level 1	WBRBY
ISIN	AT0000831706

Wienerberger Online Annual Report 2008
http://annualreport.wienerberger.com

Ten-Year Review

Corporate Data		1999	2000	2001
Revenues	in € mill.	1,337.5	1,670.3	1,544.9
EBITDA	in € mill.	308.9	403.4	202.2
Operating EBITDA [1)]	in € mill.	274.5	307.8	221.2
EBITDA margin [1)]	in %	20.5	18.4	14.3
EBIT	in € mill.	187.8	254.3	-25.8
Operating EBIT [1)]	in € mill.	153.4	158.7	66.2
Profit before tax	in € mill.	178.6	228.3	-62.7
Profit after tax	in € mill.	124.7	201.4	-17.8
Free cash flow	in € mill.	98.0	244.0	241.3
Total investments	in € mill.	500.7	287.1	228.0
Net debt	in € mill.	573.1	604.8	674.1
Capital employed	in € mill.	1,297.7	1,568.5	1,613.9
Gearing	in %	62.2	54.5	66.9
Interest cover [2)]		10.7	5.2	-0.7
Return on equity [3)]	in %	14.0	18.6	-1.8
ROCE [4)]	in %	7.4	7.8	4.0
EVA [4)]	in € mill.	-7.4	-2.6	-48.1
CFROI [5)]	in %	11.6	11.4	7.3
CVA [5)]	in € mill.	-10.9	-17.7	-141.0
Employees [6)]		10,374	11,069	11,331

Stock Exchange Data		1999	2000	2001
Earnings per share	in €	1.74	2.86	-0.29
Adjusted earnings per share [1)]	in €	1.40	1.69	0.83
Dividend per share	in €	0.50	0.80	0.60
Dividends	in € mill.	34.7	55.1	38.8
Equity per share [7)]	in €	12.9	15.7	14.8
Share price at year-end	in €	21.59	19.13	15.75
Shares outstanding (weighted) [8)]	in 1,000	69,223	68,823	67,975
Market capitalization at year-end	in € mill.	1,499.5	1,328.7	1,093.9

Condensed Balance Sheet		1999	2000	2001
Non-current assets	in € mill.	1,446.8	1,611.3	1,556.3
Inventories	in € mill.	265.4	300.7	331.8
Other assets	in € mill.	631.6	624.3	543.8
Balance sheet total	in € mill.	2,343.8	2,536.3	2,431.9
Equity [9)]	in € mill.	921.2	1,109.2	1,008.0
Provisions	in € mill.	311.9	325.6	283.1
Liabilities	in € mill.	1,110.7	1,101.5	1,140.8

Notes:
1) Adjusted for non-recurring income and expenses
2) Operating EBIT : Interest result
3) Profit after tax : Equity
4) Calculation based on average capital employed (financial years 2005-2008)
5) Calculation based on average historical capital employed (financial years 2005-2008)

2002	2003	2004	2005	2006	2007	2008	CAGR 99-08
1,653.7	1,826.9	1,758.8	1,954.6	2,225.0	2,477.3	2,431.4	7%
323.1	349.9	405.4	429.3	476.6	551.2	396.6	3%
302.6	349.9	405.4	428.4	471.9	551.2	440.1	5%
18.3	19.2	23.1	21.9	21.2	22.3	18.1	
151.9	190.2	257.5	269.6	297.5	353.1	158.1	0%
151.6	190.2	257.5	270.3	303.1	353.1	239.8	5%
119.5	154.3	231.4	251.3	277.3	358.4	123.1	-4%
85.9	113.1	181.8	196.4	218.3	295.8	103.3	-2%
237.3	274.6	300.7	212.5	272.1	293.8	195.4	8%
181.3	392.6	632.6	338.7	530.4	645.6	505.6	0%
618.5	739.0	762.4	934.4	1,159.8	566.8	890.2	5%
1,508.7	1,635.4	2,031.5	2,289.4	2,598.2	3,060.2	3,252.2	11%
63.6	75.2	55.8	63.0	72.9	21.2	35.6	
4.4	5.3	7.7	6.2	6.2	8,2	5.7	
9.0	11.5	13.3	13.2	13.7	11.1	4.1	
7.1	8.4	9.7	9.4	9.4	10.1	6.2	
1.4	22.4	43.8	41.5	45.7	72.8	-27.8	
10.0	12.1	12.9	12.9	12.6	13.0	9.3	
-59.5	3.0	28.6	28.7	23.8	42.8	-103.0	
11,478	12,237	12,154	13,327	13,639	14,785	15,162	4%

2002	2003	2004	2005	2006	2007	2008	CAGR 99-08
1.31	1.71	2.54	2.66	2.95	3.46	0.81	-8%
1.57	2.01	2.54	2.67	3.02	3.46	1.69	2%
0.66	0.77	1.07	1.18	1.30	1.45	0.00	<-100%
42.7	49.8	78.7	86.4	95.3	120.5	0.0	<-100%
15.1	15.2	19.6	20.3	21.7	28.9	24.2	7%
16.95	21.18	35.15	33.80	45.00	37.93	11.90	-6%
64,640	64,645	69,598	73,196	73,309	75,491	82,895	2%
1,106.5	1,382.6	2,607.0	2,506.9	3,337.6	3,184.1	999.0	-4%

2002	2003	2004	2005	2006	2007	2008	CAGR 99-08
1,460.9	1,601.9	2,012.7	2,232.1	2,531.6	2,915.8	3,011.0	8%
370.2	348.4	391.4	445.9	509.8	669.8	720.0	12%
491.1	598.2	461.8	591.6	632.9	744.3	652.9	0%
2,322.2	2,548.5	2,865.9	3,269.6	3,674.3	4,329.9	4,383.9	7%
973.1	983.0	1,367.2	1,483.1	1,591.4	2,672.7	2,497.2	12%
310.1	307.0	271.0	273.7	288.1	313.4	316.5	0%
1,039.0	1,258.5	1,227.7	1,512.8	1,794.8	1,343.8	1,570.2	4%

6) Average number of employees during the year
7) Equity including minority interest and excluding hybrid capital
8) Adjusted for treasury stock, adjusted for 1:8 stock split (1999)
9) Equity including minority interest

Note: The data above reflect figures reported in the relevant year; no retroactive adjustments were made for deconsolidated segments (included are Pipelife until 2003, Treibacher until 1999, Steinzeug until 2002).

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

T +43 (1) 60192-463 or
communication@wienerberger.com

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Available in German and English

Publisher:
Wienerberger AG, A-1100 Vienna, Wienerberg City, Wienerbergstrasse 11
T +43 (1) 601 92-0, F +43 (1) 601 92-466
communication@wienerberger.com, www.wienerberger.com

Inquiries may be addressed to:
The Managing Board: Wolfgang Reithofer, CEO, Willy Van Riet, CFO
Investor Relations: Barbara Braunöck

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Even when
you’re the first,
you have to
have a last page.