



WIENERBERGER

ANNUAL REPORT

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WIENERBERGER

FINANCIAL STATEMENT
AND
ANNUAL REPORT
1992
WIENERBERGER
BAUSTOFFINDUSTRIE
AKTIENGESELLSCHAFT
VIENNA

PRESENTED
TO THE 124TH
ANNUAL
GENERAL MEETING
ON JUNE 3, 1993

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SUPERVISORY BOARD

Guido SCHMIDT-CHIARI
Chairman

Max KOTHBAUER.
Deputy Chairman

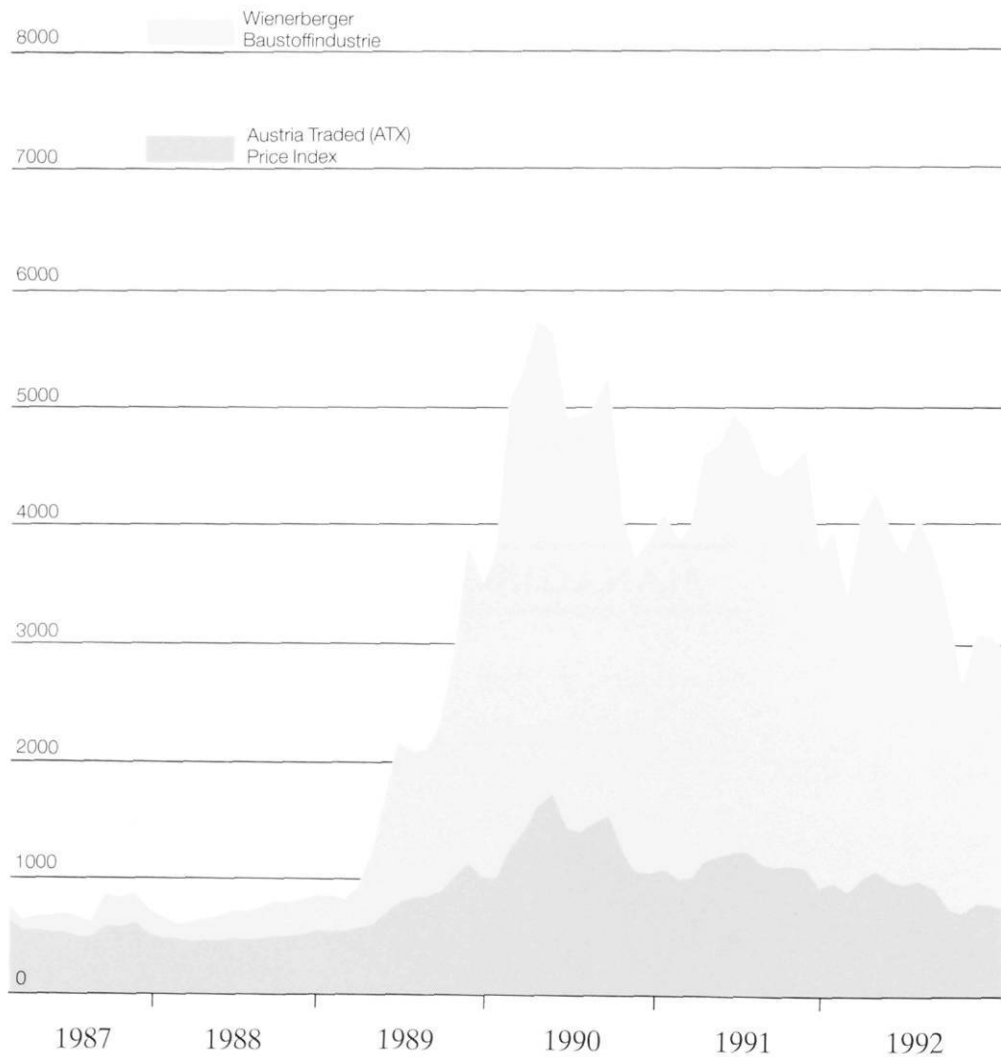
Herbert BECHYNA
Josef ESTERL ')
Heinz GRUBER ')
SieglindeGRUBER ')
Hans IGLER
Franz LAUER
Eduard MAYER
Erich PIMMER
Gerhard SOCHOR ')

*) delegated by the staff

MANAGING BOARD

Erhard SCHASCHL, Chairman
Wolfgang REITHOFER
Paul TANOS

WIENERBERGER SHARE PRICE DEVELOPMENT



Source: Datastream

FINANCIAL HIGHLIGHTS AND CONDENSED BALANCE SHEET OF THE WIENERBERGER GROUP

Highlights

Figures in AS million		1989	1990	1991	1992
Net sales	total	4,685	9,257	10,528	11,711
	domestic	3,900	5,363	5,818	6,022
	abroad	785	3,894	4,710	5,689
Investments*)		1,554	3,153	2,985	2,471
Cash flow		749	1,045	1,201	1,147
Personnel		2,224	4,346	5,137	5,596
Share price (in schillings)	high	3,831	5,784	4,976	4,321
	low	809	3,716	3,783	2,616
Dividend		26%	30%	33%	34%

*) Addition to tangible assets and financial assets

Condensed balance sheet

	Status as at January 1, 1992		Status as at December 31, 1992	
	AS mill.	%	AS mill.	%
ASSETS				
Fixed assets	6,065	47	7,431	52
Inventories	1,859	15	1,930	13
Other current assets	4,914	38	5,056	35
BALANCE SHEET TOTAL	12,838	100	14,417	100
LIABILITIES				
Own resources	6,480	51	6,880	48
Provisions and social capital	1,555	12	1,804	12
Liabilities	4,803	37	5,733	40

INTRODUCTORY STATEMENT BY THE CHAIRMAN OF THE MANAGING BOARD

To our shareholders:

Wienerberger excels by its assets, earning power and success potential for the future. The success potential lies in the leading positions that have been selectively created during the past years. They are subdivided according to the portfolio principle into five strategic business units, on the one hand, and into ten national markets in Europe, on the other hand; they have been complemented by the first bases in North America and Asia.

The success potential signifies power, the portfolio means spreading the risk. Together they provide security and make us less dependent on trends prevailing in the economic environment.

The economic climate has begun to deteriorate. It was nevertheless possible on aggregate to make 1992 another successful year for Wienerberger.

The Group's sales rose by 11.2% to AS 11,700 million, producing a group cash flow of AS 1,100 million. It was thus virtually maintained at the very high level of the preceding year, thanks to the highly satisfactory development of our core business, and despite a setback in the results of Treibacher.

Our industrial achievements are still more gratifying. The number of factories went up by 11 to 75. Of this total, not less than 63 plants were purchased or newly built only during the past seven years; 48 of them are located abroad. These figures impressively

attest the dynamism of our development and internationalisation efforts.

Our dividend policy continues to be dynamic as well. The share capital was topped up by the payment of a stock dividend at the ratio of 5:1. The dividend was raised from 33% to 34%. The amount disbursed has thus gone up by 26%.

The year 1992 was remarkable also in another way: our policy, pursued under difficult conditions, has proved to be correct. This makes us self-confident for the future and it also provides an opportunity to thank our shareholders and business partners for their confidence and loyalty. Our staff deserves special credit, for any success of the enterprise is the achievement of man - it is based on Wienerberger's substantial human capital.

I am confident also for 1993. Despite the slackening economic boom on an international scale, our plans provide for the continuation of the present road to success. Management and staff - each as if he or she were entrepreneurs in their own enterprise - will do everything to fulfill the great expectations. Our policy has been clearly drawn; we will carry on with it in harmony as well as with concentration and consistency: "Wienerberger Europe" is our goal, "Wienerberger International" our vision.



E. SCHASCHL

PRODUCTION SITES



Status as at April 1993

OUR INDUSTRIAL RESOURCES

The industrial resources of the Wienerberger group are its factories. Inclusive of our minority holdings, we currently operate 80 production sites; 75 of these are spread over ten European countries, three are located in the U.S.A. and Canada, two in Malaysia and Singapore.

In all these places we have been endeavouring to live up to state-of-the-art technology as well as to the strictest requirements in respect of productivity and environment compatibility. Not less than 68 of these 80 plants were newly built or purchased only in the past seven years. They reflect the achievements of our industrial development work.

Production sites in Europe

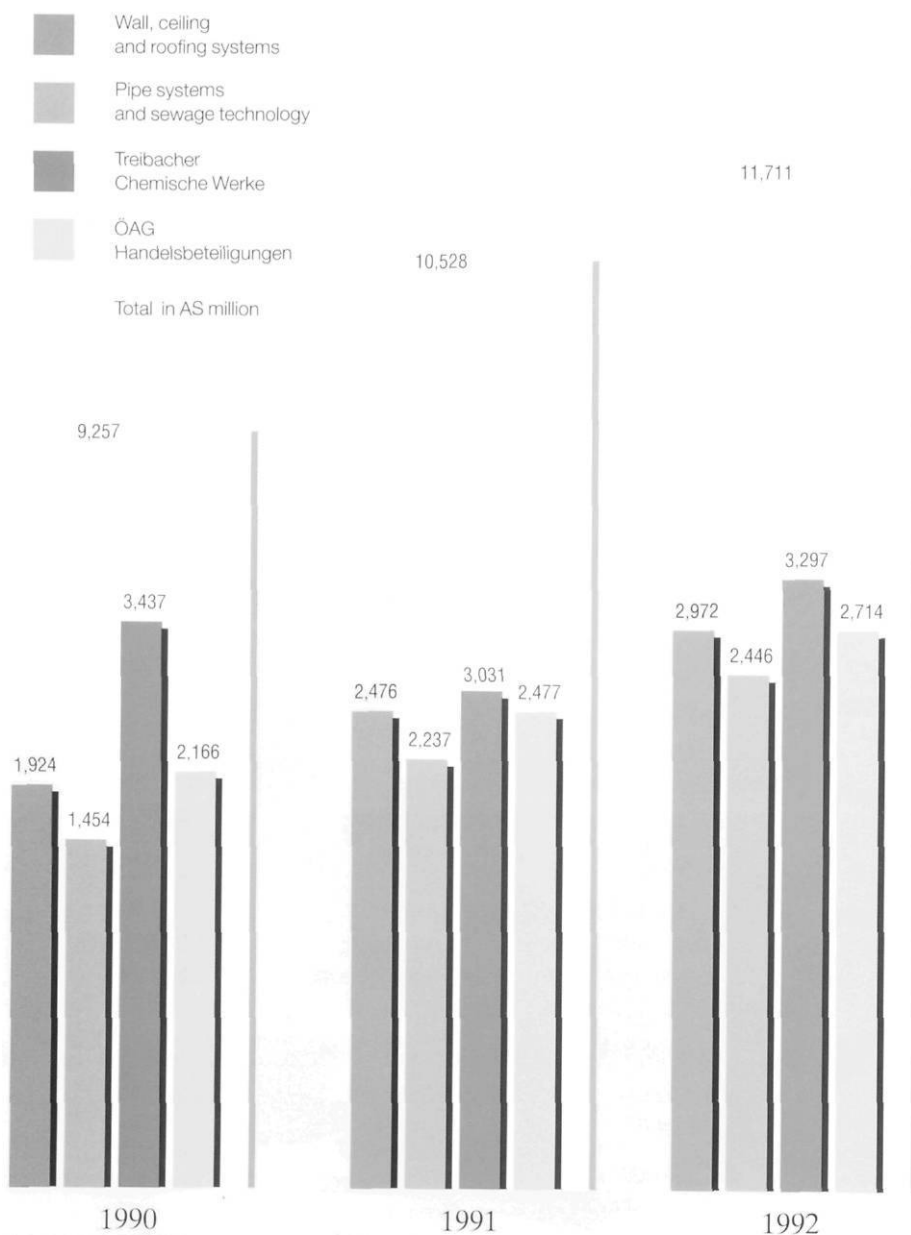
GERMANY	<u>Plastic pipes:</u>	<u>Clay tiles:</u>	SLOVENIA
<u>Bricks:</u>	Ekern	Bekescsaba I*)	<u>Roofing tiles:</u>
Jeddeloh	Golzau	Bekescsaba II*	Dravograd*)
Rietberg	<u>Clay pipes:</u>	<u>Plastic pipes:</u>	Skocjan*)
Sittensen	Zwickau	Csepel*)	CZECH REPUBLIC
Schoningen	HUNGARY	Debrecen*)	
Volkmarsen	<u>Bricks:</u>	FRANCE	Novosedly
Schlewecke	Solymar	<u>Plastic pipes:</u>	<u>Roofing tiles:</u>
Lanhofen I + II	Sopron	Chateauroux	Chrudim*)
Wefensleben	Koszeg I	Gaillon	<u>Clay tiles:</u>
Wettringen	Orbottyan	Vedene	Hranice*)
Buldern	Mezbtur	Compiègne	Slapanice*)
<u>Facade bricks:</u>	Bataszek	St. Gilles	
Buchhorst	Bekescsaba III + IV*)	BELGIUM	GREECE
Hude	<u>Ceilings:</u>	<u>Clay pipes:</u>	<u>Plastic pipes:</u>
Petershagen	Koszeg II	Hasselt	Thiva*)
<u>Ceilings:</u>	<u>Roofing tiles:</u>	ITALY	TURKEY
Lanhofen III + IV	Veszprem*)	<u>Corundum:</u>	<u>Plastic pipes:</u>
<u>Chimney systems:</u>	Kecskemet*)	Domodossola	Istanbul*)
Osterwald			
Elze			

Production sites in Austria

<u>Bricks:</u>	<u>Clinkers:</u>	<u>Stove tiles:</u>	
Hennersdorf	Rotenturm	Walbersdorf	Gleinstatten*)
Gblersdorf			Pinkafeld*)
Laa/Thaya		<u>Plastic pipes:</u>	Unterpremstätten*)
Mauthausen	Leopoldsdorf	Krems	
Neckenmarkt	<u>Clay pipes:</u>	Wr. Neudorf	<u>Metallurgy-corundum</u>
Uttendorf	Wien		Treibach
Barnbach	<u>Civil engineering</u>	<u>Roofing tiles:</u>	Seebach
Gasselsdorf	products:	Pochlam	
Mitterdorf	Leopoldsdorf	Gaspoltshofen	<u>Cement:</u>
Furstenfeld		Gleisdorf	Gmunden*)
Haiding/Wels			

*) Minority interest

SALES PROCEEDS OF THE WIENERBERGER BUSINESS GROUP



**REPORT
ON THE CURRENT
SITUATION**

THE ECONOMIC ENVIRONMENT

The economic scenario in Europe in 1992 was characterised by two contrasting trends: on the one hand, there were the western industrialised countries, aiming at rounding off five decades of economic upswing with the implementation of the single market; on the other hand, the countries of the one-time East Block were awakening from the nightmare of planned economies and were facing the need of rebuilding capital markets and infrastructures.

Western Europe on this side, bundling its forces in an economic triangle jointly with the U.S.A. and southeast Asia; the reforming countries on the other side where, apart from the first steps towards democratisation and implementation of market-economy structures, the radical shift to a new order has also been accompanied by serious crises, wars and even anarchy.

The euphoria emerging after the end of the cold war and the fall of the Iron Curtain has abated. Exuberant optimism and faith in feasibility have been superseded by disappointment, caution, and serious doubt. New chances cropped up, as did disadvantages and risks; the differences in performance and cost levels to be overcome are too great. The economic and social reconstruction in eastern Europe will at any rate last much longer and be more difficult than expected.

Faith in western Europe's economic power has also been shaken. The imbalances and weaknesses have become too great. Falling raw material and real estate prices, grave structural problems facing the primary industries, the restrictive impact of the high-interest-rate policy emanating from West Germany, the weakness of the stock markets, as well as progressive public indebtedness have adversely affected economic growth and the business climate. The antagonism between external and national constraints in

the domain of monetary policy has led to crises within the international currency system. Several countries in northern and southern Europe were compelled to leave the European Monetary System. The vision of a uniform European currency has thus again been blurred. The compromise devised in this situation was the concept of "Europe at two speeds". Meanwhile, due to the disapproving referendums in Denmark and Switzerland, the European integration process has lost its impetus.

In Austria, too, the economic forecasts for 1992 had to be revised downward. The economic performance rose by a mere 1.5% in real terms. But it was still better than the average growth rate of only 1% of the west European industrialised countries. The economic motors - tourism and exports - have lost some of their power. The main pillars continued to be the construction industry and private consumption with growth rates of 4.5% and 2.2%, respectively.

On the other hand, the industry's net output receded by 0.5%. The major factors of this development were the high wage and capital costs, the exchange-rate-related price slump in important export markets, and an increasing low-price competition from eastern Europe. The consequences were declining employment, a negative record in the number of insolvencies, and the reappearing weak spots of Austria's nationalised industries.

With consumer prices rising by 4.1%, Austria was no longer among Europe's most price-stable countries and within two years slid from 5th to 12th place among the European OECD countries. The employment situation was marked by a further shift from self-employed persons to wage and salary earners, whose number again augmented by another 0.8%. The unemployment rate went up slightly to 5.9%.

Development of the construction industry

Throughout Europe the building volume shrank by 1 % in real terms. Demand receded chiefly as a result of a general cut in investment activities, an excess amount of available private non-residential buildings, and the persistently high interest level. Only the sectors of public non-residential construction, renovation and modernisation, as well as new housing construction recorded slight

improvements. The trends in the markets relevant for Wienerberger differed widely. The largest growth rate (5%) came from Austria, followed by Germany with 4.5%. France even experienced a decline after the previous year's stagnation. Hungary witnessed another slump owing to financing bottlenecks, but the first signs of stabilisation have already been noticed. In the Czech Republic and Slovakia the recovery has already set in.

Construction trends in Europe

Countries	percentage changes in real terms			
	1989	1990	1991	1992e
Germany	5.0	5.0	4.0	4.5
France	4.6	2.5	0.3	- 2.7
Italy	3.6	2.7	1.6	0.3
Great Britain	4.0	1.0	- 9.0	- 7.5
Spain	13.0	9.0	4.0	05.0
Belgium	9.3	6.0	2.6	1.0
Switzerland	6.5	0.6	- 4.5	- 4.9
Greece	4.5	6.0	- 5.4	4.0
Hungary	14.6	4.4	-32.8	-22.5
Czech Rep./Slovakia	0.3	-5.6	-30.5	3.9
Poland	-10.0	-9.0	- 6.8	- 9.0
Austria	4.8	6.2	5.7	4.5

In Austria there was an unabated demand mainly for housing construction - stimulated by special housing construction schemes launched by the Federal provinces - and for commercial and industrial building, each of which increased by 7%. Brisk demand was also recorded for adaptation and

amelioration work, which went up by 5%. On the other hand, public building and in particular civil engineering structures moved in a distinctly different direction. Investments in sewer amelioration were blocked temporarily because of handling problems within the Water Resources Development Fund.

Construction trends in Austria

Construction sectors	percentage changes in real terms			
	1989	1990	1991	1992e
New residential construction	-1.0	1.5	5.0	7.0
Private non-residential construction	5.5	9.5	10.5	7.0
Public non-residential construction	0.5	1.5	4.0	3.0
Civil engineering	5.0	5.5	5.0	0.5
Renovation and modernisation	7.5	8.0	4.5	5.0

Source: WIFO; Euro-Construct, Paris, December 1992; e = figures expected for 1992

THE STRUCTURE OF THE

WIENERBERGER

Wienerberger Ziegelindustrie AG
100%

Wienerberger Rohrsysteme und Abwassertechnik GmbH
100%

Wienerberger
Ziegelindustrie
Deutschland GmbH
100%

(D)

Wienerberger
Ziegelindustrie
GmbH & Co
99%

(D)

Schlagmann Baustoff-
werke GmbH & Co KG
50%

(D)

Hungária –
Wienerberger Téglaiipari RT
74,6%

(H)

Vaz Keramia ES
Burkolotegla Kft.
100%

(H)

Bataszeki Wienerberger
Téglaiipari Kft.
100%

(H)

Wienerberger Moravsky
Cihlarsky Prumysl A.S.
55%

(CR)

Wienerberger Slovenske-
Teheine spol.s r.o.
64,7%

(SR)

BRAMAC
Dachsteinwerk GmbH
50%

(A)

BRAMAC Beton-
cserépgyártó és
Építőanyagipari Kft.
57%

(H)

BRAMAC – Proizvodnja
Betonskih Stresnikov
in Gradbenega
Materiala, D. O. O.
62,2%

(SLO)

BRAMAC
spol.s r.o.
56,9%

(CR)

Ziegelwerke
Gleinstätten GmbH & Co KG
25%

(A)

Jamina RT
88%

(H)

Krytina
Hranice spol.s r.o.
51,1%

(CR)

Cihelny TGI Slapanice
Akciová Společnost
67%

(CR)

KERAMO
WIENERBERGER N.V.
50%

(B)

KERAMO
WIENERBERGER
VertriebsgmbH
100%

(A)

KERAMO
WIENERBERGER
Steinzeugwerk
Zwickau GmbH
100%

(D)

Sunway KERAMO
SDN BHD
28%

(MAL)

Wienerberger Rohr- und
Umwelttechnik GmbH
100%

(A)

Bohr- und
Rohrtechnik GmbH
100%

(A)

Kontinentale
Handels GmbH
50%

(A)

HL-Wienerberger
Manufacturing (S) PTE Ltd.
40%

(SGP)

PIPELIFE International
Holding GmbH
50%

(A)

PIPELIFE
Rohrsysteme GmbH
50%

(A)

PIPELIFE Rohrsysteme GmbH
Bad Zwischenahn
50%

(D)

PIPELIFE Rohrsysteme
Görlau GmbH
100%

(D)

Pannonpipe
Műanyagipari Kft.
25%

(H)

PIPELIFE France S.A.
50%

(F)

France Tube S.A.
100%

(F)

Société
Méditerranéenne de
Plastiques Agricoles S.A.
100%

(F)

Petzetakis-PIPELIFE
S.A.
33,3%

(GR)

Arili Plastik
Sanayii S.A.
25,5%

(TR)

Wall, ceiling and roofing systems

Pipe systems and sewage technology

Status as at April 1993

IENERBERGER GROUP

AUSTOFFINDUSTRIE AG

Treibacher Chemische Werke AG 51%		ÖAG Handelsbeteiligungs AG 95%			
General Abrasive Treibacher (USA) Inc. 100%	USA	ÖAG Sanitär- und Heizungs- Großhandels GmbH 100%	A	Wienerberger Immobilien AG 73%	A
Treibacher Corp. 100%	USA	Unisan Handels- und Marketingervice GmbH 100%	A	WIPARK Garagen GmbH 100%	A
Treibacher Schleifmittel S.p.A. 100%	I	Technotrans Logistikservice GmbH 100%	A	WIPARK Leasing GmbH 100%	A
Società Italiana dei Prodotti Elettrochimici di Treibach S.a.s. 50%	I	Kontinentale HandelsgmbH 50%	A	Garage am Beethovenplatz GmbH & Co KG 100%	A
Grondmet Metall- und Rohstoffvertriebs GmbH 100%	D	Haustechnik HandelsgmbH 100%	D	Mineralstoff- verwertungs-GmbH 100%	A
Treibacher (UK) Ltd. 100%	GB	Mart Kft. 100%	H	Mineral Asvanyi Anyagokat Forgalmazó Kft. 100%	H
Grondmet HandelsgmbH 90%	A	Cesaro spol.s r.o. 100%	CR	Forstbetrieb Scheiberhof GmbH 100%	A
				Forstbetrieb Schöpfli GmbH 100%	A
Treibacher		ÖAG Handelsbeteiligungen		Real estate/property	

FOCAL MEASURES IN 1992

In the year under review we devoted more attention to optimising the course of our day-to-day business. In addition to this, several special activities have decisively contributed to boosting our earnings capacity and our ability to compete. The objectives were cementing our leading status as well as strengthening and securing our position in the market. In keeping with our motto, "C + C = Concentration and Consistency", we continued to be guided by a strategy of strict selectivity in the individual areas of our business. Of the results of this strategy, the following deserve special mention:

1. Wall, ceiling and roofing systems

- Expansion of the output volume of the Hengersdorf brick works from 100 million to 140 million standard bricks.
- Initial operation of a new girder and lintel plant at Koszeg in western Hungary.
- Purchase of the Mezotur brick works in southeastern Hungary with a capacity of 80 million standard bricks.
- Signing of a joint-venture agreement for the construction of a brick plant at Zlate Moravce, Slovakia.
- Majority interest in the Novosedly brick works in Moravia.
- Construction of the new brick works at Wefensleben in Saxony-Anhalt with a capacity of 120 million standard bricks.
- Initial operation of a new roofing tile plant by BRAMAC at Chrudim in eastern Bohemia.
- Closure of the BRAMAC concrete roofing tile plant at Dunakeszi near Budapest.
- Takeover of the two clay roofing tile plants Unterepremstatten and Pinkafeld from the Hatschek family of industrialists.
- Acquisition of a majority share in the leading Hungarian clay roofing tile manufacturer Jamina RT.
- Acquisition of a 51.1 % holding in the Czech clay roofing tile works at Hranice.
- Acquisition of a 67% interest in the Czech clay roofing tile plant at Slapanice.

2. Pipe systems and sewage technology

- Construction start of a new production line for clay pipes with an output of 40,000 tons/

year and a fully automated fitting plant within KERAMO WIENERBERGER N.V. at Hasselt, Belgium.

- Construction of a clay pipe plant within the framework of a joint venture in Malaysia with a capacity of 20,000 tons/year.
- Streamlining of the structure of the pipe systems and sewage technology unit.
- Acquisition of a 66.6% interest in the polyethylene pipe plant of the leading Greek pipe manufacturer Petzetakis by the PIPELIFE group.
- Extension of the plastic pipe activities to Turkey through integration of the Turkish polyethylene pipe manufacturer Arii into the PIPELIFE group.

3.Treibacher Chemische Werke

- Acquisition of the remaining share of 50% in the Italian Eurocorundum S.p.A.
- Continuation of the cost-cutting and restructuring programme.
- Construction of a residual-waste dump for the Austrian plants.
- Working out new marketing plans for all the business units.

4. OAG Handelsbeteiligungen

- Expansion of the logistics centres in Vienna and Wels.
- Further consolidation of the market position in the new German federal provinces through the opening of a logistics and installation centre in Berlin.
- Planning of a new logistics centre in Budapest.
- Opening of the first installation centre in Prague.

5. Real estate/property

- Complete lease-out of the first building block of the BUSINESS PARK VIENNA on budget-conforming terms.
- Conclusion of a long-term lease agreement as the basis for the construction of a Holiday Inn Crowne Plaza Hotel in the BUSINESS PARK VIENNA.
- Acquisition of a 26% interest in Gmundner Zementwerke Hans Hatschek AG.

THE 1992 RESULTS

Sales proceeds

In 1992 the Wienerberger business group continued to grow to an above-average extent at home and abroad. Consolidated sales proceeds reached AS 11,711 million, an increase by AS 1,183 million or 11.2%. The five strategic business units contributed to this result as follows:

	Share in total sales	Changes in 1992
Wall, ceiling and roofing systems	25.4%	20.0%
Pipe systems and sewage technology	20.9%	9.3%
Treibacher Chemische Werke	28.1%	8.8%
OAG Handelsbeteiligungen	23.2%	9.5%
Real estate/property	2.4%	-7.6%

Investments

Additions to the group amounted to AS 2,471 million, of which AS 2,091 million were tangible assets and AS 380 million financial assets. The major share of the amount invested was financed out of the cash flow attained, and there are still adequate liquidity reserves left to continue our expansion policy.

Staff

The average number of staff was 5.596. This figure includes half the staff employed by 50% holdings and the entire staff of majority holdings. The increase of 459 workers and employees was exclusively due to purchases of plants and participations.

Identification and effort have determined our success. With this idea in mind, each individual staff member contributes to the progress of business through his or her performance. Our staff's commitment and the constructive attitude displayed by the staff representatives therefore deserve our thanks and appreciation.

Earnings position

Wienerberger is asset-oriented. Although earnings from our investment and expansion

projects as well as dividend income from recently acquired holdings can be realised only with a certain time lag in subsequent accounting periods, earnings were kept at a high level. The group's operating result from ordinary business activities reached AS 626 million.

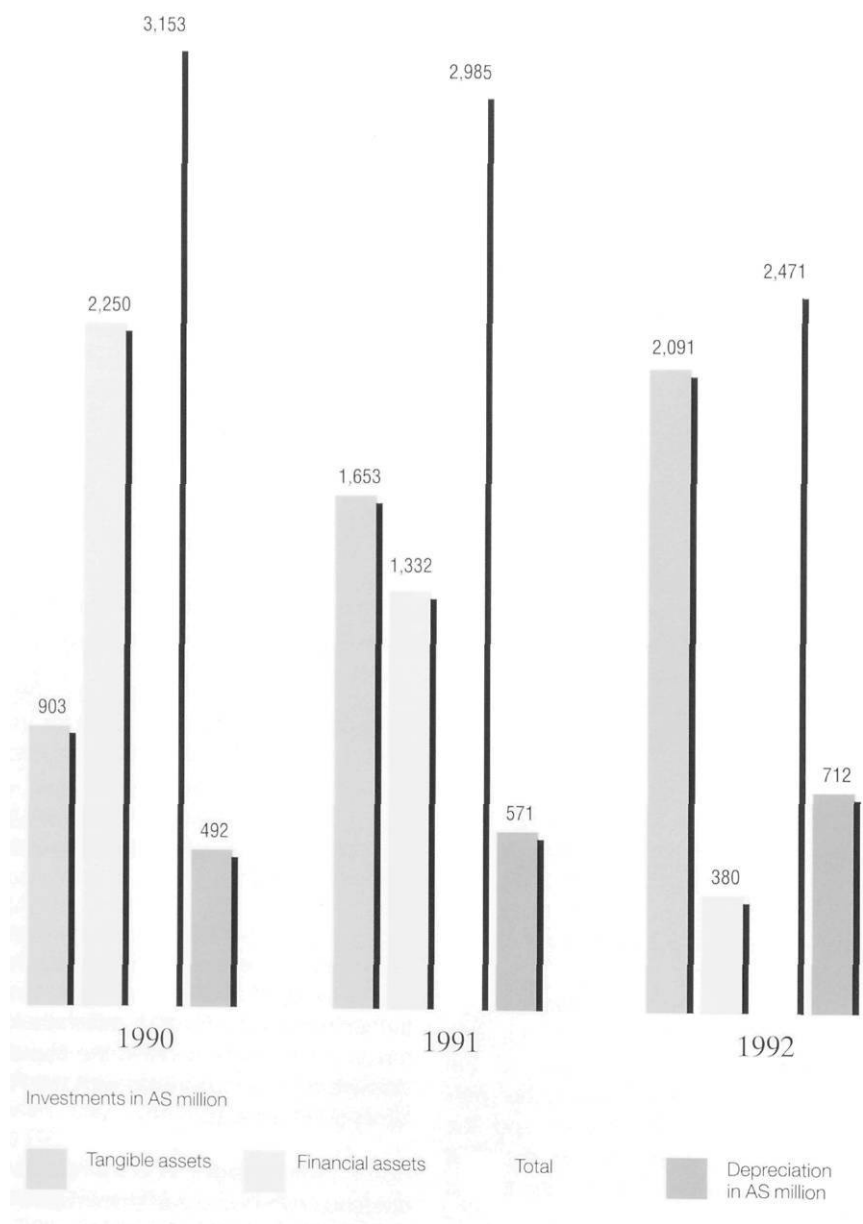
The traditional core unit - the wall, ceiling and and roofing systems - has contributed to this result to an extent far surpassing all expectations. The development unit - pipe systems and sewage technology - succeeded in nearly repeating its previous year's results despite high expansion and restructuring expenditures. In the case of Treibacher, a difficult first half of the year was followed by a dramatic decline of the result in the second half. The result of the trading group - OAG Handelsbeteiligungen - improved further despite the start-up expenses for the new holdings abroad. In the real estate/property unit a major real estate transaction was deferred; a substantial profit realisation was thus relegated to a later date.

The result achieved by the parent company permitted a write-down for Treibacher in the amount of AS 158 million and additionally a disclosed allocation to reserves of AS 102 million. The cumulated profit derived from the consolidated balance sheet thus reached a total of AS 302 million.

A stock split out of the company's resources at the ratio of 5:1 raised the share capital by AS 63.8 million to AS 382.9 million. A further increase by AS 10.6 million to AS 393.5 million will take place within the framework of Wienerberger's cooperation with the Hatschek family of industrialists.

The Managing Board proposes that the dividend on the increased share capital is raised from 33% to 34%. The profit amount thus distributed goes up from AS 105.3 million to AS 132.7 million, corresponding to an increase in the amount disbursed by 26%.

INVESTMENTS AND DEPRECIATION



RESEARCH AND DEVELOPMENT

Technology will occupy a much higher rank in the Wienerberger business group. With this goal in mind, attention focused on fundamental research and application technology. Priority was given to the search for new environment-protecting processes and products as well as the improvement of well-tested problem solutions.

In the business unit of wall, ceiling and roofing systems, product development continued to concentrate on improving the economic efficiency of building. In this context, the development of a product line for plane ground bricks was accelerated. In addition to this, brick products were developed further to meet the latest requirements under the Thermal Insulation Order.

In the environment sector the successful application of a thermic-regenerative flue-gas reheating process at the Hennersdorf brick works deserves special attention. This external flue-gas reheating method is highly efficient and sets new standards in respect of emission control. It had been planned by the Wienerberger brick industry and employed for the first time in the production of bricks.

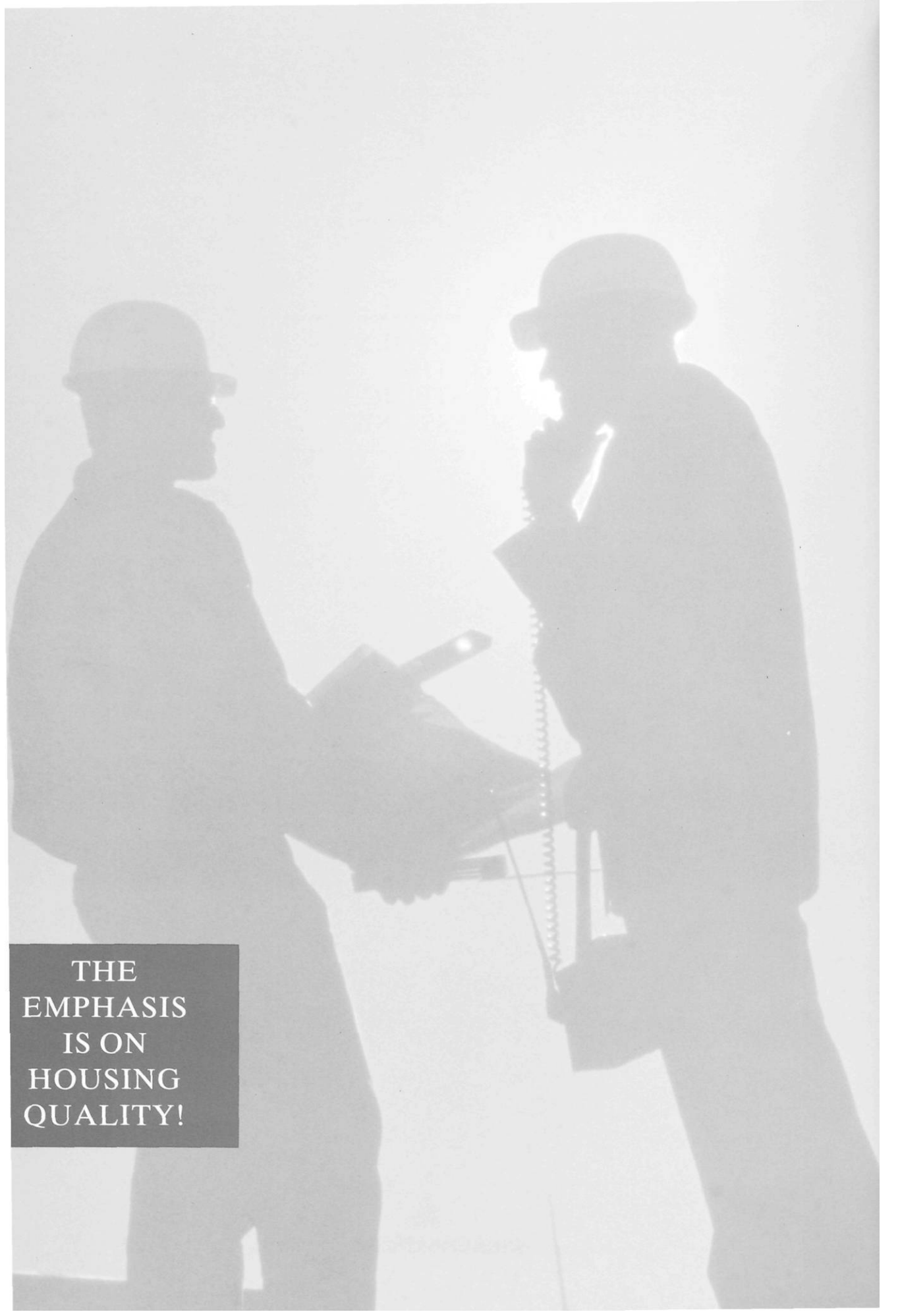
In order to be able to evaluate building materials objectively under ecological aspects the whole life cycle, starting from raw material extraction via production and use up to the point of recycling, must be assessed in its entirety. To prove their environmental acceptability, calculation models for ecological balances have been developed and are to be made even more sophisticated. The brick is a specially well accepted material in all areas; it is a genuinely first-class product from the point of view of construction biology.

In the unit of pipe systems and sewage technology we focused on the development of new clay pipes for specific uses, such as industrial sewage. At the same time we worked at a new production technology which is to speed up production considerably and thus make it more cost-efficient.

Towards the end of 1992, within the framework of our plastic pipe business, we were in a position to present the Austrian gas supply enterprises and the public with a new product, the PIPELIFE Gas Stop, which has scored great success. It is an epoch-making innovation in the field of safety technology for low-pressure and medium-pressure gas conduits. It will initially be produced for two pipe diameters.

Treibacher has traditionally attributed great importance to research and development. In the metals sector, activities concentrated on the transition of processes for the production of hydrogen-storage alloys and of Cermet input materials from the laboratory scale to the production scale. Abrasives research concentrated on basic engineering for ceramic corundum and the improvement of fused corundum products from the point of view of application technology. The range of special ceramic products was expanded, and newly developed sheet-glass polishing materials were successfully marketed. Precision optics users have tested a polishing agent produced on pilot scale. In the environment sector, the completion of the St. Kosmas residual-waste dump marked the successful termination of a main-effort programme of the past years.

DEVELOPMENT OF THE STRATEGIC BUSINESS UNITS



THE
EMPHASIS
IS ON
HOUSING
QUALITY!

WALL, CEILING AND ROOFING SYSTEMS

in AS million	1991	1992
Net sales	2,476	2,972
Cash flow	414	601
Investments ¹⁾	1,114	735

¹⁾ Addition to tangible assets and financial assets

	1991	1992
Staff	1,569	1,825
Cash flow/sales	16.7%	20.2%
Sales/staff	1.6	1.6

The wall, ceiling and roofing systems are Wienerberger's traditional core area. All these activities were pooled in Wienerberger **Ziegelindustrie** AG and its subsidiaries. The first step within the framework of the restructuring activities was to contribute the 50% holding in BRAMAC Dachsteinwerk GmbH to Wienerberger Ziegelindustrie AG. A further important strategic move was the cooperation with the Hatschek family of industrialists at the end of 1992: Wienerberger Baustoffindustrie AG took over from Eternit-Werke Ludwig Hatschek AG the clay roofing tile works at Pinkafeld and Unterpremstätten and transferred them to Ziegelwerke Gleinstatten GmbH & Co. KG as at January 1, 1993. At the same time, jointly with BRAAS Austria GmbH, we acquired a 5% interest each in Hatschek Betondachsteinwerk GmbH, which runs the concrete roofing tiles plant at Vocklabruck in Upper Austria. These transactions were the reasons for the reorganisation of the roofing activities within the Wienerberger group.

BRAMAC Dachsteinwerk GmbH will in future concentrate exclusively on concrete roofing tiles, while the clay tile activities have been pooled in the newly established Ziegelwerke Gleinstatten GmbH & Co. KG. 50% of which are held by the Garside/Olbrich families and 50% by Wienerberger Ziegelindustrie AG and BRAAS Austria GmbH.

Organisationally, the unit of wall, ceiling and roofing systems has been split up into three divisions:

- Wienerberger Ziegelindustrie AG with the production lines wall, ceiling and pre-fabricated-chimney systems, exercising also the function of a holding company for the roofing activities;
- BRAMAC Dachsteinwerk GmbH (50% interest) specialising in concrete roofing tiles; and

- Ziegelwerke Gleinstatten GmbH & Co. KG (25% interest) as the specialist enterprise for clay roofing tiles.

Inclusive of its clay roofing tile and concrete roofing tile products, Wienerberger Ziegelindustrie AG is represented by a total of 53 plants in the Austrian, German, Hungarian, Czech, and Slovenian markets; of these, 40 factories manufacture wall bricks and roofing tiles.

The high-pitched goals in respect of sales and earnings were perceptibly exceeded in the year under review, even without the newly added clay tile activities.

WIENERBERGER ZIEGELINDUSTRIE

in AS million	1991	1992
Net sales	2.052	2.529
Cash flow	357	546
Investments	1.006	646
Staff	1.253	1.526
Cash flow/sales	17.4%	21.6%
Sales/staff	1.6	1.7

This division benefited from the housing construction boom in Austria and Germany last year. The increase of 23.2% marks a sales boost which is distinctly above budget.

In Austria, thanks to the particularly well accepted new "groove-and-tongue" product line, it was possible to strengthen our market position even further. The capacity of the Hennersdorf brick works was expanded to 140 million standard bricks, with environment acceptability scoring high at the same time.

A black and white photograph showing the silhouettes of two people sitting on a rooftop or ledge. They are positioned in the upper half of the frame, looking out towards a very bright, overexposed sky. The foreground is a dark, textured surface, likely the roof. The overall mood is contemplative and serene.

NEW
STANDARDS
FOR A
BETTER
LIVING!

For the planned new brick works at Haiding near Wels in one of Austria's central regions we obtained all the required permits from the authorities. This plant is to replace the existing old plant and, additionally, the Ratzinger brick works at Steyr, which was taken over at the end of the year.

In Germany, our market position was further cemented by the new backing brick plant at Wefensleben near Magdeburg with a capacity of 120 million standard bricks. The new production unit was opened after a construction period of only seven months. For a new plant in the area of greater Berlin we acquired a site at Gransee. The strong market position in the old and new Federal German provinces also benefited the chimney systems division, taken over in 1991, which managed to raise its sales according to plan and contributed decisively to the overall result.

In Bavaria, Schlagmann Baustoffwerke GmbH & Co. KG, in which we hold a 50% interest, was particularly successful. All the production units worked to capacity, and the output of ceiling elements expanded strongly. Planning work began for the renovation of one of the two backing brick plants.

In Hungary the planned sales volume was doubled despite the persistently difficult economic environment. A new plant for prestressed girders and lintels started operating at the Koszeg site. In addition to this, we succeeded in acquiring the strategically interesting place of Mezotur in central Hungary, thereby extending our market presence to southeastern Hungary. The purchase of further shares brought our holding in Hungaria Wienerberger Teglaipari RT up to currently 74.6%. The realisation of these investment programmes led to a gratifying cost reduction. Despite the recession, the earnings situation thus improved as compared with 1991.

In the Czech Republic we took over a majority interest in the Novosedly brick works

in southern Moravia and initiated the first innovative improvements. The results have already been positive after the first year.

In Slovakia, a majority-controlled joint venture was set up and preparations went under way for the new plant at Zlate Moravce.

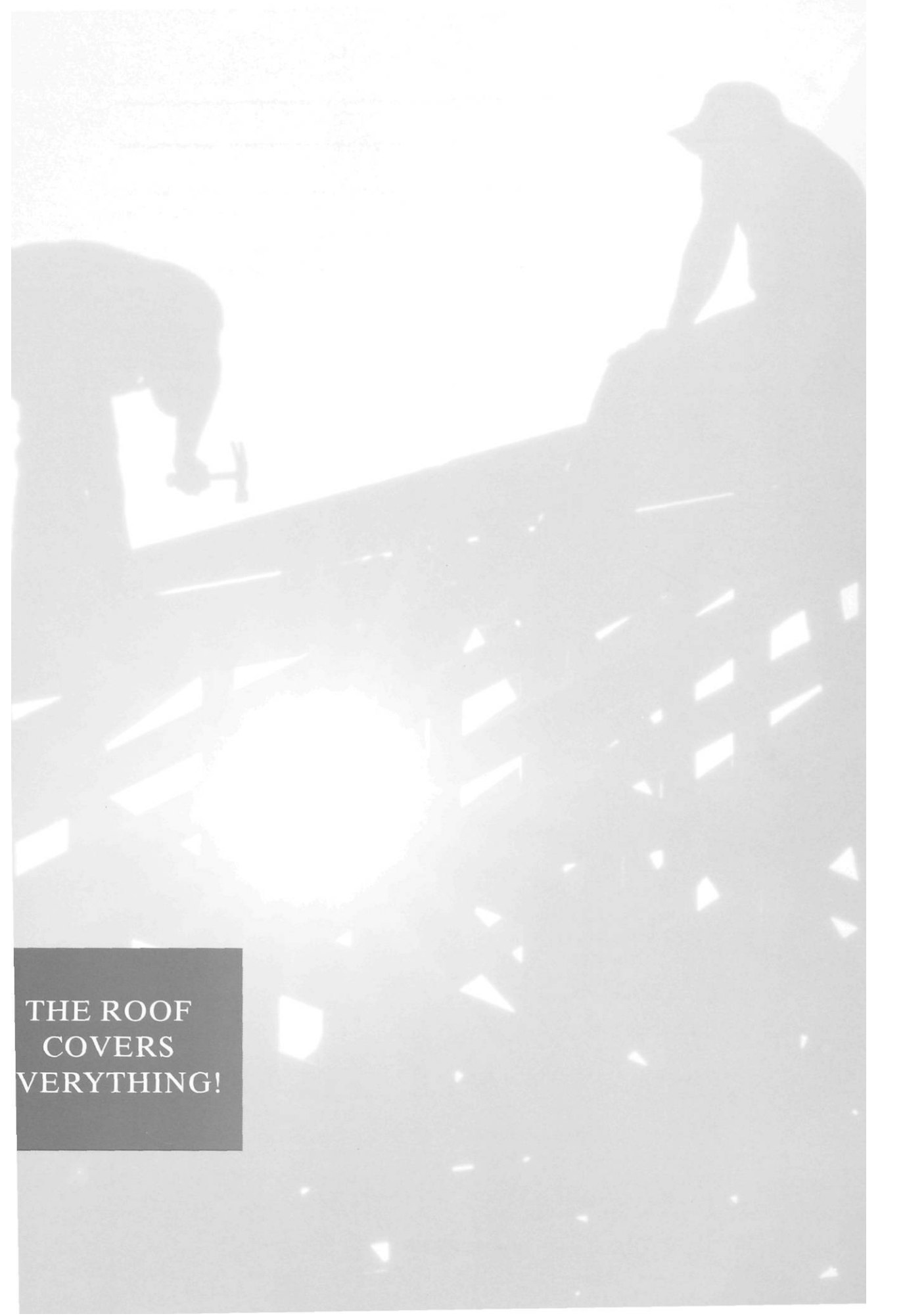
The 1993 business year commenced in a perceptibly more difficult environment. The first few months have nevertheless shown that the corporate trend can again be expected to be favourable. Emphasis will be on optimising the day-to-day business in Austria, Germany and Hungary, while at the same time we will consistently go on strengthening our market position in the Czech Republic and Slovakia.

In Austria, investment focuses on the construction of the new brick works at Haiding near Wels. As at January 1, 1993, we took over the German Schnermann GmbH & Co with two production sites in North Rhine-Westphalia. In addition to optimising the two plants at Rietberg and Wefensleben, which started operating in 1992, preparatory work for a new plant in the greater Berlin area will constitute one of the priorities. In Hungary we acquired the sixth brick works in 1993, at Bataszek, to round off the market supply.

GLEINSTATTEN CLAY ROOFING TILES

The day tile sector where, everything considered, we hold only a qualified minority interest on balance, was organised in its present form only at the end of the year under review. The pro-rata sales and the cash flow have therefore not yet been stated in our report of the business year ended.

In Austria the two clay roofing tile plants at Unterpremstätten and Pinkafeld were taken over from the Hatschek family and added to the main plant. On these grounds the supply of this growth product is assured throughout the whole domestic territory.



THE ROOF
COVERS
EVERYTHING!

In Hungary we acquired a 85% majority in the leading clay roofing tile enterprise, Jamina RT at Bekescsaba, which comprises two clay roofing tile works and two wall brick works.

In the Czech Republic we hold a majority share in the Hranice brick works in northern Moravia and the clay roofing tile and wall brick plant of Slapanice near Brno.

Ziegelwerke Gleinstatten GmbH & Co. KG thus controls seven production sites in Austria, Hungary and the Czech Republic, with seven clay roofing tile plants and four wall brick works. In all. these works recorded a gratifying sales increase in the past year, confirming the favourable demand trend for clay roofing tiles.

BRAMAC		
in AS million	1991	1992
Net sales	848	886
Cash flow	114	111
Investments	216	178
Staff	632	597
Cash flow/sales	13.4%	12.5%
Sales/staff	1.3	1.5

BRAMAC has reconfirmed its position as the leading Danubian enterprise manufacturing concrete roofing tiles.

In Austria, selective marketing measures were taken to consolidate its market position still further. This fact, and streamlining

the cost structure in the production area, were the preconditions for appropriately improving the result.

In Hungary, BRAMAC Kft. had to take structuring steps to respond to the declining demand. The Dunakeszi plant was shut down and production concentrated at Veszprem and Kecskemet. Owing to this closure and further rationalisation measures the number of staff dropped by 20% and a positive operating result was achieved. Lasbra Kft., where we hold a 50% interest to assure our sand supplies, opened a new gravel plant south of Budapest. The result, however, was still affected by the start-up costs.

In Slovenia the majority holding BRAMAC D.O.O. developed quite well, considering the prevailing difficult conditions. Sales went up and the result improved distinctly, despite stagnating demand.

In the Czech Republic, the business of BRAMAC spol.s r.o. developed successfully as well. The concrete roofing tile plant of Chrudim started operating according to plan. As sales developed favourably, the plant scored a profit already in its first incomplete business year.

For the current business year, we expect the further consolidation of the foreign companies and a further increase in earnings in its wake. Further expansion potentials are being studied in the Czech Republic, and the organisation of distribution systems in Slovakia and Croatia.



IN
UNISON
WITH
NATURE!

PIPE SYSTEMS AND SEWAGE TECHNOLOGY

in AS million	1991	1992
Net sales	2,238	2,446
Cash flow	151	126
Investments ¹⁾	518	370

¹⁾ Addition to tangible assets and financial assets

	1991	1992
Staff	1,329	1,350
Cash flow/sales	6.7%	5.2%
Sales/staff	1.7	1.8

Growing environmental strain, more rigid legal regulations, and an increasing sensitivity on the part of the population require innovative and complex solutions in the domain of pipe and sewage technology. Wienerberger has dealt with these problems intensively. A comprehensive corporate concept, worked out two years ago, has constituted the basis for the development of a new strategic business unit.

In 1992, following the acquisition of several domestic and foreign holdings, this young corporate area was restructured and adapted to cope with the prevailing market conditions. The erstwhile Wienerberger Rohr- und Umwelttechnik GmbH gave way to a new supracordinate company, Wienerberger Rohrsysteme und Abwassertechnik GmbH, with three pillars:

- pipe and environment technology in Austria, for the construction of plants and pipe systems as well as purification technology;
- the KERAMO WIENERBERGER group for clay pipes; and
- the PIPELIFE group for plastic pipes.

The contribution of the PIPELIFE holdings to Wienerberger Rohrsysteme und Abwassertechnik GmbH, the integration of the Austrian clay pipe market in the KERAMO WIENERBERGER group, and the sale of the interest in Okologie Consult GmbH, Sulcrete International A/S, and Rohr- und Umwelttechnik GmbH in Germany were necessary measures to achieve concentration on the core business. The basic divisions - the KERAMO WIENERBERGER group and the PIPELIFE group - carried on with their successful operations. However, in the field of plant construction and pipe systems, purification technology as well as the

production of Sulcrete shaft floors, the envisaged targets have not been attained. On the other hand, Bohr- und Rohrtechnik GmbH closed the year positively according to plan.

Despite the redimensioning measures taken in one sector, the new business unit succeeded in raising its sales by a total of 9.3%.

The Wienerberger pipe systems and sewage technology group is currently active in Austria, Germany, Belgium, France, Hungary, Greece and Turkey. The new clay pipe works in Malaysia started producing in March 1993. Also in the first quarter of 1993, we acquired an interest in a plastic pipe plant in Singapore. The total number of plants thus rose to 19 in nine countries.

KERAMO WIENERBERGER		
in AS million	1991	1992
Net sales	699	576
Cash flow	99	82
Investments	151	111
Staff	571	562
Cash flow/sales	14.2%	9.4%
Sales/staff	1.2	1.6

The KERAMO WIENERBERGER group, established in 1991, has stood out as an internationally oriented, self-contained enterprise dealing with sewage disposal through clay pipes.

In 1992 clay pipes and clay pipe fittings were manufactured at three sites: in Hasselt/Belgium, Zwickau/Germany, and Vienna/Austria. The new plant in Malaysia started operating at the beginning of 1993.

A black and white photograph featuring a silhouette of a person driving a car. The driver is seen from the side, seated in the driver's seat with hands on the steering wheel. The scene is framed by a large, bright circular light source, likely the sun or moon, which creates a strong backlight effect. The car's interior, including the dashboard and seats, is visible as dark shapes against the bright background. The overall composition is centered and evokes a sense of motion and focus.

TIGHTLY
ANCHORED IN
TOMORROW'S
EUROPE!

The new furnace at Hasselt will be ignited in mid-1993, and production in Vienna will at the same time be discontinued. The KERAMO WIENERBERGER group will thus boast an output capacity of 200,000 tons per year.

Apart from optimising the manufacturing process, decisive steps were taken in 1992 in order to strengthen our market position in Germany. They include investments in the extension of the main plant at Hasselt, the improvement of technical advisory services, and measures to enhance product quality in order to comply with the European standard EN 295.

The KERAMO WIENERBERGER group managed to boost its sales by 25.4% last year. In implementing the current investment lot, it took advantage of any and all special depreciation possibilities and other investment benefits. The operational cash flow achieved was thus perceptibly better than evidenced in the balance sheet. Despite an anticipated recession in Germany, the principal market, there is an enormous backlog demand for sewer systems in the five new federal provinces, which permits the KERAMO WIENERBERGER group to expect a further sales increase in 1993.

PIPELIFE		
in AS million	1991	1992
Ncl sales	2,031	2,206
Cash flow	240	209
Investments	47S	286
Staff	1,041	1,076
Cash flow/sales	11.8%	9.5%
Sales/staff	2.0	2.1

The PIPELIFE group, a joint venture with SOLVAY & CIE S.A., went on expanding as well as optimising the existing enterprises in 1992. The year 1992 was characterised by low raw material prices and large production capacities, while demand remained virtually

unchanged. Sales by the group as a whole climbed by 8.6%, although the sales figures of France Tube, Pannonpipe, and Petzetakis are not consolidated.

In 1992 the PIPELIFE group had 13 plants representing it in six European countries.

In Austria, the direct-distribution system was developed further, and four new sales offices were opened. The PIPELIFE Gas Stop constitutes a decisive innovation for the operational safety of gas conduits.

In Germany, activities focused on the amalgamation of the distribution operations of both subsidiaries as well as on the introduction of polyethylene gas and sewer pipes in the market.

In France, demand slowed down. While the sales volume of polyethylene pipes remained nearly constant, sales of drainage pipes suffered a further setback. The first steps in the sewer pipe market were positive as far as quantities are concerned, but impacted adversely on the result owing to technical start-up problems and low introductory prices.

In Hungary, thanks to a government promotion scheme for sewer construction, water supply and telecommunication, PANNONPIPE scored rather high growth rates as regards both sales and earnings.

In Greece, the joint venture "Petzetakis PIPELIFE Polyethylene Pipe Systems S.A." began its activities as at May 1, 1992. Additionally, the "ARILI Plastik Sanayii Anonim Sirketi" in Turkey was integrated into the PIPELIFE group at the beginning of 1993.

In the Czech Republic we set up the "PIPELIFE potrubni systemy spol.s r.o." in 1993.

Prospects are bright overall for 1993. The well-tested strategy will be continued with consistency.

A high-contrast, black and white silhouette of a person with long hair, viewed from the side, looking through the eyepiece of a microscope. The person's hand is visible, adjusting the stage of the microscope. The background is a bright, uniform light, creating a strong silhouette effect. The microscope is a standard compound light microscope with a base, arm, and stage.

RESEARCH
FOR
TOMORROW'S
WORLD!

TREIBACHER CHEMISCHE WERKE

in AS million	1991	1992		1991	1992
Net sales	3,031	3,297	Staff	1,362	1,473
Cash flow	121	79	Cash flow/sales	4.0%	2.4%
Investments ¹⁾	275	292	Sales/staff	2.2	2.2

¹⁾ Addition to tangible assets and financial assets

1 reibacher is the venture unit within the Wienerberger group. The company's activities concentrated on the following five areas last year:

- the Alloymet division deals with ferroalloys and mischmetal.
- the Powdermet division with hardmetal input materials.
- the Auermet division with flints and rare-earth metals,
- the abrasives division with corundum and rare earths, and
- the peroxides division with perborate and percarbonate products

Contrary to Wienerberger's core business, these activities are oriented towards the world markets rather than towards regional markets. Business therefore fully depends on fluctuations of international economies, currency turmoils and metal price trends. Its nature is strongly cyclical.

Accordingly, Treibacher had to fight the recession in North America and Japan in 1992. In eastern Europe, entire markets had disappeared, and full compensation has not been found for them. In addition to this, cut-price competition arose in certain sectors from the CIS countries and the Peoples Republic of China. The development was overshadowed by the international steel crisis and recession symptoms in the motor car and machine industries.

Notwithstanding this general deterioration of the economic environment, which even aggravated in the second half of the year, it was possible to hold the market shares. The high export quota of 85% attests the company's ability to compete in international markets. Production and sales of

the Austrian plants almost reached the previous year's level in respect of quantities, despite the very difficult premises.

As a result of takeovers the group's sales rose by 8.8% while, on the other hand, the parent company's sales proceeds fell by 13,3%. The reasons were twofold: the dollar exchange rate was 6% lower on average than in the year before: and the metal alloy prices continued to topple. Vanadium fell 16%. molybdenum 12%. and nickel even 23%.

Internally, this trend was combated with a consistent savings and rationalisation programme. In the production sector, staff cuts as well as investments and process improvements entailed a distinct productivity increase. The administration, too, became more efficient by reducing staff and material expenses. Yet, these measures succeeded only partially in compensating for the adverse influence coming from outside. The operating result was negative. Only the release of reserves kept the accounts balanced.

Investment activities focused on rationalising the plants, with special emphasis being placed on environment protection. A residual-waste dump was completed for the Austrian factories at a cost of AS 52 million. The three production sites in North America, added in 1991, were made more efficient in respect of productivity and environment control. In Italy, the 50% interest in Eurocorundum was topped up to 100%. In the flints sector, the joint venture with the ICMNZ group in Kazakhstan started production at the beginning of 1993.

The difficult economic conditions cannot yet be expected to ease in 1993. at least not in the first half.



IN THE
STYLE
OF OUR
TIME!

OAG HANDELSBETEILIGUNGEN

in AS million	1991	1992		1991	1992
Net sales	2,477	2,714	Staff	743	815
Cash flow	101	131	Cash flow/sales	4.1%	4.8%
Investments ¹⁾	64	112	Sales/staff	3.3	3.3

¹⁾ Addition to tangible assets and financial assets

In 1992 the OAG group asserted its position as a leading Austrian trading company for sanitary and heating systems as well as water supply and water disposal. The three distributing entities OAG Sanitar- und Heizungsgrosshandels GmbH, Kontinentale HandelsgmbH, and Unisan Handels- und Marketingservice GmbH provide the target groups - the plumbing trade, industries and municipalities - with their services.

Despite the decelerating building boom and the decreasing capacity utilisation of the plumbing enterprises it was possible to lift the sales by 9.5% and improve the earnings situation of all the member companies.

OAG Sanitar- und Heizungsgrosshandels GmbH, using its refurbished central warehouse at Wels, expanded its product range selectively in the area of building and assembling technology. Special emphasis was placed on certain features of the heating sector.

Kontinentale HandelsgmbH also improved its earnings, although its business in the local government domain was adversely affected by handling problems of the 'Okofonds'. In the industry sector it went on developing favourably.

The group's corporate identity and corporate design were revised to improve external and internal communication. Within the framework of these activities, Österreichische Armaturen AG has been renamed OAG Handelsbeteiligungs AG, and

Osterreichische Armaturen-Konti GmbH is now OAG Sanitar- und Heizungsgrosshandels GmbH.

In 1993 the new corporate design of the OAG group is to be materialised step by step.

Abroad, expansion was substantially accelerated by the activities of Haustechnik HandelsgmbH in the new German federal provinces. The initial operation of a second logistics centre in Berlin resulted in a considerable sales boost, although the market is hotly contested there. The expansion of the distribution network was continued with the opening of a plumbing centre at Halle.

In Hungary, the unfavourable economic parameters did not prevent our subsidiary, MART Kft., from increasing its sales volume. As it has thereby reached the capacity limits of the existing operations, plans have been initiated for a logistics centre and further cash-and-carry markets.

In the Czech Republic, CESARO spol.s r.o. concluded the first full business year with a positive result. A logistics centre, a plumbing centre and a display room serve the city of Prague and large parts of Bohemia.

Given the economic downtrend, the current business year will see no growth in real terms, but nevertheless a qualitative improvement of the sales structure. Expansion abroad is to be consistently pushed to produce a correspondingly adequate contribution to the result.



THE
FUTURE
ON
STABLE
GROUNDS!

REAL ESTATE/PROPERTY

in AS million	1991	1992		1991	1992
Net sales	307	283	Staff	134	133
Cash flow	415 ¹⁾	210	Cash flow ¹⁾ /sales	60.9%	74.2%
Investments ²⁾	1,014	961	Sales/staff	2.3	2.1

¹⁾ of which AS 228 million from real estate sales

²⁾ Additions to tangible assets and financial assets
³⁾ not including real estate proceeds

The Wienerberger group owns extensive real estate, originally land used for the production of bricks. Within the framework of its industrial expansion at home and abroad the total real estate area was increased substantially. It includes industrial sites, raw material estates, agriculture and forestry areas, as well as building plots and potential building land.

Wienerberger Immobilien AG has concentrated its development on the realisation of the "living office" conception in the BUSINESS PARK VIENNA project. The basic idea is the creation of a new working scenario, where the people not only have a place to work but also all the facilities required for shopping, communication, leisure and sports. The BUSINESS PARK VIENNA is being developed as an integral real estate project. In its first phase it comprises an office area of 65,000 m² in four buildings, a 250-room Holiday Inn Crowne Plaza hotel, a shopping mall to cover day-to-day requirements, as well as restaurants and conference rooms. Construction work, commenced in 1991, has proceeded according to plan; the roof timbers were erected for the office buildings A and B, and completion is scheduled for the first half of 1993.

The building units C and D with the highrise building at Wienerbergstrasse have been under construction since March 1992 and are to be finished in the first half of 1994. The budgeted building costs continue to remain under plan. The most significant result in 1992 was the 100% lease-out of the first building section. The lessees include Asea Brown Boveri, Rank Xerox, Austria Telecommunication, and Wienerberger Ziegelindustrie AG. A lease contract for the Holiday Inn Crowne Plaza hotel was concluded in September. Inclusive of the

shopping areas, for which there are seriously interested potential tenants, the lease of the entire project is now assured to the extent of 66%, two years ahead of its completion.

Another important project was the full development for construction of about 190,000 m² of land in the south of Vienna. The project is expected to contribute more than AS 100 million to the overall result. However, in view of the planned housing promotion campaign of the Federal Government and the Federal Provinces, the sale has been postponed to achieve an even better result.

In the refuse-dump sector the existing rubble dumps as well as the special-waste dump at Leopoldsdorf were operated successfully. In addition to this, several dump sites in Austria and abroad were fully developed for operation.

WIPARK Garagen GmbH operates 17 parking garages with 6,000 spaces. The promotion of public transport in Vienna's central districts led to a decline in the number of short-term parkers by 10%. Increased publicity brought additional long-term parking customers, and the capacity utilisation of the parking garages was by and large maintained on the previous year's level. To enhance the user-friendliness further, nine major parking garages introduced cashless payments with cash-dispenser cards or credit cards direct at the exit terminal. Net income from parking garage operations rose by 4.6% in the year under review.

Over and above this, the property division holds a 100% interest in Wienerberger Ofenkachel GmbH as well as a 26% interest, acquired last year, in Gmundner Zementwerke Hans Hatschek AG.

FORECAST FOR 1993

Entrepreneurs must not be pessimists or optimists - they must be realists. A reality-related forecast reveals an intensification and aggravation of the recessionary trends. The economic downturn could encompass the whole world and assume crisis dimensions. This assumption is underpinned by the extent and the amount of imbalances and unsolved political and economic problems. What will be decisive is not the produced assets, but only the prices you pay for them - the very prices which can be realised in the future.

Yet every crisis has its chances. The problems more or less concern all of us. This is why they also offer an opportunity to stand out.

In the past years Wienerberger has not only expanded strongly and grown international. It has also selectively and consistently prepared for a potential deterioration of the economic environment.

The results of this preparatory effort

are extensive industrial resources, earning power, cost efficiency, innovation, manpower, and a clear strategy.

Our activities are spread in balanced proportions according to the portfolio principle among four operating strategic business units, which are secured by a sound and solid real estate and property unit. The individual business units are self-contained and complement each other. Our traditional business is local business; it already covers ten national markets in Europe. Added to it were the first bases in North America and Asia. Even our investment policy follows the portfolio principle: 30% of the investments in Europe have so far gone to the east and 70% to the west. Furthermore, our core business is not too dependent on economic trends: housing is a basic need. In most of our markets there is a tremendous backlog demand for it, but it must be possible to finance it in order to be effective. In addition to this, we have worked hard to gain competitive advantages in respect of technology, costs and tempo.

We therefore look into the future with confidence and realism. Even if the economic situation were to worsen considerably in the long term, Wienerberger's business units, well prepared and well planned, will hold their lead in the market and extend it further.

Another possibility to improve the results is the exploitation of the success potentials which have been selectively created in the past years. Optimising existing areas will become more important than expanding into new ones. Many activities are still in their growth phase - the harvest is still to come.

Based on these considerations, we have put up a very ambitious budget for 1993. It provides for an increase in group sales from AS 11,700 million to AS 12,500 million - not including the planned acquisitions. The cash flow is to go up from AS 1,100 million to AS 1,400 million.

In the first few months of this year our plans have proved realistic. The following focal measures have contributed to this development:

- Wienerberger Ziegelindustrie AG acquired two new plants in North Rhine-Westphalia with an output of 60 million standard bricks;
- the purchase of the Bataszek plant with an output of 60 million standard bricks secured an important base for the supply of the Hungarian market throughout the whole territory;
- the new clay pipe plant in Malaysia, built within the framework of the joint venture with KERAMO, started operating according to plan;
- the conclusion of a joint-venture agreement with the Chinese Hong Leong group on the construction of a plastic-pipe factory constituted a second step into the growth markets of the Far East.

These measures have sustained our expansion policy. For us the year 1993 is a new challenge which we will meet with great effort. The development of our business to date strengthens our confidence that 1993 will be another year of above-average success.

**FINANCIAL STATEMENT 1992
WIENERBERGER
BAUSTOFFINDUSTRIE
AKTIENGESELLSCHAFT**

Balance Sheet as at December 31, 1992

Profit and Loss Account
for the 1992 Business Year

Development of the Fixed Assets
in the 1992 Business Year

Development of the Valuation Reserve
in the 1992 Business Year

BALANCE SHEET AS AT DECEMBER 31, 1992

Assets

	AS	AS	Status as at Dec. 31, 1992 AS	Status as at Dec. 31, 1991 AS
A. Fixed assets				
1. Intangible assets				
Franchises, rights, patents and licenses		27,507,063		30,120,191
II. Tangible assets				
1. Built-up land and buildings on land not owned by the company	217,651,570			13,060,555
2. Land not built up	151,002,832			131,119,686
3. Machines and machine plants	26,927,002			34,995,232
4. Tools, fixtures, furniture and office equipment	29,081,915			45,284,174
5. Downpayments made and plants under construction	0			1,018,117
		424,663,319		225,477,764
III. Financial assets				
1. Participations	4,237,658,521			3,951,543,693
2. Other investments in fixed rate securities	106,951,143			105,602,391
		4,344,609,664		4,057,146,084
			4,796,780,046	4,312,744,039
B. Current assets				
I. Claims and other assets				
1. Accounts receivable from the sale of goods and services	8,635,793			11,466,596
2. Claims against consolidated group affiliates	771,489,454			770,680,682
3. Claims against non-consolidated participations	55,156,018			7,018,480
4. Other claims and assets	181,370,377			49,471,055
		1,016,651,642		838,636,813
II. Securities and shares				
Other securities and shares		766,891,883		747,791,960
III. Cash in hand, cheques, balances with banks		154,142,144		294,201,257
			1,937,685,669	1,880,630,030
C. Deferred items				
			3,893,686	756,755
			6,738,359,401	6,194,130,824

WIENERBERGER BAUSTOFFINDUSTRIE AG

				Liabilities
		AS	AS	
			Status as at Dec. 31, 1992 AS	Status as at Dec.31, 1991 AS
A. Own resources				
1. Share capital		390,420,200		319,124,000
II. Contribution earmarked for capital increase		90,000,000		0
III. Capital reserves				
1. Earmarked reserves	4,051,489,366			3,861,285,566
2. Reserves not earmarked	433,981,106			430,481,106
		4,485,470,472		4,291,766,672
IV. Profit reserves				
Other reserves		303,189,218		95,898,436
V. Accounting profit				
1. Profit brought forward	330,909			317,481
2. Profit for the year	132,565,645			105,324,348
		132,896,554		105,641,829
			5,401,976,444	4,812,430,937
B. Untaxed reserves				
1. Valuation reserve due to special depreciation		676,475,982		446,628,436
2. Reserves pursuant to Sec. 10 Income Tax Act 1988		32,845,520		33,011,340
3. Reserves pursuant to Sec. 12 Income Tax Act 1988		124,112,266		459,445,092
			833,433,768	939,084,868
C. Provisions				
1. Provisions for severance payments		10,656,066		9,146,247
2. Provisions for pensions		44,787,304		43,412,537
3. Provisions for taxes		32,781,306		26,436,306
4. Other provisions		80,510,533		102,626,526
			168,735,209	181,621,616
D. Liabilities				
1. Due to banks		45,148,028		100,210,036
2. Accounts payable from the purchase of goods and services		5,007,219		6,550,694
3. Due to consolidated group affiliates		250,020,501		136,293,359
4. Due to non-consolidated participations		1,824,599		3,185,808
5. Other liabilities		32,213,633		14,753,506
			334,213,980	260,993,403
			6,738,359,401	6,194,130,824

PROFIT AND LOSS ACCOUNT 1992

	AS	1992 AS	1991 AS
1. Proceeds from sales		65,098,042	66,320,276
2. Other operational income			
a) Income from the disposal of fixed assets	44,141,080		221,396,402
b) Income from the release of provisions	1,387,946		1,631,870
c) Others	9,072,170		17,244,769
		54,601,196	240,273,041
3. Staff expenses			
a) Wages	976,303		1,293,703
b) Salaries	38,837,869		36,490,132
c) Severance compensation and pension payments	8,069,708		7,534,982
d) Payments of legal social levies as well as levies and compulsory contributions depending on the remuneration	6,006,709		5,706,200
e) Other social expenses	2,375,248		2,529,761
		56,265,837	53,554,778
4. Depreciation of intangible and tangible assets		29,513,144	30,071,185
5. Other operational expenses			
a) Taxes	27,812,109		25,079,371
b) Others	39,850,629		36,409,952
		67,662,738	61,489,323
6. Subtotal of 1. to 5.		-33,742,481	+ 161,478,031
7. Income from participations	303,458,740		88,981,459
8. Interest income, income from securities and similar income	173,182,016		150,331,606
9. Income from the disposal of and additions to financial assets	253,449		9,575,011
10. Expenses from participations	168,750,452		24,498,531
Depreciation of other investments in fixed-rate securities	799,303		884,700
•/ Interest and similar expenses	24,660,283		14,130,227
13. Subtotal of 7. to 12.		+282,684,167	+209,374,618
14. Result from ordinary activities		+248,941,686	+370,852,649

WIENERBERGER BAUSTOFFINDUSTRIE AG

	AS	1992 AS	1991 AS
Carried over		+248,941,686	+370.852,649
15. Extraordinary expenses = extraordinary result		5,158,808	10,587,275
16. Expenses in connection with the capital increase			
a) Capital taxes	8,306.496		20.210,680
b) Others	1.284,537		2,275,363
		9,591,033	22.486,043
Surplus of the year		234,191,845	337,779,331
18. Release of untaxed reserves		153,490,934	16,996,336
19. Allocation to untaxed reserves		47,839,834	248,861,690
20. Allocation to free profit reserves		207,277,300	589,629
21. Profit of the year		132,565,645	105,324,348
22. Profit brought forward from the previous year		330,909	317,481
23. Accounting profit		132,896,554	105,641,829

Vienna, March 1993

The Managing Board

Wolfgang Reithofer

Erhard Schaschl
Chairman

Paul Tanos

According to the results of our statutory examination, the accounting and the Financial Statement are in accordance with the legal requirements. By adhering to the principles of proper accounting, the Financial Statement reflects as truly as possible the company's assets as well as its financial and earnings situation. The Report on the Current Situation agrees with the Financial Statement 1992.

Vienna, April 22. 1993

KPMG Austria

Wirtschaftsprüfungs-Gesellschaft m.b.H.

(signed) Hruschka
Certified Public
Accountant and Tax
Consultant

(signed) Zejmon
Tax Consultant

DEVELOPMENT OF THE FIXED ASSETS IN THE 1992 BUSINESS YEAR

	Acquisition value as at Jan. 1, 1992 AS	Additions AS
Fixed assets		
1. Intangible assets		
Franchises, rights, patents, licenses	37,252,622	0
II. Tangible assets		
1. Built-up land and buildings on land not owned by the company		
a) land value of factory buildings	3,823,261	142,927,000
b) building value of factory buildings	24,601,511	63,943,000
c) land value of residential buildings	1,620,890	0
d) building value of residential buildings	5,483,323	0
e) buildings in leased land	1,219,578	0
	36,748,563	206,870,000
2. Land not built up	132,050,890	37,432,635
3. Machines and machine plants	50,687,131	0
4. Tools, fixtures, furniture and office equipment	96,066,331	1,180,944
5. Downpayments made and plants under construction	1,018,117	0
	316,571,032	245,483,579
III. Financial assets		
1. Participations	3,951,543,693	670,865,220
2. Other investments in fixed-rate securities	106,613,878	3,063,140
	4,058,157,571	673,928,360
	4,411,981,225	919,411,939

WIENERBERGER BAUSTOFFINDUSTRIE AG

Disposals AS	Accumulated depreciation AS	Book value as at Dec. 31, 1992 AS	Book value as at Jan. 1, 1992 AS	Depreciation 1992 AS
0	9,745,559	27,507,063	30,120,191	2,613,128
0	0	146,750,261	3,823,261	0
0	20,266,707	68,277,804	5,800,755	1,465,951
725,634	0	895,256	1,620,890	0
0	3,755,079	1,728,244	1,815,644	87,400
0	1,219,573	5	5	0
725,634	25,241,359	217,651,570	13,060,555	1,553,351
17,549,489	931,204	151,002,832	131,119,686	0
0	23,760,129	26,927,002	34,995,232	8,068,230
935,576	67,229,784	29,081,915	45,284,174	17,278,435
1,018,117	0	0	1,018,117	0
20,228,816	117,162,476	424,663,319	225,477,764	26,900,016
226,500,838	158,249,554	4,237,658,521	3,951,543,693	158,249,554
1,714,388	1,011,487	106,951,143	105,602,391	0
228,215,226	159,261,041	4,344,609,664	4,057,146,084	158,249,554
248,444,042	286,169,076	4,796,780,046	4,312,744,039	187,762,698

DEVELOPMENT OF THE VALUATION RESERVE IN THE 1992 BUSINESS YEAR

a) Valuation reserve pursuant to Section 8 Income Tax Act 1972

	Status as at Jan. 1, 1992 AS	Disposals AS	Use AS	Status as at Dec. 31, 1992 AS
<hr/>				
Fixed assets				
1. Intangible assets				
Franchises, rights, patents, licenses	0	0	0	0
	<hr/>			
II. Tangible assets				
1. Built-up land and buildings on land not owned by the company				
a) land value of factory buildings	0	0	0	0
b) building value of factory buildings	1,741,966	0	347,378	1,394,588
c) land value of residential buildings	0	0	0	0
	1,741,966	0	347,378	1,394,588
	<hr/>			
2. Land not built up	0	0	0	0
3. Machines and machine plants	0		0	0
4. Tools, fixtures, furniture and office equipment	57,062	0	25,326	31,736
	1,799,028	0	372,704	1,426,324
	<hr/>			
III. Financial assets				
Participations	0	0	0	0
	1,799,028	0	372,704	1,426,324
	<hr/>			

WIENERBERGER BAUSTOFFINDUSTRIE AG

b) Valuation reserve pursuant to Section 12 Income Tax Act 1988

	Status as at Jan. 1,1992 AS	Allocation AS	Release AS	Status as at Dec. 31,1992 AS
Fixed assets				
1. Intangible assets				
Franchises, rights, patents, licenses	0	0	0	0
II. Tangible assets				
1. Built-up land and buildings on land not owned by the company				
a) land value of factory buildings	1,070,308	142,927.000	0	143,997,308
b) building value of factory buildings	0	63,943,000	639,430	63,303.570
c) land value of residential buildings	14,824	0	0	14,824
	1,085,132	206,870,000	639,430	207,315,702
2, Land not built up	85,496,475	35,676,645	11,686,965	109,486,155
3, Machines and machine plants	0	0	0	0
4. Tools, fixtures, furniture and office equipment	0	0	0	0
	86,581,607	242,546,645	12,326,395	316,801,857
III. Financial assets				
Participations	358,247,801	0	0	358,247.801
	444,829,408	242,546,645	12,326,395	675,049.658

FINANCIAL STATEMENT 1992 WIENERBERGER GROUP

Consolidated Balance Sheet as at December 31, 1992

Consolidated Profit and Loss Account
for the 1992 Business Year

Development of the Fixed Assets
in the 1992 Business Year

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 1992

Assets

	Status as at Dec. 31, 1992 in AS 1,000	Status as at Jan. 1, 1992 in AS 1,000
A. Fixed assets		
1. Intangible assets		
1. Franchises, rights, patents, licenses	263,849	325,302
2. Goodwill	41,149	62,431
	<u>304,998</u>	<u>387,733</u>
II. Tangible assets		
1. Built-up land and buildings on land not owned by the company	2,868,977	2,378,477
2. Land not built up	404,414	443,402
3. Machines and machine plants	1,831,210	1,641,782
4. Tools, fixtures, furniture and office equipment	421,828	395,833
5. Downpayments made and plants under construction	862,704	296,532
	<u>6,389,133</u>	<u>5,156,026</u>
III. Financial assets		
1. Participations	449,799	292,689
2. Lending	17,948	15,556
3. Other investments in (rights to) fixed-rate securities	268,742	212,787
	<u>736,489</u>	<u>521,032</u>
	<u>7,430,620</u>	<u>6,064,791</u>
B. Current assets		
I. Inventories		
1. Raw materials and supplies	365,569	382,610
2. Unfinished products	274,266	257,868
3. Finished products and merchandise	1,264,457	1,211,799
4. Downpayments made	25,635	7,145
	<u>1,929,927</u>	<u>1,859,422</u>
II. Claims and other assets		
1. Accounts receivable from the sale of goods and services	2,456,753	2,496,528
2. Claims against consolidated group affiliates	49,837	119,850
3. Other claims and assets	608,004	410,255
	<u>3,114,594</u>	<u>3,026,633</u>
III. Securities and shares	812,548	843,246
IV. Cash in hand, cheques, balances with banks	1,102,188	1,011,154
	<u>6,959,257</u>	<u>6,740,455</u>
C. Deferred items	27,296	32,884
TOTAL ASSETS	<u>14,417,173</u>	<u>12,838,130</u>

WIENERBERGER GROUP

		Liabilities
	Status as at Dec. 31, 1992 in AS 1,000	Status as at Jan. 1, 1992 in AS 1,000
A. Own resources		
1. Share capital	390,420	319,124
II. Contribution earmarked for capital increase	90,000	0
III. Capital reserves	2,626,595	2,596,901
IV. Profit reserves	2,495,223	2,196,571
V. Accounting profit	132,897	105,641
VI. Difference resulting from capital consolidation	176,653	213,041
VII. Equalisation items for shares of other shareholders/partners	968,575	1,048,952
	6,880,363	6,480,230
B. Provisions		
1. Provisions for severance payments	270,392	295,594
2. Provisions for pensions	267,236	220,721
3. Provisions for taxes	484,309	378,316
4. Other provisions	781,657	660,741
	1,803,594	1,555,372
C. Liabilities		
1. Bonds	91,967	0
2. Due to banks	2,842,734	2,414,663
3. Downpayments received on orders	55,511	72,668
4. Accounts payable from the purchase of goods and services	895,073	941,944
5. Accounts payable from the acceptance of drawn bills of exchange and the issuance of own bills of exchange	266,025	310,499
6. Due to consolidated group affiliates	16,936	16,177
7. Other liabilities	1,201,976	634,556
	5,370,222	4,390,507
D. Deferred items	362,994	412,021
TOTAL LIABILITIES	14,417,173	12,838,130

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE 1992 BUSINESS YEAR

in AS 1,000

1. Net sales	11,711,026
2. Diminution of the inventory of finished and unfinished products	-90,657
3. Company-generated assets considered in the fixed assets	29,289
4. Other operating income	397,300
Operating performance (subtotal of 1. to 4.)	12,046,958
5. Expenditures for materials and relevant services	-6,535,406
6. Staff expenses	-2,523,348
7. Depreciation of intangible and tangible assets	-712,196
8. Other operating expenses	-1,606,785
9. Operating result (subtotal of 1. to 8.)	669,223
10. Income from participations	60,934
11. Interest income, income from securities and similar income	381,175
12. Income from the disposal of and additions to financial assets	5,409
13. Expenses from participations	-3,257
14. Depreciation of other financial assets and of other investments in fixed rate securities	-149,706
15. Interest and similar expenses	-337,738
16. Financial result (subtotal of 10. to 15.)	-43,183

WIENERBERGER GROUP

in AS 1,000

17. Result from ordinary activities	626,040
18. Extraordinary result	-69,770
19. Taxes on income and earnings	-178,121
20. Surplus of the Year	378,149
21. Share of other shareholders/partners in the result	56,931
22. Surplus of the year excluding the share of other shareholders/partners	435,080

Vienna, April 1993

The Managing Board

Wolfgang Reithofer

Erhard Schaschl
Chairman

Paul Tanos

According to the results of our statutory examination, the Consolidated Financial Statement is in accordance with the legal requirements. By adhering to the principles of proper accounting, the Consolidated Financial Statement reflects as truly as possible the company's assets as well as its financial and earnings situation. The Report on the Group's Current Situation agrees with the Financial Statement.

Vienna, April 30, 1993

KPMG Austria

Wirtschaftsprüfungs-Gesellschaft m.b.H.

(signed) Hruschka

Certified Public Accountants and Tax Consultants

(signed) Hassler

DEVELOPMENT OF THE FIXED ASSETS IN THE 1992 BUSINESS YEAR

	Acquisition value as at Jan. 1, 1992 in AS 1,000	Additions 1992 in AS 1,000	Disposals 1992 in AS 1,000
Fixed assets			
1. Intangible assets			
1. Franchises, patents and similar rights and privileges as well as the licenses derived therefrom	476,735	16,299	5,322
2. Goodwill	65,225	3,351	0
3. Downpayments made	0	177	0
	541,960	19,827	5,322
II. Tangible assets			
1. Built-up land and buildings on land not owned by the company			
land value	1,152,001	260,444	1,062
building value	2,164,736	344,692	36,005
2. Land not built up	479,746	0	52,899
3. Machines and machine plants	3,923,188	545,754	274,759
4. Tools, fixtures, furniture and office equipment	1,166,721	196,363	118,122
5. Downpayments made and plants under construction	311,574	723,414	22,080
	9,197,966	2,070,667	504,927
III. Financial assets			
1. Participations	499,520	309,830	263,953
2. Lending	15,939	4,129	1,670
3. Other investments in (rights to) fixed-rate securities	243,864	66,351	52,359
4. Downpayments made	0	0	0
	759,323	380,310	317,982
Total	10,499,249	2,470,804	828,231

WIENERBERGER GROUP

Account transfers in AS 1.000	Accumulated depreciation in AS 1,000	Book value as at Dec. 31. 1992 in AS 1,000	Book value as at Jan. 1, 1992 in AS 1,000	Depreciation 1992 in AS 1,000
1,387	225.250	263,849	325.302	46,669
0	27,427	41,149	62,431	5,782
-177	0	0	0	0
1,210	252,677	304,998	387,733	52,451
0	15,362	1,396,021	1.314,485	3,826
52.284	1,052.751	1,472,956	1.063.992	108.614
0	22.433	404,414	443,402	5,441
121,959	2.484.932	1,831,210	1,641,782	357,894
-29,642	793.492	421,828	395,833	182.409
-145,811	4,393	862,704	296,532	1,561
-1,210	4,373,363	6,389,133	5,156,026	659,745
-15,439	80,159	449,799	292.689	2.942
0	450	17,948	15,556	0
15,439	4,553	268,742	212,787	235
0	0	0	0	0
0	85,162	736,489	521,032	3,177
0	4,711,202	7,430.620	6,064,791	715,373

**ANNEX
WIENERBERGER
BAUSTOFFINDUSTRIE AG
AND
WIENERBERGER GROUP**

Introductory statement

Legal Status

Principles of Accounting and Valuation

Principles of Consolidation

Notes on the Balance Sheet

Notes on the Profit and Loss Account

Introductory statement

Already since 1990 the financial statements of Wienerberger Baustoffindustrie AG have been drawn up on the basis of the new Austrian Accounting Act (AA) of June 28, 1990. The required organisational measures having now been taken, a consolidated financial statement of the Wienerberger business group has for the first time been prepared for the 1992 business year. The basis for this Consolidated Financial Statement is a group opening balance sheet as at January 1, 1992, in which the assets and liabilities have been valued according to the uniform rules applied by the Wienerberger group.

The untaxed reserves evidenced in the individual closing accounts of the supra-ordinate group members as well as the consolidated and non-consolidated group affiliates have been stated in the profit reserves after deduction of dormant taxes. The asset-side differences arising from the consolidation have been offset against reserves pursuant to Sections 254 and 261 of the Commercial Code, while the difference amounts on the liabilities side have been separately evidenced under own resources.

In the Consolidated Profit and Loss Account advantage has been taken of Article X, paragraph 7, of the Accounting Act, according to which the indication of the previous year's comparative figures may be dispensed with when the new law is applied for the first time. The preparation of a new financial statement for the previous year on the lines of the Accounting Act would not have been justified for economic reasons.

The individual closing accounts of the domestic and foreign companies, which have been incorporated in the Consolidated Financial Statement, have been examined by certified public accountants and attested by them unconditionally and without restrictions. The due transition from the Commercial

Balance Sheets I to the Commercial Balance Sheets II has likewise been certified.

To enhance the clarity, individual items in the Consolidated Balance Sheet and the Consolidated Profit and Loss Account have been combined. They are listed separately in the Annex.

Legal Status

Wienerberger Baustoffindustrie AG is the parent company of the Wienerberger business group. In its capacity as the supra-ordinate group member it is responsible for the strategic management of its holdings as well as the active administration of its real estate and property. Organisationally, the Wienerberger group is made up of five strategic business units, each of which is headed by an operative Austrian supra-ordinate company. The organisational structure can be gathered from the organisation chart on pages 18/19 of the Annual Report.

Principles of Accounting and Valuation

The financial statements have been prepared according to the principles of proper accounting and by adhering to the general standard, which is to reflect as truly as possible the company's assets as well as its financial and earnings situation. All the identifiable risks have been taken care of through reasonable provisions made on the principle of business prudence.

Acquired intangible assets have been valued and listed on the assets side at their acquisition cost and depreciated according to plan.

The tangible assets have been valued at acquisition cost or production cost, less depreciation according to schedule. The depreciation rates depend on the usual service life of the individual fixed assets. The regular

straight-line depreciation has been assessed on the basis of the following service life periods:

Buildings	10-50 years
Machines	5-15 years
Fixtures, furniture and office equipment	5-10 years

Full annual depreciation has been applied to additions effected in the first half of the year, half the annual depreciation rate for those effected in the second half. Small-value assets have in principle been fully depreciated in the year of their acquisition.

Participations - with the exception of the non-consolidated enterprises which have been valued according to the equity method - have been stated at their historical acquisition cost in the Consolidated Balance Sheet. Lower values have been evidenced, if a permanent diminution of the value is anticipated.

Inventories have been stated according to the strict lower-of-cost-or-market principle. The production costs are composed of individual costs and pro-rata overheads. Claims and other assets have been recorded with the nominal value, unless a lower value was indicated in the case of individual identifiable risks. General credit risks were accounted for by an overall provision for possible losses. The other investments in fixed-rate securities have been evidenced at acquisition cost, or at the lower value quoted as at the balance sheet date.

All the untaxed reserves listed in the individual balance sheets have been evidenced as profit reserves after deduction of dormant taxes pursuant to Section 253, paragraph 3, of the Commercial Code.

Provisions for pensions and severance compensation were made on actuarial principles on the basis of the Ettl/Pagler computation schedules and at an interest rate

of 6%. Tax was paid on the difference between this amount and the amount admissible pursuant to Section 14 of the Income Tax Act.

The other provisions take into account all the risks, as well as liabilities whose amount has not yet been determined, that can be identified on the grounds of reasonable commercial practice.

The liabilities have been stated with their nominal value, or the amount in which they are to be repaid, if it is higher.

The balance sheet items of our foreign subsidiaries have been converted in Austrian schillings at the mean exchange rate quoted on the balance sheet date.

The Profit and Loss Account has been prepared on the basis of the total-cost method.

Principles of Consolidation

The consolidation of the enterprises included in the Consolidated Financial Statement has been effected on the basis of the audited financial statements of the individual companies as at December 31, 1992, which have been prepared on uniform guidelines.

The capital consolidation was made in accordance with the book-value method, with the acquisition cost for the shares in the subsidiaries being settled against the pro-rata capital resources at the date of acquisition. The consolidation equalisation items, remaining after the allocation of asset-side difference amounts to assets, have been offset against reserves pursuant to Section 261, paragraph 1, of the Commercial Code. Differences on the liabilities side have been stated separately as capital resources.

Participations in non-consolidated enterprises (with an interest below 50%) have been valued according to the equity method pursuant to Section 264 of the Commercial

Code. The valuation bases are the latest available financial statements of these companies. The asset-side differences arising from the first consolidation have been deducted direct from the reserves.

In accordance with the provisions of Section 253, paragraph 3, of the Commercial Code, untaxed reserves have been listed as profit reserves after deduction of dormant taxes. The relevant dormant taxes have been recorded in the provisions for taxes.

Within the framework of debt consolidation, amounts receivable from the

sale of goods and services have been offset against the corresponding liabilities and provisions.

Provisions were made pursuant to Section 258 of the Commercial Code for the dormant taxes arising from the consolidation of debts, expenses and income. Deferred taxes are included in the provisions for taxes,

The equalisation item for shares of other shareholders/partners evidences participations of outsiders in consolidated enterprises.

Consolidation range

The consolidation range comprises the following domestic and foreign companies:

Company	Share capital in AS million	Percentage share
Austria		
Wienerberger Ziegelindustrie AG	300.0	100.0
Steirische Ziegelwerke Ges.m.b.H.	0.5	74.0
BRAMAC Dachsteinwerk Ges.m.b.H.	40.0	50.0
BRAMAC International Anlagenbau- und Beteiligungs-Ges.m.b.H.	60.0	50.0
Quarzsandwerk Ges.m.b.H.	8.5	50.0
Wienerberger Rohrsysteme und Abwassertechnik Ges.m.b.H.	200.0	100.0
Bohr- und Rohrtechnik Ges.m.b.H.	25.0	100.0
Wienerberger Rohr- und Umwelttechnik Ges.m.b.H.	10.0	100.0
Wienerberger Umwelttechnik Produktionsges.m.b.H.	10.0	100.0
Freunschlag & Comp. Ges.m.b.H.	0.5	75.0
KERAMO Wienerberger Steinzeugwerk Wien Ges.m.b.H.	3.5	50.0
PIPELIFE International Holding Ges.m.b.H.	4.0	50.0
PIPELIFE Rohrsysteme Ges.m.b.H.	60.0	50.0
Treibacher Chemische Werke AG	300.0	50.4
Grondmet Handelsges.m.b.H.	1.0	45.4
GAG Handelsbeteiligungs Aktiengesellschaft	160.0	95.0
GAG Sanitar- und Heizungsgroßhandels GmbH	67.0	95.0

Company	Share capital in AS million	Percentage share
Kontinentale Handelsges.m.b.H.	10.0	97.5
Technotrans Logistikservice Ges.m.b.H.	5.0	95.0
Unisan Handels- und Marketingservice Ges.m.b.H.	0.5	95.0
GAG-Vermietungsges.m.b.H	0.5	95.0
Wienerberger Beteiligungsverwaltungs- ges.m.b.H.	275.0	100.0
Wienerberger Immobilien AG	800.0	73.2
BUSINESS PARK VIENNA Holding Ges.m.b.H.	5.0	73.2
Bauteile A+B Errichtungsges.m.b.H.	0.5	73.2
Bauteile C+D Errichtungsges.m.b.H.	0.5	73.2
Bauteil E Errichtungsges.m.b.H.	25.0	73.2
Bauteil H Errichtungsges.m.b.H.	0.5	73.2
BUSINESS PARK VIENNA Hotelbetriebsges.m.b.H.	0.5	73.2
WIPARK Leasing Ges.m.b.H.	100.0	100.0
WIPARK Garagen Ges.m.b.H.	0.5	100.0
Garage am Beethovenplatz Ges.m.b.H.	0.6	100.0
Garage am Beethovenplatz Ges.m.b.H. & Co. KG	1.7	100.0
Luegerplatz Garage Ges.m.b.H.	1.5	100.0
Mineralstoffverwertungs-Ges.m.b.H.	50.0	100.0
Forstbetrieb Scheiberhof Ges. m. b. H.	11.5	100.0
Forstbetrieb Schopfl Ges.m.b.H.	5.0	100.0
Wienerberger Ofenkachel Ges. m. b. H.	5.0	100.0
Wienerberger Versicherungs-Service Ges.m.b.H.	0.5	60.0

Company	Share capital in million	Percentage share
<u>Abroad:</u>		
WienerbergerZiegelindustrie GmbH & Co.	17.5 DM	100.0
WZI-Finanz S.A.	12.5 DM	100.0
Wienerberger Ziegelindustrie Verwaltungs-GmbH	0.05 DM	100.0
Wienerberger Ziegelindustrie Deutschland GmbH	8.3 DM	100.0
Schlagmann BeteiligungsgmbH	0.05 DM	50.0
Schlagmann Baustoffwerke GmbH & Co KG	6.0 DM	50.0
Wienerberger Systemschornstein GmbH	0.13DM	100.0
KAMTEC Schornsteintechnik GmbH	0.6 DM	100.0
Hungaria-Wienerberger-Teglaipari Rt.	2,840.0 HUF	73.6
Vaz Keramia es Burkolotegla Kft.	287.7 HUF	81.5
Wienerberger-Cesko-MoravskeCihelny spol.sr.o	0.1 KCS	100.0
Wienerberger-Slovenska-Tehlaren spol.s r.o	0.1 KCS	100.0
Wienerberger Slovenske Tehelne spol.s r.o	200.0 KCS	65.0
Wienerberger Moravsky Cihlarsky Prumysl A.S.	119.9 KCS	55.0
BRAMAC Kft.	2,005.6 HUF	28.5
BRAMAC D.O.O.	386.1 SLT	31.3
BRAMAC spol.s r.o	329.4 KCS	28.5
Wienerberger Ecology Technics B.V.	3.2 HFL	100.0
PIPELIFE Rohrsysteme Golzau GmbH	0.5 DM	50.0
PIPELIFE Rohrsysteme GmbH Bad Zwischenahn	8.2 DM	50.0
PIPELIFE Elektrorohr GmbH	0.05 DM	50.0
PIPELIFE France S.A.	128.1 FF	50.0
Societe Mediterraneene de Plastiques AgricolesS.A.	3.85 FF	50.0
Societe d'Etudes de Recherche et d'Applications des Plastiques S.A.	2.2 FF	50.0
Wienerberger Beteiligungsverwaltungs- GmbH	5.0 DM	100.0
Wienerberger S.A./Luxemburg	30.0 DM	100.0
KERAMO Wienerberger Holding N.V.	1,015.0 BEF	50.0
KERAMO Wienerberger N.V.	167.0BEF	50.0
KERAMO Wienerberger Immo N.V.	81.7 BEF	50.0
Limburgs Transportbedrijf B.V.BA	0.8 BEF	50.0
KERAMO Wienerberger Steinzeugwerk Zwickau GmbH	4.0 DM	50.0

Company	Share capital in million	Percentage share
KERAMO GmbH/Aachen	0.05 DM	50.0
Treibacher Corp. (USA)	0.02 US\$	50.4
TreibacherLtd.(UK)	0.2 Pfd	50.4
Prometheus Metallwerke GmbH	1.3 DM	50.4
Grondmet GmbH	0.5 DM	50.4
Societa Italiana dei Prodotti Elettrochimici di Treibach S.a.s.	60.0 Lit	50.4
Eurocorundum SpA	5,500.0 Lit	50.4
General Abrasive Treibacher Inc.	9.02 US\$	50.4
American Treibacher Corp.	9.02 US\$	50.4
Haustechnik HandelsgmbH	0.05 DM	95.0
Mart Kft.	10.0HUF	95.0
Cesarospol.sr.o	2.0 KCS	95.0

The following domestic and foreign companies were accounted for by the equity method:

Company	Share capital in million	Percentage share
Austria:		
"ALWA" Guter- und Vermögensverwaltungs-AG	49.0 AS	25.0
BRAMAC-Domico Dach-, Wand- und Fassadensysteme Ges.m.b.H.	18.0 AS	37.5
Dachziegel Beteiligungsges.m.b.H.	0.5 AS	33.3
Ang. Eustacchio KG	0.5 AS	33.3
Gmundner Zementwerke Hans Hatschek AG	120.0 AS	26.0
Abroad:		
LASBRA Kft.	252.0 HUF	25.0
France Tube S.A.	2.3 FF	22.5
Pannonpipe Kunststoffindustrie Kft.	1,224.0HUF	25.0

The holdings not included in the consolidation are of minor importance.

Notes on the Balance Sheet/ Consolidated Balance Sheet

The total of the Consolidated Balance Sheet went up by AS 1,579 million to AS 14,417 million as compared with the status as at January 1, 1992. This increase by 12% roughly corresponds to the extent of the rise in

sales. The increment of the fixed assets by about 22% reflects the persistently brisk investment activities in the year under review.

Own resources are evidenced at AS 6,880 million, an increase by AS 400 million; their share in the balance sheet total nevertheless declined from 50.5% to 47.7%.

Fixed assets

in AS 1,000	Wienerberger Baustoffindustrie AG		Wienerberger Group	
	1992	1991	Dec. 31, 1992	Jan. 1, 1992
Intangible assets	27,507	30,120	304,998	387,733
Tangible assets	424,663	225,478	6,389,133	5,156,026
Financial assets	4,344,610	4,057,146	736,489	521,032
	4,796,780	4,312,744	7,430,620	6,064,791

The development of the fixed assets in the year under review has been outlined in separate enclosures to the financial statements of the parent company and the group.

Of the participations evidenced at AS 4,237.6 million in the parent company's Balance Sheet, AS 3,826.1 million are shares in consolidated enterprises,

As at the balance sheet date. Wienerberger Baustoffindustrie AG held an interest in the following domestic and foreign companies:

Company	Share capital AS 1,000	Share in the capital AS 1,000	%	Net worth ¹⁾ AS 1,000	Result 1991 AS 1,000
Austria: Wienerberger Ziegelindustrie AG, Wien	300,000	275,000	91.7	1,034,263 ²⁾	+ 60,092
Wienerberger Rohrsysteme und Abwassertechnik Ges.m.b.H., Wien	200,000	200,000	100.0	469.700 ²⁾	- 3,627
Treibacher Chemische Werke AG, Treibach	300,000	151,051	50.4	744,773 ¹⁾	+ 30,187

1) including untaxed reserves

2) including organisation, capital increases and/or additions 1992

Company	Share capital AS 1,000	Share in the capital AS 1,000	%	Net worth ¹⁾ AS 1,000	Result 1991 AS 1,000
OAG Handelsbeteiligungs Aktiengesellschaft, Wien	160,000	152,005	95.0	305,554	+ 45,412
WienerbergerOfenkachelGes.m.b.H., Wien	5,000	5,000	100.0	16,905	+ 1,046
Wienerberger Beteiligungs- verwaltungsges.m.b.H., Wien	275,000	275,000	100.0	495,877	+ 24,863
Wienerberger Immobilien AG, Wien	800,000	533,382	66.7	969,404 ²⁾	11
Mineralstoffverwertungs- Ges.m.b.H., Wien	50,000	50,000	100.0	65,915	+ 10,741
WIPARK Garagen Ges.m.b.H., Wien	500	500	100.0	1,120	+ 639
Garage am Beethovenplatz Ges.m.b.H., Wien	600	600	100.0	600	+ 97
Garage am Beethovenplatz Ges.m.b.H. & Co. KG, Wien	1,734	1,705	98.4	12,468	1,413
Luegerplatz Garage Ges.m.b.H., Wien	1,500	1,500	100.0	1,469	+ 73
Villacher Parkgaragen Ges.m.b.H. & Co KG, Villach	40,000	5,000	12.5	34,399	- 2,445
Forstbetrieb Schopfl Ges.m.b.H., Wien	5,000	4,950	99.0	12,212	+ 379
Forstbetrieb Scheiberhof Ges.m.b.H., Wien	11,500	11,500	100.0	29,725	+ 240
Wienerberger Versicherungs-Service Ges.m.b.H., Wien	500	300	60.0	1,273	+ 770
"ALWA"-Guter- und Vermögensverwaltungs-AG, Wien	49,000	12,250	25.0	190,337	+ 5,880
Seepark Vosendorf Gebäudeerrichtungs- und VerwaltungsgmbH	500	50	10.0	500 ³⁾	-
Gmundner Zementwerke Hans Hatschek AG, Gmunden	120,000	31,200	26.0	309,020 ³⁾	+ 14,399
Abroad:	TDM	TDM		TDM	TDM
WZI-FinanzS.A., Luxemburg	12,500	50	0.4	15,284	+ 2,784
Lorestan Properties Ltd., Hongkong	15,100	7,100	47.0	15,100³⁾	+ 1,170
	THUF	THUF		THUF	THUF
Mineral Asvanyi Anyagokat Forglamaz Kft, Ungarn	6,300	6,300	100.0	6,300	-

1) including untaxed reserves

2) including organisation, capital increases and/or additions 1992

3) Business year Nov. 7, 1991 - Dec. 31, 1992

Of the participations in the amount of AS 449.8 million as stated in the Consolidated Balance Sheet, AS 354.0 million concern non-consolidated enterprises accounted for by the equity method, and AS 95.8 million are other

participations.

The lending item included in the Consolidated Balance Sheet to the extent of AS 6.4 million comprises loans with residual maturities of up to one year.

Current assets

in AS 1,000	Wienerberger Baustoffindustrie AG		Wienerberger Group	
	1992	1991	Dec. 31, 1992	Jan. 1, 1992
Inventories	-	-	1,929,927	1,859,422
Claims and other assets	1,016,652	838,637	3,114,594	3,026,633
Securities and shares	766,892	747,792	812,548	843,246
Cash in hand, cheques, balances with banks	154,142	294,201	1,102,188	1,011,154
	1,937,686	1,880,630	6,959,257	6,740,455

Claims and other assets with residual maturities of up to one year

in AS 1,000	Wienerberger Baustoffindustrie AG		Wienerberger Group
	1992	1991	1992
Accounts receivable from the sale of goods and services	8,636	11,467	1,583,468
Claims against consolidated group affiliates	771,490	770,681	-
Claims against non-consolidated group affiliates	55,156	7,018	49,837
Other claims and assets	171,154	49,471	580,277
	1,006,436	838,637	2,213,582

**Claims and other assets
with residual maturities of more than one year**

in AS 1,000	Wienerberger Baustoffindustrie AG		Wienerberger Group
	1992	1991	1992
Accounts receivable from the sale of goods and services	-		873,285
Claims against consolidated group affiliates	-		-
Claims against non-consolidated group affiliates	-		-
Other claims and assets	10,216		27,727
	10,216		901,012

The group's receivables in an amount of AS 119.2 million are in the form of bills of exchange. The overall general provision for possible losses on receivables has been written down directly from the accounts receivable in the amount of AS 33 million.

Own resources				
in AS 1,000	Wienerberger Baustoffindustrie AG		Wienerberger Group	
	1992	1991	Dec. 31, 1992	Jan. 1, 1992
Share capital	390,420	319,124	390,420	319,124
Contribution earmarked for capital increase	90,000	-	90,000	-
Capital reserves	4,485,470	4,291,767	2,626,595	2,596,901
Profit reserves	303,189	95,898	2,495,223	2,196,571
Accounting profit	132,897	105,642	132,897	105,641
Difference amount from capital consolidation		-	176,653	213,041
Equalisation items for shares of other companies			968,575	1,048,952
	5,401,976	4,812,431	6,880,363	6,480,230

The share capital rose from AS 319.1 million to AS 390.4 million in the year under review.

It is composed of:

- 283,124 shares with a nominal value of AS 1,000.- each, and
- 1,072,962 shares with a nominal value of AS 100.-each.

The increase includes AS 63.8 million from the 5:1 stock split effected in the year under review and AS 7.5 million representing a capital increase against a contribution in kind made within the framework of the cooperation with Hatschek. The stock split was effected against the release of earmarked capital reserves. The premium earned in connection

with the capital increase against the contribution in kind, AS 254 million, was allocated to the earmarked capital reserves.

With the capital increase against contributions in kind having been taken into account, an authorised capital of AS 65.9 million was still available. AS 53.4 million of this sum can be utilised against cash payments and AS 12.5 million against contributions in kind.

The item 'contribution earmarked for capital increase' relates to an agreement on a contribution in kind concluded at the end of the year under review. This agreement provides that an interest in Ziegelwerke Gleinstatten GmbH & Co. KG is contributed to

Wienerberger Baustoffindustrie AG against allocation of shares retroactively from December 31, 1992, pursuant to the Reorganisation Tax Act (UmgrStG). The agreement will be materialised in the first half of 1993.

In the Consolidated Balance Sheet, asset-side difference amounts to the extent of AS 1,718.2 million (status as at Jan. 1, 1992: AS 1,576.5 million) have been settled against capital reserves. Of these difference amounts, AS 1,390.9 million are accounted for by the fully and pro-rata consolidated companies and

AS 327.3 million by those consolidated by the equity method.

The untaxed reserves of the fully and pro-rata consolidated companies have been allocated to profit reserves - after deduction of the dormant taxes - in an amount of AS 1,399.3 million (AS 1,487.4 million as at January 1, 1992).

The development of the valuation reserve of Wienerberger Baustoffindustrie AG has been outlined in a separate enclosure to the Balance Sheet.

Development of the other untaxed reserves of Wienerberger Baustoffindustrie AG

in AS 1,000	Jan. 1, 1992	Allocation	Release	Dec. 31, 1992
Investment allowance pursuant to Section 10 Income Tax Act				
for 1988	277		277	-
1989	14,640	-		14,640
1990	17,977	-		17,977
1991	117		14	103
1992	-	126		126
	33,011	126	291	32,846
Reserve pursuant to Section 12/7 Income Tax Act				
1990	210,701		210,701	-
1991	248,744		172,346	76,398
1992	-	47,714		47,714
	459,445	47,714	383,047	124,112
	492,456	47,840	383,338	156,958

The accounting profit evidenced in the Consolidated Balance Sheet corresponds to the distributable profit of Wienerberger Baustoffindustrie AG. The own resources listed in the Consolidated Balance Sheet are composed as follows:

Breakdown of the own resources in the Consolidated Balance Sheet

Share capital Jan. 1, 1992	in AS 1,000	319,124	
Capital increase		71,296	390,420
Contribution earmarked for capital increase			90,000
Capital reserves Jan. 1, 1992		2,596,901	
Capital increase		-63,825	
Capital increase		254,029	
Additional amount		3,500	
Difference arising from the first consolidation		-26,244	
Difference arising from the valuation according to the equity method		-115,605	
Difference arising from subsequent consolidation		-22,161	2,626,595
Profit reserves Jan. 1, 1992		2,196,571	
Surplus of the year		435,080	
Profit of the year of Wienerberger Baustoffindustrie AG		-132,566	
Exchange rate differences		-3,862	2,495,223
Accounting profit of Wienerberger Baustoffindustrie AG			
Profit brought forward		331	
Profit of the year		132,566	132,897
Difference amount arising from capital consolidation Jan. 1, 1992		213,041	
Difference arising from subsequent consolidation		-36,388	176,653
Equalisation items for shares of other shareholders Jan. 1, 1992		1,048,952	
Changes in shares held by non-group members		-80,377	968,575
Own resources as at Dec. 31, 1992			6,880,363

Provisions

in AS 1,000	Wienerberger Baustoffindustrie AG		Wienerberger Group	
	1992	1991	Dec.31,1992	Jan. 1,1992
Provisions				
for severance payments	10,656	9,146	270,392	295,594
Provisions				
for pensions	44,787	43,413	267,236	220,721
Provisions for taxes	32,781	26,436	484,309	378,316
Other provisions	80,511	102,627	781,657	660,741
	168,735	181,622	1,803,594	1,555,372

The provisions for taxes include dormant taxes pursuant to Section 253, paragraph 3, of the Commercial Code in an amount of AS 141.9 million (AS 171.1 million as at January 1, 1992) and pursuant to Section 258 of the Commercial Code in an amount of AS 87.3 million (AS 37.5 million as at January 1, 1992).

Liabilities with residual maturities of up to one year

in AS 1,000	Wienerberger Baustoffindustrie AG		Wienerberger Group
	1992	1991	1992
Bonds	—	—	-
Due to banks	45,148	100,210	1,672,992
Downpayments received on orders			18,761
Accounts payable from the purchase of goods and services	5,007	6,551	895,073
Accounts payable from the acceptance of drawn bills of exchange and the issuance of own bills of exchange			266,025
Due to consolidated group affiliates	250,020	136,293	
Due to non-consolidated group affiliates	1,825	3,186	16,936
Other liabilities	32,192	14,753	508,462
	334,192	260,993	3,378,249

Liabilities with residual maturities of more than one year

in AS 1,000	Wienerberger Baustoffindustrie AG	Wienerberger Group
	1992	1991
		1992
Bonds		91,967
Due to banks		1,169,742
Downpayments received on orders		36,750
Other liabilities	22	—
	22	-
		693,514
		1,991,973

Of the above liabilities, AS 1,113.1 million have residual maturities of more than five years. Liabilities to the extent of AS 263.5 million are secured by real collateral.

Contingent liabilities

in AS 1,000	Wienerberger Group
	1992
Bills of exchange	90,165
Guarantees	276,712
Others	2,706
	369,583

There are no contingent liabilities for Wienerberger Baustoffindustrie AG.

Payments to be made for the use of tangible assets not evidenced in the Balance Sheet will total AS 13.2 million next year and AS 53.1 million within the next five years.

Notes on the Profit and Loss Account
and on the Consolidated Profit and Loss Account

In accordance with the provisions of Article X, paragraph 7, of the Accounting Act no figures are given in the Consolidated Profit and Loss Account allowing a comparison with the previous year.

Proceeds from sales				
in AS 1,000	Wienerberger Baustoffindustrie AG		Wienerberger Group	
	1992	1991	1992	1991
Austria	65,098	66,320	6,021,537	5,818,099
Abroad	-		5,689,489	4,710,384
	65,098	66,320	11,711,026	10,528,483

Other operational income			
in AS 1,000	Wienerberger Baustoffindustrie AG		Wienerberger Group
	1992	1991	1992
Income from the disposal of fixed assets	44,141	221,396	124,617
Income from the release of provisions	1,388	1,632	8,563
Others	9,072	17,245	264,120
	54,601	240,273	397,300

Staff expenses			
in AS	Wienerberger Baustoffindustrie AG		Wienerberger Group
	1992	1991	1992
Wages	976	1,294	978,287
Salaries	38,838	36,490	920,114
Payments of severance compensation and pensions	8,070	7,535	97,718
Payments of legal social levies as well as levies and compulsory contributions depending on the remuneration	6,007	5,706	433,525
Other social expenses	2,375	2,530	93,704
	56,266	53,555	2,523,348

Other operational expenses			
in AS 1,000	Wienerberger Baustoffindustrie AG		Wienerberger Group
	1992	1991	1992
Taxes	27,812	25,079	106,350
Others	39,851	36,410	1,500,435
	67,663	61,489	1,606,785

Of the income from participations recorded for Wienerberger Baustoffindustrie AG in the amount of AS 303.5 million, AS 246 million are accounted for by consolidated enterprises. AS 84.6 million of the interest income are derived from consolidated enterprises and AS 88.6 million from other debtors. Expenses from participations include AS 158.2 million concerning an extraordinary depreciation of the holding in Treibacher Chemische Werke AG and AS 10.5 million concerning other consolidated enterprises.

Interest expenses include interest paid on deposits from consolidated enterprises with the parent company.

The group's extraordinary result is made up of extraordinary expenses in the amount of AS 83.3 million and extraordinary income of AS 13.5 million. The extraordinary expenses include, i.a., the costs of capital

increases as well as other expenses arising from transactions outside the ordinary course of business.

Executive bodies, personnel

In the 1992 business year the group employed 5,596 persons on average.

The staff of Wienerberger Baustoffindustrie AG numbered 41. Of the expenses and severance payments, AS 4.7 million were paid to members of the Managing Board and AS 3.4 million to other staff members.

The remuneration of the Managing Board amounted to AS 18,192,790. AS 3,754,072 were paid for the pensions of former members of the Managing Board and their surviving dependants. Emoluments of the Supervisory Board totalled AS 666,000.

The Managing Board is composed of:

Erhard SCHASCHL, Chairman
Wolfgang REITHOFER
Paul TANOS

Profit distribution

We propose to the Annual General Meeting to
pay out of the evidenced net profit of

AS 132,896,554

The Supervisory Board is composed of the
following elected members and (marked *)
members delegated by the staff:

a dividend of 34% on
the share capital of
AS 390,420,200

AS 132,742,868

Guido SCHMIDT-CHIARI, Chairman
Max KOTHBAUER, Deputy Chairman

and to carry forward
the balance of

AS 153,686

Herbert BECHYNA
Josef ESTERL *)
Heinz GRUBER *)
Sieglinde GRUBER *)
Hans IGLER
Franz LAUER
Eduard MAYER
Erich PIMMER
Gerhard SOCHOR ')

THE MANAGING BOARD

Vienna, April 1993

REPORT OF THE SUPERVISORY BOARD

In its meetings the Supervisory Board i.a. performed all the tasks and duties provided by law and the Articles of Association.

The Managing Board reported regularly on the company's business progress and its situation.

The Annual Financial Statement and the Report on the Current Situation were audited by KPMG Austria Wirtschaftsprüfungsgesellschaft m.b.H., Certified Public Accountants and Tax Consultants, Vienna. The ultimate findings of this audit showed no cause for objection.

The Auditors have therefore attested that the Financial Statement and the Report of the Managing Board are in accordance with

the legal requirements. The Supervisory Board endorses the findings of the audit.

The ultimate findings of the examination undertaken by the Supervisory Board of the Report of the Managing Board prepared pursuant to Section 96 of the Companies Act, of the Financial Statement including the proposed profit distribution, and of the conduct of business show no cause for objection.

The Supervisory Board has approved the Financial Statement, which is hereby considered adopted in accordance with the provisions of Section 125, paragraph 3, of the Companies Act.

Guido Schmidt-Chiari
Chairman

Vienna, May 1993

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