wienerberger

Smart Solutions

Report on the First Six Months of 2017

Earnings Data		1-6/2016	1-6/2017	Chg. in %	Year-end 2016
Revenues	*in MEUR*	1,468.9	**1,528.7**	+4	2,973.8
EBITDA	*in MEUR*	178.3	**190.1**	+7	404.3
Operating EBIT	*in MEUR*	79.0	**96.3**	+22	197.7
Profit before tax	*in MEUR*	64.6	**72.1**	+12	158.5
Net result	*in MEUR*	27.1	**41.7**	+54	82.0
Earnings per share	*in EUR*	0.23	**0.36**	+54	0.70
Free cash flow [1]	*in MEUR*	-90.9	**-137.7**	-51	246.5
Normal capex	*in MEUR*	56.1	**57.9**	+3	137.3
Growth capex	*in MEUR*	23.6	**0.4**	-98	43.8
Ø Employees	*in FTE*	15,914	**16,156**	+2	15,990

Balance Sheet Data		31/12/2016	30/6/2017	Chg. in %
Equity [2]	*in MEUR*	1,849.0	**1,832.4**	-1
Net debt	*in MEUR*	631.6	**789.7**	+25
Capital employed	*in MEUR*	2,460.0	**2,606.9**	+6
Total assets	*in MEUR*	3,637.2	**3,717.4**	+2
Gearing	*in %*	34.2	**43.1**	-

Stock Exchange Data		1-12/2016	1-6/2017	Chg. in %
Share price high	*in EUR*	17.54	**22.45**	+28
Share price low	*in EUR*	11.94	**16.85**	+41
Share price at end of period	*in EUR*	16.50	**19.89**	+21
Shares outstanding (weighted) [3]	*in 1,000*	116,956	**116,956**	0
Market capitalization at end of period	*in MEUR*	1,938.6	**2,337.6**	+21

Divisions 1-6/2017 *in MEUR and % [4]*	Clay Building Materials Europe		Pipes & Pavers Europe		North America		Holding & Others		Reconciliation
External revenues	868.7	*(+6%)*	500.1	*(-1%)*	154.6	*(+9%)*	4.6	*(+6%)*	
Inter-company revenues	0.8	*(-42%)*	0.1	*(-89%)*	0.3	*(-49%)*	6.9	*(+4%)*	-7.5
Revenues	869.5	*(+6%)*	500.1	*(-1%)*	155.0	*(+9%)*	11.5	*(+5%)*	-7.5
EBITDA	148.1	*(+19%)*	37.8	*(-28%)*	13.2	*(+21%)*	-9.0	*(+13%)*	
Operating EBIT	90.6	*(+42%)*	14.6	*(-51%)*	1.2	*(>100%)*	-10.0	*(+12%)*	
Total investments	36.0	*(-15%)*	16.5	*(-45%)*	4.5	*(-24%)*	1.3	*(+15%)*	
Capital employed	1,626.5	*(-3%)*	644.6	*(0%)*	330.5	*(-7%)*	5.3	*(>100%)*	
Ø Employees (in FTE)	10,439	*(+2%)*	4,199	*(0%)*	1,310	*(+5%)*	208	*(0%)*	

1) Cash flow from operating activities less cash flow from investing activities plus growth capex // 2) Equity including non-controlling interests and hybrid capital // 3) Adjusted for treasury stock // 4) Changes in % to the comparable prior year period are shown in brackets

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

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Chief Executive's Review

Ladies and Gentlemen:

The Wienerberger Group looks back on a good first half of the year. After a very positive development of business during the first three months, the performance of our markets in the second quarter of 2017 was in line with our expectations.

Against this background, we concentrated on the consistent implementation of our strategy. We intensified our customer relations, launched innovative products and solutions, and continued to implement our digital roadmap. Moreover, we are continuously exploring development opportunities in individual operating segments and are optimizing existing structures and processes.

Altogether, we were able to increase Group revenues by 4 % to over € 1.5 billion in the first half of the year. EBITDA amounted to € 190 million, up by 7 % from the comparable period of the previous year. Our net profit increased to € 42 million, as compared to € 27 million in the year before.

The main driver of this development was the highly satisfactory growth of our European brick business, which was recorded in both Western and Eastern Europe. We took advantage of the slight increase in residential construction activities in Europe to raise our average prices and increased our sales volumes in all product groups. In the Clay Building Materials Europe Division, this resulted in 6 % revenue growth and a significant plus in EBITDA of 19 %.

Revenues in the Pipes & Pavers Europe Division were nearly stable, as we saw a solid development of demand in most of our markets. However, EBITDA declined by 28 % during the same period. To a large extent, this was due to a weak order book in the international project business and a rise in raw material prices for plastic granulate that affected the results of our Western European plastic pipes segment. The shortfall could not be offset by satisfactory earnings growth in the field of ceramic pipes and in our Eastern European business in plastic pipes and concrete pavers.

The results of our business in North America were positive overall. A good development in the brick business and in plastic pipes led to 9 % revenue growth and a significant increase in EBITDA by 21 %.

Considering these results, I am satisfied with the sound development of the Wienerberger Group in the first half of the year. Once again, we have demonstrated our ability to generate growth even in a challenging environment. This is a strength we can build on, as we expect the diverging market developments in bricks and pipes to continue.

We have set ourselves highly ambitious targets for the business year 2017. To reach these targets, we will intensify our efforts in all our fields of business. We intend to seize development opportunities, further optimize our business, strengthen our position as the innovation leader of our industry, and focus on the customer as the center of everything we do. Thus, I am confident that we will succeed in increasing organic Group EBITDA to € 415 million in 2017.

Yours

Interim Management Report Financial Review

Earnings

During the first half of 2017, Wienerberger increased its revenues at Group level by 4 % to € 1,528.7 million (2016: € 1,468.9 million). Foreign exchange effects diminished revenues by € 10.1 million, with the most significant negative effects resulting from the British pound and the Turkish lira, which were partly offset by positive differences against the Russian ruble, the US dollar and the Polish zloty.

For the Clay Building Materials Europe Division, the first six months were marked by a significant increase in sales volumes at slightly improved prices, as well as by negative foreign exchange effects. Sound growth was reported in the Division's Western and Eastern European business. Overall, external revenues increased by 6 % to € 868.7 million in the first half of the year (2016: € 818.2 million), while EBITDA grew by 19 % to € 148.1 million (2016: € 124.8 million).

The Pipes & Pavers Europe Division recorded nearly stable external revenues of € 500.1 million (2016: € 503.9 million) in the reporting period. Diverging developments were seen in the individual business activities of the Division. The plastic pipe business, based on stable sales volumes and improved prices, generated slight revenue growth, but had to accept a significant drop in EBITDA. The latter was primarily due to notably reduced activities in the international project business, a persistently difficult market environment in France, and higher raw material prices. In our ceramic pipe business, we succeeded in compensating substantially lower external revenues due to reduced sales volumes through higher average prices and improvements in the cost structure, which in turn resulted in a moderate increase in EBITDA. While sales volumes in our concrete paver business were slightly below those in the comparable period of the previous year, the operating result of this segment improved as a result of cost savings. Altogether, these effects led to a significant drop in the Pipes & Pavers Europe Division's EBITDA to € 37.8 million (2016: € 52.9 million).

Against the background of rising numbers of new housing starts in the single- and two-family home segment, North America reported substantial growth in sales volumes at slightly improved prices in its brick business. In the field of plastic pipes, both revenues and earnings increased. Overall, EBITDA rose significantly to € 13.2 million (2016: € 10.9 million).

At Group level, Wienerberger's EBITDA increased by 7 % from € 178.3 million to € 190.1 million in the first half of the year, primarily as a result of positive developments in the brick business in Europe and North America. In contrast, the plastic pipe business of the Pipes & Pavers Western Europe segment showed a downward trend. While foreign exchange effects depressed the Group's EBITDA by € 3.6 million as compared to the previous year, sales of non-core real estate improved earnings by € 8.0 million (2016: € 4.3 million).

H1 Revenues and EBITDA
in MEUR

Wienerberger's operating EBIT improved significantly during the first six months of the year to € 96.3 million (2016: € 79.0 million). After impairments of assets and goodwill in a total amount of € 7.4 million, earnings before interest and tax (EBIT) came to € 88.9 million (2016: € 79.0 million).

The financial result of € -16.8 million (2016: € 14.4 million) primarily comprises net interest expenses of € -17.6 million (2016: € -17.0 million), income from investments in associates and joint ventures of € 1.2 million (2016: € +3.7 million) and the other financial result of € -0.3 million (2016: € -1.1 million).

Profit before tax rose to € 72.1 million in the first half of 2017 (2016: € 64.4 million). Compared to the previous year, Wienerberger reported a substantial increase in its net result to € 41.7 million (2016: € 27.1 million). Consequently, earnings per share came to € 0.36, which represents a notable improvement over € 0.23 in the previous reporting period. The increase was due not only to significantly higher earnings, but also to the lower pro-rata hybrid coupon accrued.

Cash flow

Gross cash flow in the first six months decreased from € 147.4 million in the previous period to € 122.3 million, the main reason being higher taxes and interest paid. Owing to the seasonal build-up of working capital, cash flow from operating activities was negative at € -94.0 million, as compared to € -47.8 million in the previous period. This development was due, in particular, to higher inventories, higher trade receivables resulting from higher sales, and lower trade payables.

During the first six months of the year, a total amount of € 58.3 million (2016: € 66.8 million) was spent on maintenance and technological improvements to production processes as well as plant extensions. Proceeds from sales of real estate and other assets came to € 17.0 million (2016: € 10.3 million).

Cash flow from financing activities amounted to € 73.1 million in the reporting period. The 2007 hybrid bond with a nominal value of € 221.8 million was refinanced from the available free cash flow and through the conclusion of new long-term financial liabilities in the amount of € 210.3 million. These funds were also used for the partial repayment of a revolving credit line. Additionally, payment of the dividend and the hybrid coupon resulted in cash outflows of € 31.6 million and € 29.9 million, respectively.

Assets and financial position

Despite a clearly positive comprehensive income after tax, the Group's equity as at 30/6/2017 was € 16.5 million below the 2016 year-end value. This was due to the distribution of the dividend and the hybrid coupon. For seasonal reasons, the Group's net debt increased by € 158.1 million to € 789.7 million.

Financing and Treasury

As at 30/6/2017, the Group's gearing increased to 43 % (34 % as at 31/12/2016). The treasury ratios, calculated on a 12-month basis, of 1.9 years for the debt repayment period and 11.9 years for the interest coverage ratio were comfortably within the limits set by the bank covenants. The debt repayment period was at the previous year's level, whereas the interest coverage ratio continued to improve compared to the previous period. The expected cash flow of the second half of the year will be used to redeem short-term loans taken out for seasonal reasons and other financial liabilities maturing in the second half of the year.

Treasury ratios 1)	30/6/2016	31/12/2016	30/6/2017	Covenant
Net debt / EBITDA	1.9	1.6	**1.9**	<3.50
EBITDA / interest result	9.7	11.8	**11.9**	>3.75

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

Second Quarter of 2017

In the second quarter of 2017, the Wienerberger Group's revenues increased slightly to € 868.6 million (2016: € 857.3 million) and EBITDA improved by 4 % to € 144.1 million. Earnings growth in Clay Building Materials Europe and North America contrasted with a decline in EBITDA in the Pipes & Pavers Western Europe segment.

Clay Building Materials Europe

Revenues in the Clay Building Materials Europe Division increased by 4 % to € 496.5 million in the second quarter, while EBITDA grew by 12 % to € 107.0 million.

A slight upward trend was seen in residential construction activities in Western Europe. In France, the Netherlands and Great Britain, in particular, we were able to take advantage of the positive environment and increased our sales volumes. While the dynamic trend in the construction of single- and two-family houses slowed down in Germany, building construction in Belgium was delayed by bottlenecks in the delivery of PUR/PIR insulating material. Overall, however, we recorded a significant increase in earnings in the Clay Building Materials Western Europe segment. Throughout Eastern Europe, the recovery of residential construction continued. This development was to the advantage of our clay block business, which is strongly dependent on new housing construction, and resulted in a significant increase in earnings in the Clay Building Materials Eastern Europe segment.

Pipes & Pavers Europe

The Pipes & Pavers Europe Division experienced a 4 % decline in revenues to € 289.6 million and a 20 % drop in EBITDA to € 31.1 million. In some of our Eastern European markets, we observed a revival of tendering activities by public-sector principals for EU-funded infrastructure projects. However, given the lead time between tendering and project execution, the positive impact on the development of earnings was still limited in the second quarter. In Western Europe, we had to accept a significant reduction in earnings, despite the healthy market environment in our Nordic core markets and in the Netherlands. The profitability of our operations was depressed by the steep increase in raw material prices since the beginning of the year, given that it was only possible to increase our selling prices in the course of the second quarter. Moreover, order intake in the international project business remained weak and the contribution to earnings from this business was significantly below the previous year's level. In the challenging infrastructure market in France, surplus capacities and high competitive pressure led to a further drop in volumes.

North America

In the North America Division, revenues grew by 3 % to € 80.3 million and EBITDA improved notably by 9 % to € 9.3 million. Our brick business in the USA benefited from the positive environment in the residential construction market, supported primarily by growth in our core business of single- and two-family homes, which led to a further increase in earnings. In a competitive price environment, we succeeded in increasing our average prices, especially in direct distribution. Our Canadian business was affected by cold winter temperatures and snowfall late in the season, which led to delays in building construction. In our pipe business, the dynamic development seen in the first quarter continued and led to substantial growth in revenues and earnings.

External revenues
in MEUR

	4-6/2016	4-6/2017	Chg. in %
Clay Building Materials Europe	476.4	496.5	+4
Clay Building Materials Eastern Europe	145.8	155.0	+6
Clay Building Materials Western Europe	330.6	341.4	+3
Pipes & Pavers Europe	300.6	289.6	-4
Pipes & Pavers Eastern Europe	134.0	137.1	+2
Pipes & Pavers Western Europe	166.6	152.5	-9
North America	78.2	80.3	+3
Holding & Others	2.2	2.2	+3
Wienerberger Group	**857.3**	**868.6**	**+1**

EBITDA
in MEUR

	4-6/2016	4-6/2017	Chg. in %
Clay Building Materials Europe	95.3	107.0	+12
Clay Building Materials Eastern Europe	34.0	39.4	+16
Clay Building Materials Western Europe	61.3	67.6	+10
Pipes & Pavers Europe	38.9	31.1	-20
Pipes & Pavers Eastern Europe	17.9	17.8	0
Pipes & Pavers Western Europe	21.1	13.4	-37
North America	8.6	9.3	+9
Holding & Others	-4.6	-3.4	+26
Wienerberger Group	**138.2**	**144.1**	**+4**

Operating Segments

Clay Building Materials Europe

Residential construction in Europe showed a slight upward trend in the first six months of the year. In this market environment, we succeeded in increasing our sales across all product groups at slightly improved average prices. Overall, revenues generated by the Clay Building Materials Europe Division grew by 6 % to € 868.7 million. EBITDA rose significantly from € 124.8 million to € 148.1 million during the same period.

Outlook

For the second half of the year, we still expect to operate in a slightly growing market. While we anticipate a continuation of the positive market trend in almost all the countries of Eastern Europe, we are observing diverging market and business developments in Western Europe. In Great Britain, the Netherlands and France we expect residential construction activity to be slightly above the previous year's level. We therefore foresee a continuation of the positive development of demand and expect higher sales volumes. The Belgian residential construction market is suffering from raw material bottlenecks and, consequently, longer delivery times of PUR/PIR insulating materials. This results in delays in building completion and has a negative impact on our sales. In Germany, we are seeing a reduction in the number of building permits for single- and two-family homes. Overall, however, we foresee higher sales volumes across all product groups of the Clay Building Materials Europe Division and therefore expect a significant increase in revenues and EBITDA in 2017.

Clay Building Materials Europe		1-6/2016	1-6/2017	Chg. in %
External revenues	*in MEUR*	818.2	**868.7**	+6
EBITDA	*in MEUR*	124.8	**148.1**	+19
Operating EBIT	*in MEUR*	63.9	**90.6**	+42
Total investments	*in MEUR*	42.5	**36.0**	-15
Capital employed	*in MEUR*	1,679.9	**1,626.5**	-3
Ø Employees	*in FTE*	10,272	**10,439**	+2

Clay Building Materials Western Europe

We succeeded in increasing revenues in the Western European region by 5 % to € 613.3 million in the first half of the year. While sales of clay blocks were nearly stable, the volumes of roof tiles and facing bricks sold increased. Altogether, the Clay Building Materials Western Europe reporting segment generated a significant increase in earnings of 14 % to € 96.6 million.

Great Britain

Given an environment of slight market growth and the return to normal inventory levels along the supply chain, Great Britain saw a positive development of demand in the first half of the year. Our facing brick sales therefore increased substantially. We also succeeded in increasing our roof tile sales and were able to strengthen our market position. Despite the weakening of the British pound year on year, these developments led to an increase in revenues and earnings in the reporting currency.

Belgium

In Belgium, we observed bottlenecks in the delivery of PUR/PIR insulating materials, which are used, above all, for the insulation of walls and roofs. This led to delays in the execution of building projects, which in turn depressed our sales. Nevertheless, we were able to compensate the effect of declining sales through higher average prices, which resulted in improved earnings.

Netherlands

Benefitting from a slight upward trend of demand in the Netherlands, we succeeded in increasing our sales across all product groups. Consequently, we generated growth in both revenues and earnings.

Germany and France

The growing number of new housing starts in the French residential construction market was reflected in higher clay block sales and increasing revenues and earnings. In Germany, demand in the single- and two-family home segment showed a slight downward trend in the second quarter. The renovation market, a primary driver of our roof tile business, was characterized by muted demand in both France and Germany.

Clay Building Materials Western Europe		1-6/2016	1-6/2017	Chg. in %
External revenues	*in MEUR*	585.6	**613.3**	+5
EBITDA	*in MEUR*	85.0	**96.6**	+14
Operating EBIT	*in MEUR*	48.6	**61.7**	+27
Total investments	*in MEUR*	25.8	**19.7**	-23
Capital employed	*in MEUR*	1,182.9	**1,131.1**	-4
Ø Employees	*in FTE*	5,976	**6,026**	+1
Sales volumes clay blocks	*in mill. NF*	1,047	**1,035**	-1
Sales volumes facing bricks	*in mill. WF*	632	**728**	+15
Sales volumes roof tiles	*in mill. m²*	10.85	**11.17**	+3

Clay Building Materials Eastern Europe

Revenues generated in the Clay Building Materials Eastern Europe segment rose by 10 % to € 255.3 million in the first half of the year. EBITDA improved significantly, growing by 29 % to € 51.5 million during the same period. The residential construction markets in Bulgaria, Poland, Romania, Slovakia, the Czech Republic and Hungary were characterized by positive developments in the single- and two-family home segment during the first six months of the year. Benefitting from government subsidies for housing construction in some of these countries, we succeeded in significantly increasing revenues and earnings. In Austria, the residential construction market remained stable at a satisfactory level, whereas the downward trend in Russia continued throughout the first half of the year.

Clay Building Materials Eastern Europe		1-6/2016	1-6/2017	Chg. in %
External revenues	*in MEUR*	232.6	**255.3**	+10
EBITDA	*in MEUR*	39.9	**51.5**	+29
Operating EBIT	*in MEUR*	15.4	**28.9**	+88
Total investments	*in MEUR*	16.7	**16.3**	-2
Capital employed	*in MEUR*	497.0	**495.5**	0
Ø Employees	*in FTE*	4,296	**4,413**	+3
Sales volumes clay blocks	*in mill. NF*	1,631	**1,749**	+7
Sales volumes roof tiles	*in mill. m²*	7.63	**7.78**	+2

Pipes & Pavers Europe

The Pipes & Pavers Europe Division recorded a nearly stable development of revenues in the first six months of the year, reporting a total of € 500.1 million, as compared to € 503.9 million in the first half of 2016. EBITDA dropped by 28 % to € 37.8 million during the same period. This steep decline was due to the Division's Western European plastic pipe business, where the low order intake in international project business, the difficult market environment in France, and a sharp rise in raw material prices depressed the development of earnings. In contrast, our business in plastic pipes and concrete pavers in Eastern Europe as well as our ceramic pipe activities generated earnings growth.

Pipes & Pavers Europe		1-6/2016	1-6/2017	Chg. in %
External revenues	in MEUR	503.9	500.1	-1
EBITDA	in MEUR	52.9	37.8	-28
Operating EBIT	in MEUR	29.8	14.6	-51
Total investments	in MEUR	30.2	16.5	-45
Capital employed	in MEUR	645.7	644.6	0
Ø Employees	in FTE	4,187	4,199	0

Outlook

For the second half of 2017 we expect earnings in the Pipes & Pavers Europe Division to remain stable at the previous year's level. As we are observing a growing demand for infrastructure solutions from the public sector in certain markets, we foresee a notable improvement of earnings in our Eastern European business in plastic pipes and concrete pavers. Our ceramic pipe business, managed from production sites in Germany and Belgium, is also expected to generate higher earnings in the second half of the year, based on rising average prices and leaner cost structures. At the same time, however, we have to reckon with a further decline in earnings in our Western European plastic pipe activities in the second half of the year. Although rising raw material costs will be offset by the price increases already implemented, the low order intake will result in a lower contribution to earnings from international project business. Moreover, the French market, which is characterized by surplus capacities and muted demand, is not expected to recover in the short term.

Given the development of earnings in the first half of the year, we expect EBITDA of the Pipes & Pavers Europe Division to decrease year on year.

Pipes & Pavers Western Europe

The Pipes & Pavers Western Europe segment reported a 4 % drop in revenues to € 285.3 million. At € 20.2 million, EBITDA was 44 % below the value reported in the same period of the previous year.

In our Western European plastic pipe business we continued to see a sound market environment in our Nordic core markets and in the Netherlands, which enabled us to generate higher revenues. At the same time, however, the profitability of our operations was affected by the steep increase in raw material prices, which could only be offset by price increases with a certain time lag in the course of the second quarter. Moreover, the market environment in France remained challenging, as reflected in lower volumes sold. Our international project business, managed from production sites in Norway and the Netherlands, failed to recover; as a result, its contribution to earnings dropped significantly below that of the comparable period of the previous year. Overall, rising raw material prices, sluggish project business and the challenging market environment in France resulted in a substantial decrease in earnings.

In our ceramic pipe business, we succeeded in compensating the notable reduction in sales and improving the operating result year on year through improvements of the average price level and measures to optimize the cost structure. Apart from the German home market, which continues to be marked by public-sector ordering restraint in the infrastructure sector, sales volumes in the other

European markets remained stable. The loss of volumes was primarily due to the absence of exports to the Middle East, as the deliveries to our local trading partner were discontinued in the previous year due to the downturn of demand in the region.

Pipes & Pavers Western Europe		1-6/2016	1-6/2017	Chg. in %
External revenues	in MEUR	297.8	**285.3**	-4
EBITDA	in MEUR	35.9	**20.2**	-44
Operating EBIT	in MEUR	23.2	**8.3**	-64
Total investments	in MEUR	15.2	**7.1**	-54
Capital employed	in MEUR	347.1	**330.3**	-5
Ø Employees	in FTE	1,854	**1,866**	+1

Pipes & Pavers Eastern Europe

Revenues of the Pipes & Pavers Eastern Europe segment increased by 4 % to € 214.8 million in the first half of the year; EBITDA grew by 3 % to € 17.6 million during the same period. In some markets of the region we observed a notable revival of public-sector tendering activities for EU-funded infrastructure projects. Given the lead time between tendering and project execution, the positive impact on revenues and earnings was slow to materialize, but we expect to see higher growth rates in the second half of the year.

Our Eastern European plastic pipe activities experienced a moderate increase in sales in the first six months of the year. In line with prevailing market practice, rising raw material costs were offset by timely price adjustments, with subsequent improvements in revenues and EBITDA. While first signs of a recovery from the previous year's low level of demand were seen in markets such as Hungary and Poland, we won new orders for gas pipes in Turkey and continued to grow there despite negative foreign exchange effects. In Russia, public-sector investment activities continue to recover, despite economic sanctions and the low level of energy prices. Austria, the biggest single market of the region, reported stable earnings at a satisfactory level.

In our concrete paver business, growth generated in markets such as Croatia and the Czech Republic as well as measures aimed at cost improvement led to an increase of the operating result year on year. In view of the notable increase in the number of public-sector projects, on the one hand, and the selective restructuring of our sales organization alongside the optimization of production processes, on the other hand, we expect to see accelerated earnings growth in the second half of the year. By taking these measures, we establish even closer relations with our customers and strengthen our profitability through more efficient production processes.

Pipes & Pavers Eastern Europe		1-6/2016	1-6/2017	Chg. in %
External revenues	in MEUR	206.1	**214.8**	+4
EBITDA	in MEUR	17.0	**17.6**	+3
Operating EBIT	in MEUR	6.7	**6.3**	-5
Total investments	in MEUR	15.0	**9.5**	-37
Capital employed	in MEUR	298.6	**314.3**	+5
Ø Employees	in FTE	2,333	**2,333**	0

North America

Residential construction activity in the USA showed positive development in the first half of 2017. In particular, we benefited from rising numbers of new housing starts in the single- and two-family home segment, which enabled us to increase our facing brick sales at slightly improved average prices. After a good start into the year, our Canadian activities were slowed down by snowfall and wet weather conditions in some regions in the second quarter. Overall, we recorded a significant increase in revenues and EBITDA in our North American brick business in the first six months of the year. Positive developments were also seen in our North American plastic pipe business, where revenues increased due to higher sales volumes. Overall, the North America Division generated a 9 % increase in revenues to € 154.6 million, as compared to the first half of the previous year. EBITDA improved significantly over the same period from € 10.9 million to € 13.2 million.

Outlook

For the business year 2017 we expect the number of new housing starts in the single- and two-family home segment to exceed the previous year's level and therefore foresee a notable increase in facing brick sales. We also anticipate improved earnings in our plastic pipe business. Overall, we expect the North America Division to generate organic growth in revenues and earnings in 2017.

North America		1-6/2016	1-6/2017	Chg. in %
External revenues	*in MEUR*	141.4	**154.6**	+9
EBITDA	*in MEUR*	10.9	**13.2**	+21
Operating EBIT	*in MEUR*	-3.3	**1.2**	>100
Total investments	*in MEUR*	5.9	**4.5**	-24
Capital employed	*in MEUR*	354.7	**330.5**	-7
Ø Employees	*in FTE*	1,248	**1,310**	+5
Sales volumes facing bricks	*in mill. WF*	203	**219**	+8

Holding & Others

Besides the holding company of the Group, the Holding & Others Division also includes our brick business in India, which we manage from a production site for clay blocks in Bangalore. In the first half of the year, we were able to offset lower sales volumes through improved average prices. Benefitting from positive foreign exchange effects, we generated a 6 % increase in revenues to € 4.6 million. Alongside lower holding costs, this led to an improvement of the Division's EBITDA from € -10.3 million to € -9.0 million during the same period.

Holding & Others		1-6/2016	1-6/2017	Chg. in %
External revenues	*in MEUR*	4.3	**4.6**	+6
EBITDA	*in MEUR*	-10.3	**-9.0**	+13
Operating EBIT	*in MEUR*	-11.4	**-10.0**	+12
Total investments	*in MEUR*	1.2	**1.3**	+15
Capital employed	*in MEUR*	-0.7	**5.3**	>100
Ø Employees	*in FTE*	207	**208**	0

Condensed Interim Financial Statements (IFRS) Wienerberger Group

Consolidated Income Statement

in TEUR	4-6/2017	4-6/2016	1-6/2017	1-6/2016
Revenues	869,050	858,133	1,528,675	1,468,898
Cost of goods sold	-570,681	-561,104	-1,034,856	-996,026
Gross profit	**298,369**	**297,029**	**493,819**	**472,872**
Selling expenses	-157,365	-155,049	-296,947	-286,413
Administrative expenses	-48,732	-47,017	-98,303	-95,411
Other operating income	16,155	11,284	20,431	19,299
Other operating expenses:				
Impairment charges to assets	251	0	-1,012	0
Impairment charges to goodwill	-6,339	0	-6,339	0
Other	-10,791	-19,864	-22,741	-31,364
Operating profit/loss (EBIT)	**91,548**	**86,383**	**88,908**	**78,983**
Income from investments in associates and joint ventures	1,750	2,498	1,184	3,671
Interest and similar income	1,458	1,194	2,898	2,506
Interest and similar expenses	-10,358	-9,971	-20,543	-19,480
Other financial result	-1,561	280	-337	-1,099
Financial result	**-8,711**	**-5,999**	**-16,798**	**-14,402**
Profit/loss before tax	**82,837**	**80,384**	**72,110**	**64,581**
Income taxes	-19,268	-20,919	-22,766	-21,818
Profit/loss after tax	**63,569**	**59,465**	**49,344**	**42,763**
Thereof attributable to non-controlling interests	997	571	494	-317
Thereof attributable to hybrid capital holders	3,393	7,983	7,196	16,029
Thereof attributable to equity holders of the parent company	**59,179**	**50,911**	**41,654**	**27,051**
Earnings per share (in EUR)	**0.51**	**0.43**	**0.36**	**0.23**
Diluted earnings per share (in EUR)	**0.51**	**0.43**	**0.36**	**0.23**

Consolidated Statement of Comprehensive Income

in TEUR	4-6/2017	4-6/2016	1-6/2017	1-6/2016
Profit/loss after tax	**63,569**	**59,465**	**49,344**	**42,763**
Foreign exchange adjustments	-35,971	-9,522	-26,506	-40,000
Foreign exchange adjustments to investments in associates and joint ventures	0	-3	0	-4
Changes in the fair value of available-for-sale financial instruments	-164	177	-132	302
Changes in hedging reserves	10,952	1,717	10,101	13,983
Items to be reclassified to profit or loss	**-25,183**	**-7,631**	**-16,537**	**-25,719**
Actuarial gains/losses	0	-10,980	0	-10,980
Items not to be reclassified to profit or loss	**0**	**-10,980**	**0**	**-10,980**
Other comprehensive income [1)]	**-25,183**	**-18,611**	**-16,537**	**-36,699**
Total comprehensive income after tax	**38,386**	**40,854**	**32,807**	**6,064**
Thereof comprehensive income attributable to non-controlling interests	1,282	467	780	-444
Thereof attributable to hybrid capital holders	3,393	7,983	7,196	16,029
Thereof comprehensive income attributable to equity holders of the parent company	**33,711**	**32,404**	**24,831**	**-9,521**

1) The components of other comprehensive income are reported net of tax.

Consolidated Balance Sheet

in TEUR	30/6/2017	31/12/2016
Assets		
Intangible assets and goodwill	666,192	690,440
Property, plant and equipment	1,522,027	1,564,727
Investment property	82,504	85,733
Investments in associates and joint ventures	8,163	13,542
Other financial investments and non-current receivables	14,016	13,918
Deferred tax assets	17,153	17,367
Non-current assets	**2,310,055**	**2,385,727**
Inventories	766,164	718,359
Trade receivables	353,626	201,809
Receivables from current taxes	6,240	9,868
Other current receivables	72,140	66,278
Securities and other financial assets	75,349	52,740
Cash and cash equivalents	131,286	197,016
Non-current assets held for sale	2,494	5,380
Current assets	**1,407,299**	**1,251,450**
Total assets	**3,717,354**	**3,637,177**
Equity and liabilities		
Issued capital	117,527	117,527
Share premium	1,086,017	1,086,017
Hybrid capital	265,985	265,985
Retained earnings	586,541	586,961
Other reserves	-239,326	-222,503
Treasury stock	-4,862	-4,862
Controlling interests	**1,811,882**	**1,829,125**
Non-controlling interests	20,532	19,831
Equity	**1,832,414**	**1,848,956**
Deferred taxes	81,946	80,759
Employee-related provisions	167,420	171,488
Other non-current provisions	70,265	71,197
Long-term financial liabilities	684,079	481,434
Other non-current liabilities	4,156	3,991
Non-current provisions and liabilities	**1,007,866**	**808,869**
Current provisions	30,799	35,287
Payables for current taxes	7,802	15,912
Short-term financial liabilities	312,248	399,924
Trade payables	272,179	302,718
Other current liabilities	254,046	225,511
Current provisions and liabilities	**877,074**	**979,352**
Total equity and liabilities	**3,717,354**	**3,637,177**

Consolidated Statement of Cash Flows

in TEUR	1-6/2017	1-6/2016
Profit/loss before tax	72,110	64,581
Depreciation and amortization	92,700	95,610
Impairment charges to goodwill	6,339	0
Impairment charges to assets and other valuation effects	2,130	13,784
Increase/decrease in non-current provisions	-3,518	-2,593
Income from investments in associates and joint ventures	-1,184	-3,671
Gains/losses from the disposal of fixed and financial assets	-9,003	-5,341
Interest result	17,645	16,974
Interest paid	-23,249	-21,167
Interest received	645	441
Income taxes paid	-32,342	-11,187
Gross cash flow	**122,273**	**147,431**
Increase/decrease in inventories	-58,920	-29,797
Increase/decrease in trade receivables	-157,653	-153,495
Increase/decrease in trade payables	-28,406	-12,623
Increase/decrease in other net current assets	28,673	697
Cash flow from operating activities	**-94,033**	**-47,787**
Proceeds from the sale of assets (including financial assets)	17,047	10,270
Payments made for property, plant and equipment and intangible assets	-58,346	-66,836
Payments made for investments in financial assets	0	-16
Dividend payments from associates and joint ventures	6,596	4,191
Increase/decrease in securities and other financial assets	-9,399	-1,500
Net payments made for the acquisition of companies	0	-12,861
Cash flow from investing activities	**-44,102**	**-66,752**
Cash inflows from the increase in short-term financial liabilities	519,877	294,607
Cash outflows from the repayment of short-term financial liabilities	-595,443	-127,940
Cash inflows from the increase in long-term financial liabilities	210,298	3,305
Cash outflows from the repayment of long-term financial liabilities	-70	-3,018
Dividends paid by Wienerberger AG	-31,578	-23,391
Hybrid coupon paid	-29,898	-32,520
Dividends paid to and other changes in non-controlling interests	-79	-9
Buyback hybrid capital	0	-5,968
Cash flow from financing activities	**73,107**	**105,066**
Change in cash and cash equivalents	**-65,028**	**-9,473**
Effects of exchange rate fluctuations on cash held	-702	-1,637
Cash and cash equivalents at the beginning of the year	197,016	154,878
Cash and cash equivalents at the end of the period	**131,286**	**143,768**

Consolidated Statement of Changes in Equity

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

in TEUR	Issued capital	Share premium/ treasury stock	Hybrid capital	Retained earnings	Other reserves	Controlling interests	Non-controlling interests	Total
Balance on 1/1/2016	**117,527**	**1,081,164**	**490,560**	**546,754**	**-199,889**	**2,036,116**	**18,103**	**2,054,219**
Total comprehensive income				43,080	-36,572	**6,508**	-444	**6,064**
Dividend payment/ hybrid coupon				-55,911		**-55,911**		**-55,911**
Change in hybrid capital			-5,968			**-5,968**		**-5,968**
Increase/decrease in non-controlling interests		-9				**-9**		**-9**
Balance on 30/6/2016	**117,527**	**1,081,155**	**484,592**	**533,923**	**-236,461**	**1,980,736**	**17,659**	**1,998,395**

Operating Segments

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

1-6/2016 *in TEUR*	Clay Building Materials Eastern Europe	Clay Building Materials Western Europe	Pipes & Pavers Eastern Europe	Pipes & Pavers Western Europe	North America	Holding & Others [1]	Reconciliation [2]	Wienerberger Group
External revenues	232,577	585,619	206,089	297,766	141,424	4,349		**1,467,824**
Inter-company revenues	4,163	4,769	5,227	4,275	642	6,682	-24,684	**1,074**
Total revenues	236,740	590,388	211,316	302,041	142,066	11,031	-24,684	**1,468,898**
EBITDA	39,881	84,955	16,990	35,872	10,877	-10,279		**178,296**
Operating EBIT	15,356	48,557	6,650	23,184	-3,341	-11,423		**78,983**
EBIT	15,356	48,557	6,650	23,184	-3,341	-11,423		**78,983**
Profit/loss after tax	6,392	27,170	1,902	20,317	-8,765	24,612	-28,865	**42,763**
Total investments	16,731	25,765	14,968	15,229	5,859	1,161		**79,713**
Capital employed	497,046	1,182,888	298,559	347,149	354,709	-703		**2,679,648**
Ø Employees	4,296	5,976	2,333	1,854	1,248	207		**15,914**

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

Condensed Notes to the Interim Financial Statements

Basis of preparation

The interim financial report as of June 30, 2017 was prepared in accordance with the principles set forth in the International Financial Reporting Standards, Interim Financial Reporting (IAS 34). The major judgements and estimates used to prepare the consolidated financial statements for 2016 as well as the accounting and valuation methods in effect on December 31, 2016 remain unchanged, with the exception of the IFRSs that require mandatory application as of January 1, 2017.

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

Standards/Interpretations		Published by IASB	Mandatory first-time adoption
IFRS 14	Regulatory Deferral Accounts	January 2014	1/1/2016
IAS 12	Income Taxes: Recognition of Deferred Tax Assets for Unrealized Losses – Amendments	January 2016	1/1/2017
IAS 7	Statement of Cash Flows: Disclosure Initiative	January 2016	1/1/2017
	Annual Improvements to IFRSs 2014 - 2016 Cycle	December 2016	1/1/2017 / 1/1/2018
IFRS 9	Financial Instruments: Hedge Accounting – Amendments to IFRS 9, IFRS 7 and IAS 39	November 2013	1/1/2018 1)
IFRS 9	Financial Instruments	July 2014	1/1/2018 1)
IFRS 15	Revenue from Contracts with Customers	May 2014/ September 2015	1/1/2018 1)
IFRS 15	Revenue from Contracts with Customers – Clarification	April 2016	1/1/2018
IFRS 2	Share-based Payments – Amendments	June 2016	1/1/2018
IFRS 4	Insurance Contracts – Amendments	September 2016	1/1/2018
IAS 40	Investment Property: Amendments	December 2016	1/1/2018
IFRIC 22	Foreign Currency Transactions and Advance Consideration	December 2016	1/1/2018
IFRS 16	Leases	January 2016	1/1/2019
IFRIC 23	Uncertainty over Income Tax Treatments	June 2017	1/1/2019
IFRS 17	Insurance Contracts	May 2017	1/1/2021
IFRS 10, IAS 28	Sale of Assets between an Investor and its Associate or Joint Venture – Amendments	September 2014/ December 2015	-

1) Mandatory effective date according to European Union directive.

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

In November 2009, the project of replacing IAS 39 Financial Instruments by IFRS 9 Financial Instruments resulted in a first publication dealing with the recognition and measurement of financial instruments. Further IFRS 9 rules followed in 2010 and 2013, and the final version was published in July 2014. Major changes concern the classification and subsequent measurement of financial assets. According to the new criteria, the characteristics of the financial instrument are of primary relevance, determining the method of measurement of debt instruments, equity instruments as well as derivatives. Another criterion is the business model under which the financial instruments are administered. In this regard one must define whether a financial instrument is to be held for trading or to maturity. Depending on the characteristics of the financial instruments, the following methods are applied to the recognition and subsequent measurement: at fair value through profit or loss, at fair value through other comprehensive income and at amortized cost. Financial assets measured at amortized cost or at fair value through other comprehensive income are now subject to more extensive provisions regarding impairment under IFRS 9, according to which current and forward-looking information on expected credit losses must be incorporated into the recognition and measurement of the assets. Another significant change relates to the revised rules on hedge accounting. Proof of effectiveness is no longer subject to the range of 80% - 125%, specified by the standard-setter, but can be reasoned by the entity in qualitative terms.

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

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

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

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

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

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

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

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

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

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

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

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

IFRS 16 Leases was published in January 2016 and will replace IAS 17 Leases, IFRIC 4 Determining whether an Arrangement Contains a Lease, SIC 15 Operating Leases – Incentives, and SIC 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The new standard is to ensure that all leasing transactions and the related contractual rights and obligations are recognized on the balance sheet of the lessee. Thus, the classification of leases as either operating leases or finance leases will be eliminated. The lessee will recognize the liability arising under the lease and, at the same time, capitalize the right to use the underlying asset, which corresponds to the present value of the future lease payments plus directly allocated costs. For the lessor, the rules are similar to those of IAS 17. Wienerberger is currently investigating the impact on the consolidated financial statements, assuming that the new accounting rule will result in an extension of the balance sheet.

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

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

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

Consolidated companies

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

Seasonality

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

Wienerberger Hybrid Capital

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

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

For the first six months of 2017, accrued pro-rata coupon payments of TEUR 7,196 were taken into account in the calculation of earnings per share. As a result, earnings per share declined by EUR 0.06.

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

Notes to the Consolidated Income Statement

Group revenues amounted to TEUR 1,528,675 for the first six months of 2017 (2016: TEUR 1,468,898), which is 4% higher than the comparable period of the previous year. EBITDA amounted to TEUR 190,143, which is higher than the comparable prior year value of TEUR 178,296. EBIT amounted to TEUR 88,908 for the reporting period, compared with TEUR 78,983 in 2016.

The mid-year analysis of triggering events pointing to a potential impairment showed an increase in the weighted average cost of capital (WACC) after tax, which is used to discount cash flows for the determination of the value in use of the groups of cash-generating units (CGUs). The WACC before tax determined for the Pipes Steinzeug group of CGUs in the Pipes & Pavers Western Europe reporting segment increased to 9.60% in June of the reporting year, as compared to 8.67% at the time of the last periodic impairment test in November 2016. The rate of growth was 1.5% (2016: 1.2%). Due to the increase of the weighted average cost of capital, the value in use fell below the book value of the assets tested, which resulted in goodwill impairment in the amount of TEUR 6,339 recognized in other operating expenses. The value in use of the Pipes Steinzeug group of CGUs amounted to MEUR 65.

As at June 30, 2017, Wienerberger held 570,289 treasury shares, which were deducted for the calculation of earnings per share. The weighted number of shares outstanding from January 1, 2017 to June 30, 2017 was 116,956,475. The number of shares issued remained unchanged at 117,526,764 as at June 30, 2017.

Notes to the Consolidated Statement of Comprehensive Income

Negative income from foreign exchange differences of TEUR -26,506 (2016: TEUR -40,004) resulted, above all, from the US dollar. The hedging reserve increased equity by TEUR 10,101 (2016: TEUR 13,983) after tax. Changes in the fair value of available-for-sale financial instruments totaled TEUR -132 (2016: TEUR 302).

Profit after tax reported for the first six months of 2017 increased equity by TEUR 49,344 (2016: TEUR 42,763). Total comprehensive income after tax increased equity by TEUR 32,807 for the reporting period (2016: TEUR 6,064).

Notes to the Consolidated Statement of Cash Flows

Cash flow from operating activities of TEUR -94,033 was TEUR 46,246 lower than in the prior period (2016: TEUR -47,787), which was primarily due to the increase in taxes paid in the amount of TEUR -32,342 (2016: TEUR -11,187), interest paid in the amount of TEUR -23,249 (2016: TEUR -21,167) and an increase in inventories of TEUR -58,920 (2016: TEUR -29,797). Of the impairments of assets and other valuation effects reported, an amount of TEUR -2,195 (2016: TEUR -3,702) was accounted for by property, plant and equipment and intangibles. These resulted partly from the valuation of the portfolio of purchased CO_2 certificates. Other measurement effects include the valuation of inventories in the amount of TEUR -3,391 (2016: TEUR -6,241), the impairment of trade receivables in the amount of TEUR -632 (2016: TEUR -947) and the valuation of financial assets in the amount of TEUR 4,088 (2016: TEUR -2,894). Interest paid includes the interest expense for the 2007 hybrid bond, which was reclassified to financial liabilities as of 15/12/2016 and redeemed on 9/2/2017.

Cash outflows of TEUR 58,346 (2016: TEUR 79,713) for investments in non-current assets (incl. financial assets) and acquisitions included TEUR 57,937 (2016: TEUR 56,113) of normal capex for maintenance and investments in technical upgrades as well as TEUR 409 (2016: TEUR 23,600) of growth capex for acquisitions and plant expansion.

Proceeds from the disposal of non-current assets totaled TEUR 17,047 (2016: TEUR 10,270) and were generated primarily by the sale of investment property. On May 26, 2017, a dividend of EUR 0.27 per share was paid out on 116,956,475 shares in issue, i.e. a total of EUR 31,578,248.25.

Notes to the Consolidated Balance Sheet

Normal and growth capex for the first six months of 2017 increased non-current assets by TEUR 58,346 (2016: TEUR 66,836). Net debt rose by TEUR 158,090 over the level of December 31, 2016 to TEUR 789,692 due to the seasonal increase in working capital. Commitments for the purchase of property, plant and equipment totaled TEUR 28,638 as at the balance sheet date (31/12/2016: TEUR 24,583).

Disclosures on Financial Instruments

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

in TEUR	Accounting method [1]	Level 1	Level 2	Level 3	Carrying amount as at 30/6/2017
Assets					
Shares in funds	FV	20,268			20,268
Corporate Bonds	FV	4,908			4,908
Stock	FV	18			18
Other	FV		14	776	790
Available-for-sale financial instruments		**25,194**	**14**	**776**	**25,984**
Other non-current receivables	**AC**		**6,980**		**6,980**
Derivatives from cash flow hedges	FV		1,676		1,676
Derivatives from net investment hedges	FV		15,225		15,225
Other derivatives	FV		1,738	4,151	5,889
Derivatives with positive market value			**18,639**	**4,151**	**22,790**
Liabilities					
Derivatives from cash flow hedges	FV		738		738
Derivatives from net investment hedges	FV		2,369		2,369
Other derivatives	FV		5,644		5,644
Derivatives with negative market value			**8,751**		**8,751**
Long-term loans	AC		291,695		285,772
Roll-over	AC		178,123		178,188
Short-term loans	AC		33,910		33,687
Financial liabilities owed to financial institutions			**503,728**		**497,647**
Bonds – long-term	AC	438,295			398,199
Bonds – short-term	AC	7,625			7,625
Long-term loans	AC		14		14
Commercial paper – short-term	AC		83,887		83,894
Short-term loans	AC		32		32
Finance leases	AC		152		152
Financial liabilities owed to subsidiaries	AC		13		13
Financial liabilities owed to non-banks		**445,920**	**84,098**		**489,929**

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

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

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

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

Derivatives were valued with net present value methods based on input factors observable in the market, e.g. yield curves and foreign exchange parities (level 2). Other derivatives with positive market values include a call option for non-controlling interests in the Tondach Group of TEUR 4,151. The call option was classified under level three in the hierarchy because of the nature of the input factors used in the valuation. The fair value of this put option was calculated on the basis of budgeted EBITDA and the agreed multiple, applying the Black-Scholes valuation model. The valuation gain of TEUR 4,151 was recognized in other financial result.

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

Risk Report

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

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

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

Related party transactions

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

The ANC Private Foundation operates landfill activities in Austria that were transferred by Wienerberger AG in 2001 and owns a limited amount of assets (in particular real estate and securities). The managing board of the ANC Private Foundation consists of three members, two of whom are part of the Wienerberger top management. This allows Wienerberger to exercise control over the foundation. In accordance with IFRS 10, the ANC Private Foundation cannot be consolidated because the shareholders of Wienerberger AG, and not the company itself, are entitled to the variable cash flows from the foundation. The total assets of ANC Private Foundation amounted to TEUR 30,013 as of June 30, 2017 (31/12/2016: TEUR 28,754) and consist primarily of land and buildings totaling TEUR 11,579 (31/12/2016: TEUR 11,826) and securities and liquid funds of TEUR 15,347 (31/12/2016: TEUR 14,727). The foundation had provisions of TEUR 7,977 (31/12/2016: TEUR 8,904) and no financial liabilities as of June 30, 2017.

Wienerberger AG and its subsidiaries finance associates, joint ventures and non-consolidated subsidiaries through loans granted at ordinary market conditions. The outstanding loan receivables due from joint ventures amounted to TEUR 14,401 as of June 30, 2017 (31/12/2016: TEUR 11,012), while the comparable amount for non-consolidated subsidiaries was TEUR 7,574 (31/12/2016: TEUR 7,268). In addition, trade receivables due from joint ventures amounted to TEUR 216 (31/12/2016: TEUR 452), while the comparable amount for non-consolidated subsidiaries was TEUR 784 (31/12/2016: TEUR 721) as of the balance sheet date. Revenues of TEUR 649 were recognized with joint ventures in the first six months of 2017 (2016: TEUR 809) and TEUR 0 (2016: TEUR 271) with non-consolidated subsidiaries.

Significant events after the balance sheet date

Between the balance sheet date June 30, 2017 and the publication of the report on August 17, 2017 there were no events subject to disclosure.

Waiver of Audit Review

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

Statement by the Managing Board

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

Vienna, August 17, 2017

The Managing Board of Wienerberger AG

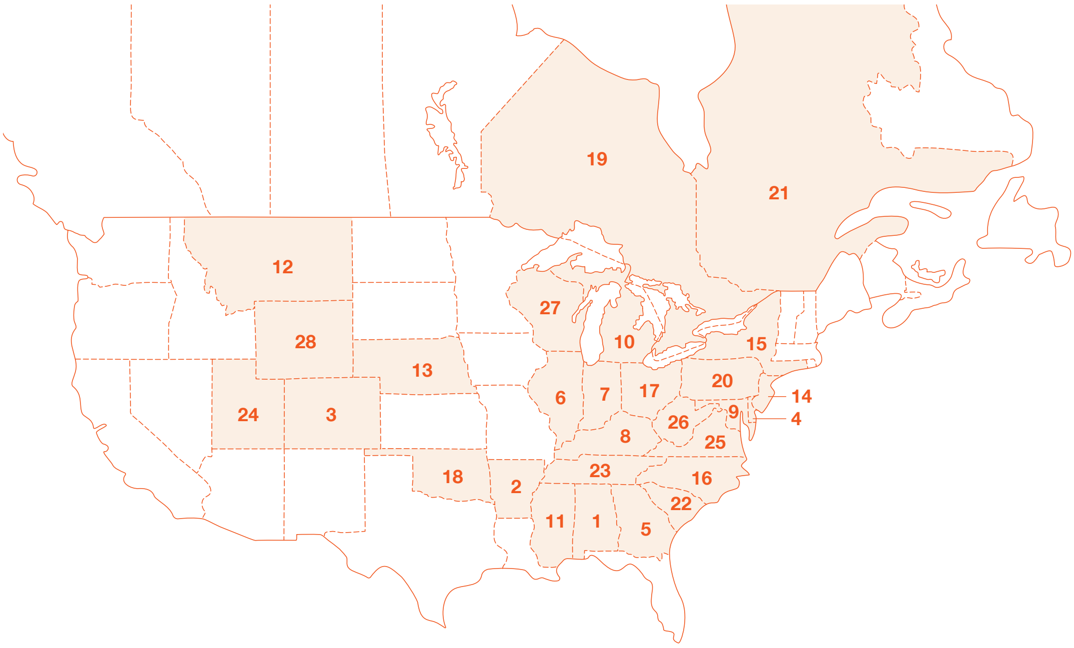
Heimo Scheuch
Chief Executive Officer

Willy Van Riet
Chief Financial Officer

Production Sites and Market Positions

Wienerberger is the only multinational producer of bricks, roof tiles, concrete pavers and pipe systems with a total of 198 production sites in 30 countries and activities in international export markets. We are the world's largest producer of bricks and number one on the clay roof tile market in Europe. Furthermore we hold leading positions in pipe systems in Europe and concrete pavers in Central-East Europe.

Wienerberger Markets in North America



Market positions

1 *Facing Bricks*

Number of sites

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

1	*Alabama*	4			1		
2	*Arkansas**	5				1	
3	*Colorado*	1	1		1		
4	*Delaware**	5					
5	*Georgia*	1	2				
6	*Illinois*	3			2		
7	*Indiana*	1	1		2		
8	*Kentucky*	1			2		
9	*Maryland**	2					
10	*Michigan*	2			2		
11	*Mississippi**	6					
12	*Montana*	1			1		
13	*Nebraska**	6					
14	*New Jersey**	3					

15	*New York**	3					
16	*North Carolina*	1	2	1	4		
17	*Ohio**	2					
18	*Oklahoma**	6					
19	*Ontario*						1
20	*Pennsylvania**	3					
21	*Quebec*						1
22	*South Carolina*	4			1		
23	*Tennessee*	1	1	1	6		
24	*Utah**	2					
25	*Virginia*	1	1		1		
26	*West Virginia**	1					
27	*Wisconsin**	5					
28	*Wyoming*	1			1		

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

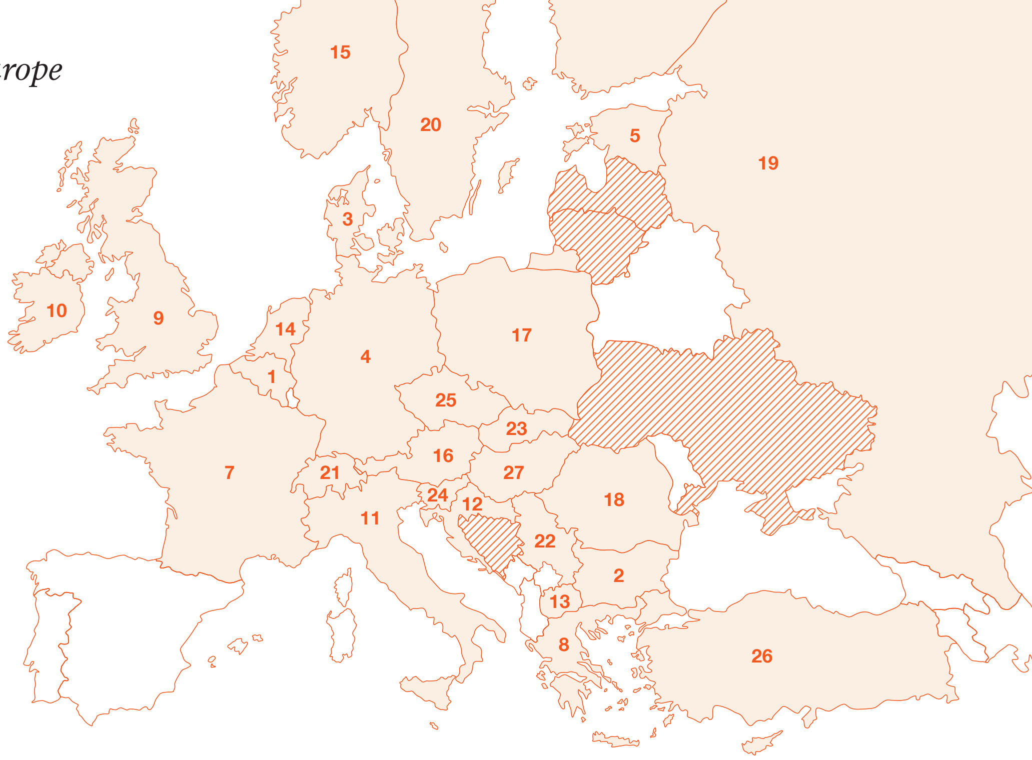
Status June 2017

Wienerberger in India

Number of sites
1 Clay Blocks

Wienerberger Markets in Europe

Markets with production sites
Export markets



Market positions
1 Clay Blocks and/or Facing Bricks
1 Clay Roof Tiles

Number of sites
1 Clay Blocks
1 Facing Bricks
1 Roofing Systems
1 Pavers
1 Plastic Pipes
1 Ceramic Pipes

		Market position: Clay Blocks and/or Facing Bricks	Market position: Clay Roof Tiles	Clay Blocks	Facing Bricks	Roofing Systems	Pavers	Plastic Pipes	Ceramic Pipes
1	Belgium	1	1	3	6	2		1	1
2	Bulgaria	1	2	1			1	1	
3	Denmark*				2				
4	Germany	1	4	14	3	4	1	1	2
5	Estonia	1			1			1	
6	Finland*				1			4	
7	France	2	4	5	1	3		1	
8	Greece							1	
9	Great Britain	2	1		9	4			
10	Ireland							1	
11	Italy	1		4					
12	Croatia	1	1	1		2	1		
13	Macedonia		1			1			
14	Netherlands	1	1	1	7	3	5	2	
15	Norway*							2	
16	Austria	1	1	7	1	2	4	1	
17	Poland	1	2	7	1	1	5	2	
18	Romania	1	1	4			2		
19	Russia	1		2				1	
20	Sweden*				2			2	
21	Switzerland	3	1	2		2			
22	Serbia		1			1			
23	Slovakia	1	1	2			1		
24	Slovenia	1	1	1		1			
25	Czech Republic	1	1	7		4	1	2	
26	Turkey							1	
27	Hungary	1	1	6		2	2	1	

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

Status June 2017

Financial Calendar

July 31, 2017	*Start of the quiet period*
August 17, 2017	Results for the First Half-Year of 2017: Press and Analysts Conference in Vienna
September 13-14, 2017	Capital Markets Day 2017
October 23, 2017	*Start of the quiet period*
November 8, 2017	Results for the First Three Quarters of 2017
January 29, 2018	*Start of the quiet period*
February 28, 2018	Results of 2017: Press and Analysts Conference in Vienna
March 29, 2018	Publication of the 2017 Annual Report on the Wienerberger website
April 23, 2018	*Start of the quiet period*
May 9, 2018	Results for the First Quarter of 2018
May 17, 2018	149th Annual General Meeting in the Austria Center Vienna
May 22, 2018	Deduction of dividends for 2017 (ex-day)
May 23, 2018	Record date
May 24, 2018	Payment day for 2017 dividends
June 2018	Publication of the Sustainability Report 2017
July 30, 2018	*Start of the quiet period*
August 16, 2018	Results for the First Half-Year of 2018: Press and Analysts Conference in Vienna
September 2018	Capital Markets Day 2018
October 22, 2018	*Start of the quiet period*
November 8, 2018	Results for the First Three Quarters of 2018

Information on the Company and the Wienerberger Share

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ADR Level 1	WBRBY
ISIN	AT0000831706

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

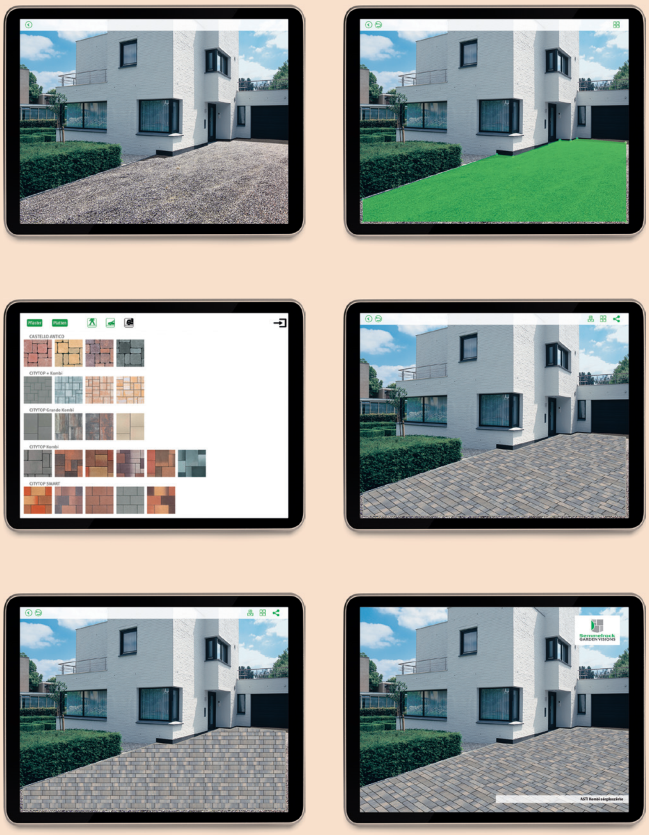
Digital garden design

At work and at play, useful apps have become part of our lives. In line with this trend, the Wienerberger Group is continually developing new mobile solutions. With its GardenVisions App, Semmelrock, the specialist in concrete pavers, has taken the lead. This smart solution enables private individuals to visualize their open spaces according to their own wishes – with elegant slabs for the patio or decorative pavers for the garden path.

Surface design custom made

Using the GardenVisions App, customers can display a photo of their plot of land on a smartphone or tablet computer and try out different formats, colors and surface structures. The range of products available is continually updated in the app, which also provides information on building materials dealers in the vicinity. Since its launch in Hungary in 2016, the app has been downloaded more than 4,000 times. In 2017, it will be rolled out in Austria and six other countries.

Wienerberger relies on smart solutions in other areas as well. The My GS App developed by General Shale, Wienerberger's US subsidiary, helps field staff to efficiently process orders. Pipelife, the specialist in plastic pipes, has developed a safety app to prevent accidents at its production sites. Innovations like these enable users to access and share important information at any time. Processes can thus be optimized and customers receive even better and more accurately targeted services.



GardenVisions App: garden design in just a few steps

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

Imprint

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Text pages
Produced in-house using firesys

Generative Design
Process – Studio for Art and Design OG

Editors Success Stories
Claudia Riedmann & Michael Birner, Schreibagentur

Translation
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Claudia Fischer-Ballia

The Report on the First Six Months of 2017, released on August 17, 2017 is also available for download under www.wienerberger.com.

Available in German and English.