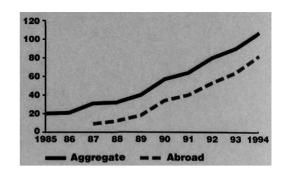
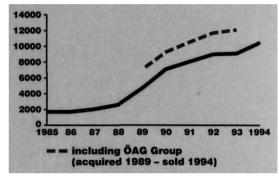


#### NUMBER OF PLANTS

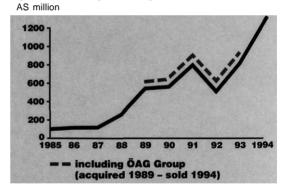


**SALES** 

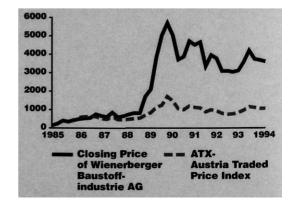




**PROFIT ON ORDINARY ACTIVITIES** 



#### SHARE PRICE DEVELOPMENT



## KEY FIGURES OF THE WIENERBERGER GROUP

## **CORPORATE FIGURES**

(AS million)		1990	1991	1992	1993	1994*)
SALES	TOTAL	9,257	10,528	11,711	12,120	10,553
	DOMESTIC	5,363	5,818	6,022	5,946	2,590
	ABROAD	3,894	4,710	5,689	6,174	7,963
PROFIT ON ORDINA	RY ACTIVITIES	661	904	626	938	1,303
CASH FLOW**)		1,045	1,201	1,147	1,411	2,048
CAPITAL EXPENDIT	ΓURE***)	3,153	2,985	2,471	2,034	2,734
<b>EMPLOYEES</b>		4,346	5,137	5,796	5,629	4,803
DIVIDEND		88	105	133	146	177
(per AS 100 s	share)	30	33	34	37	42

<sup>\*)</sup> excluding OAG Group (acquired 1989 - sold 1994)
\*\*) Net profits plus Depreciation

## STOCK EXCHANGE DATA

(in AS)	1992	1993	1994
OVFA-PROFIT	579 mill.	720 mill.	994 mill.
OVFA-CASH-FLOW	1,124 mill.	1,454 mill.	1,840 mill.
OVFA-SHAREHOLDERS' EQUITY	6,737 mill.	6,967 mill.	7,808 mill.
OVFA-EARNINGS PER SHARE	148	183	236
OVFA-CASH-FLOW PER SHARE	300	383	372

## **CONDENSED BALANCE SHEET**

	as of 31/12/1993		as of 31/12/19	
	AS mill.	%	AS mill.	%
ASSETS				
FIXED ASSETS	8,337	54	9,577	58
INVENTORIES	2,014	13	1,820	11
OTHER CURRENT ASSETS	5,071	33	5,157	31
BALANCE SHEET TOTAL	15,422	100	16,554	100
LIABILITIES				
SHAREHOLDERS' EQUITY	7,178	47	8,001	48
PROVISIONS	1,991	13	1,718	11
LIABILITIES	6,253	40	6,835	41

<sup>\*\*\*)</sup> Change in Tangible Fixed Assets and Investments

## ANNUAL REPORT 1994

## 175 YEARS WIENERBERGER

125 YEARS WIENERBERGER LISTED AT THE STOCK EXCHANGE

Annual Report and Corporate Accounts 1994 of Wienerberger Baustoffindustrie Aktiengesellschaft, Vienna

Presented to the 126th Annual General Meeting May 24th, 1995

Wienerberger Baustoffindustrie Aktiengesellschaft A-1102 Vienna Austria Business Park Vienna Wienerbergstrasse 7

Telephone: ++43 1 60 192/0 Facsimile: ++43 1 60 192/473

#### **CONTENTS**

		_		_
_	Chiaf	Evacu	+iv (0'0	Review
r)	Carner .		11765	REVIEW

#### CORPORATE PROFILE 9

- 11 Supervisory and Managing Board
- 12 Organisation Chart
- 15 Industrial Resources
- 16 Share Performance

#### REVIEW OF OPERATIONS 19

- 20 Economic Environment
- 23 Highlights 1994
- 24 Results 1994
- 28 Research, Development and the Environment
- 29 Human Resources

#### PERFORMANCE OF STRATEGIC BUSINESS UNITS 31

- 32 Wall-, Ceiling- and Roofing Systems
- 36 Pipes Systems and Sewage Technology
- 40 Treibacher
- 44 Real Estate/Property

#### OUTLOOK 48 Scenario, Strategy, Activities, Budget, Vision

#### FINANCIAL ACCOUNTS 51 Wienerberger Baustoffindustrie AG

61 Wienerberger Group

#### NOTES TO THE ACCOUNTS 69 Wienerberger Baustoffindustrie AG and Wienerberger Group

85 Report of the Supervisory Board

#### CHIEF EXECUTIVE'S REVIEW

#### DEAR SHAREHOLDERS,

it was expected that 1994 would turn **out** to be a special year for our company: two anniversaries were to coincide, Wienerberger's 175th anniversary and 125 years of stock exchange listing. Beyond anticipation, and thus all the more remarkable was the fact that 1994 was by far the most successful year in Wienerberger's long history.

Our company was founded in 1819 on the Wienerberg in Vienna; in 1869 it obtained its Vienna stock exchange listing. One could say that Wienerberger was always ahead of its time. Therefore, in a combination of tradition and vision, growth went hand in hand with positive industrial thinking.

With regard to our corporate philosophy we decided not to spend our time celebrating but to work all the harder. Our resulting three aims were:

- 100 plants
- a new headquarter
- profits of more than AS 1 billion

All three aims were reached. Thus, we have made ourselves 3 anniversary presents.

 Since my last annual report the number of plants increased from 90 to 107. Paramount among these 17 additional plants is the construction of a state-of-the-art brick plant in Upper Austria.

It is remarkable that out of these 107 plants not less than 96 were either built or acquired by us in the past nine years.

- Owing to our expansive corporate style the desire for a new headquarter arose. Therefore, we invested AS 2.4 billion in our property development Business Park Vienna - of which more than 90% was let to financially strong long-term tenants. Our own needs of approximately 5% of the total space, 65,000 m² (approx. 700,000 sq. ft), were thus met under very favourable surrounding circumstances.
- In spite of the above, our main achievement was the increase of the profit on ordinary activities from AS 938 million to AS 1.3 billion. The sale of OAG Group and the resulting considerable extraordinary gain further improves these outstanding results.

In relation to our Group sales of AS 10.5 billion our operating margin was 12% - further demonstrating the above-average earnings potential of the Wienerberger Group.

Apart from participating in an increasing substance value, we want our shareholders to

participate in our profits as well. Continuing our tradition of a prudent dividend policy we recommend an increase in the annual dividend from AS 37 to AS 42 per share. At the same time we would like to thank our shareholders and business-partners for their continuing trust. Our employees deserve special mentioning as they are responsible for our successes. It is the quintessential prerequisite of our achievements: Wienerberger's human resources.

Our budget 1995 confirms that - notwithstanding our high standards of achievement - there is still plenty of opportunity for improvement in the future. It anticipates, excluding planned acquisitions, sales in excess of AS 12 billion and profit on ordinary activities of more than AS 1.5 billion.

Past and present successes fill us with pride. Wienerberger is well positioned for the future. Our potential for sustained successes results from strong market positions which we built according to the portfolio principle: They are spread over four strategic business units and 19 different markets in Europe, North America and South East Asia. This potential translates into strong performances, the wide portfolio minimises risks. In aggregate security and lower susceptibility to economic cycles are the consequence.

The way ahead is clearly visible. Owing to our motto "C+C" (= Concentration and Consistency) our strategy is clearly focused. My personal contribution will be the harmonisation of our employees' endeavours. In this spirit we will work at full tilt. The motivating force behind us is our vision of a strong and dynamic Austrian company, which is the global leader in bricks and pipes.

the house

Erhard Schaschl

#### CORPORATE PROFILE

#### WHO WE ARE.

Wienerberger is an Austrian building materials company with strong international operations in four strategic business units:

- Wall-, Ceiling- and Roofing Systems, our traditional core business,
- Pipe Systems and Sewage Technology, our second core business which is in the process of being built up,
- Treibacher our venture business, and
- Real Estate/Property which provides a strong foundation for our industrial activities.

Wienerberger is European market leader for backing bricks. In pipe-production we are among the top-European manufacturers. Our industrial portfolio is complemented by the Treibacher Group which has a substantial world market share in corundum, ferro-alloys and flints.

Wienerberger Baustoffindustrie, whose Annual Report you are holding in your hands, is the parent company of the Wienerberger Group. It is responsible for strategic planning, the operative direction of the Group and the administration of its real estate and property holdings. Management of the strategic business units lies with independent affiliates. We are strong believers in decentralisation, our management style is co-operative. Besides a vast number of smaller investors, Creditanstalt Bankverein is our main shareholder.

Well targeted expansion as well as consistent and permanent optimisation are the hall-marks of our entrepreneurial activities. Our paramount goal is set, to maximise profitability and shareholders' funds.

\_9\_

## MANAGING BOARD

Paul Tanos, Erhard Schaschl, Wolfgang Reithoter



## SUPERVISORY AND MANAGING BOARD

#### SUPERVISORY BOARD

Guido N. Schmidt-Chiari, Chairman

Max Kothbauer, Deputy Chairman

Herbert Bechyna (until June 9, 1994)
Josef Esterl\*)
Heinz Gruber\*)
Sieglinde Gruber\*) (until July 13, 1994)
Gerhard Hampel\*) (from July 14, 1994)
Rupert Hatschek
Hans Igler (until June 9, 1994)
Franz Lauer
Eduard Mayer
Erich Pimmer
Gerhard Sochor\*) (until June 9, 1994)

#### **MANAGING BOARD**

Erhard Schaschl, Chief Executive Wolfgang Reithofer, Deputy Chief Executive Paul Tanos

<sup>\*)</sup> Employees' Representatives

#### ORGANISATION CHART

As of April 1995

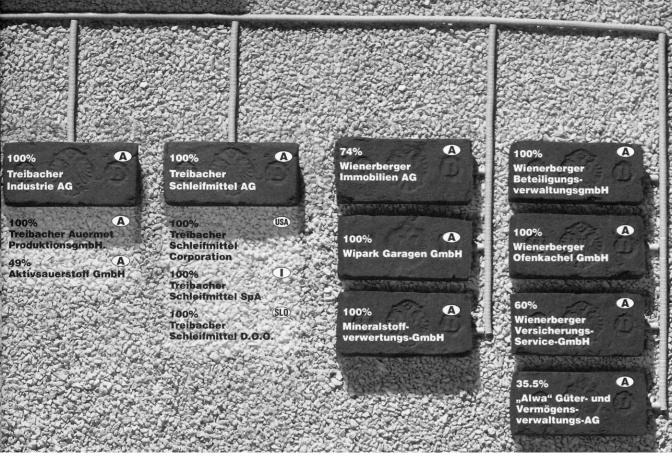
WIENERBERGER BA



WALL-, CEILING- AND ROOFING SYSTEMS

PIPE SYSTEMS AND SEWAGE TECHNOLOGY

### OFFINDUSTRIE AG

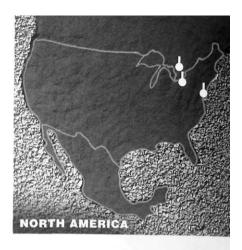


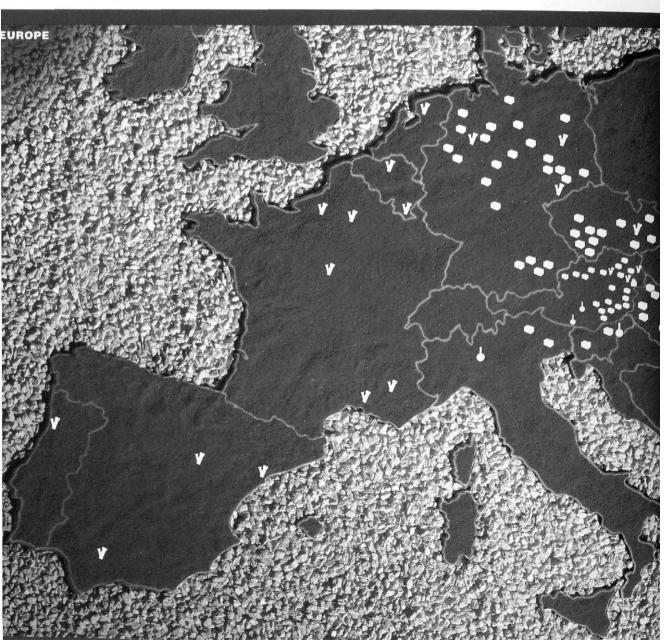


7 pipes

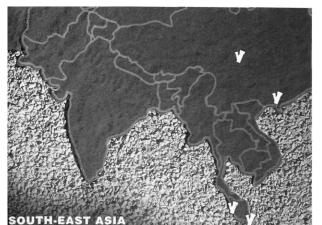
Treibacher

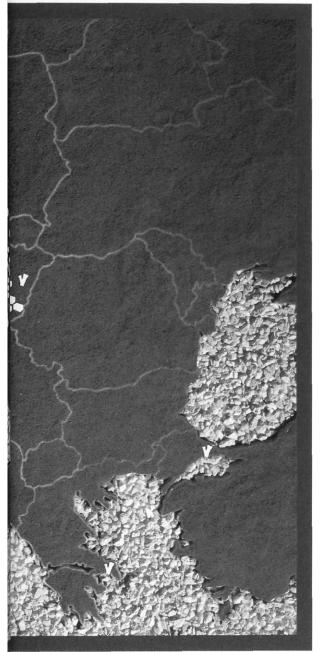
others











#### 107 PLANTS IN 19 COUNTRIES IN THREE CONTINENTS

- OF WHICH 82 ABROAD
- OF WHICH 96 LESS THAN NINE YEARS OLD

#### PRODUCTION SITES IN AUSTRIA

Bricks: Hennersdorf Gollersdorf Laa/Thaya Mauthausen Neckenmarkt Uttendorf Bambach Gasselsdorf Mitterdorf Furstenfeld Haiding/Wels Clinkers:
Rotenturm
Ceilings:
Leopoldsdorf
Civil Engineering
Products:
Leopoldsdorf
Stove Tiles:
Walbersdorf
Plastic Pipes:
Krems
Wr. Neudorf

Roofing Tiles:
Pochlarn
Gaspoltshofen
Gleisdorf
Clay Tiles:
Gleinstatten\*)
Pinkafeld\*)
Unterpremstatten\*)
Metallurgy-Corundum:

Treibach Seebach

#### PRODUCTION SITES IN EUROPE

BELGIUM Clay Pipes: Hasselt <u>Plastic Pipes:</u> Kalmthout

**GERMANY** Bricks: Jeddeloh Rietberg Sittensen Schoningen Volkmaršen Schlewecke Lanhofen I + II Wefensleben Wettringen Buldern Gransee Reuden\*) Konigsaue\*) Facing Bricks: **Buchhorst** Hude Petershagen Baalberge\*)
Buchwaldchen\*)

Ceilings:
Lanhofen III + IV
Dollnstein
Rosenau
Chimneys:
Osterwald
Elze
Plastic Pipes:
Ekern
Golzau
Clay Pipes:
Zwickau

FRANCE
Plastic Pipes:
Chateauroux

Gaillon Vedene Compiegne St. Gilles

GREECE <u>Plastic Pi</u>pes: Thiva\*)

NETHERLANDS Plastic Pipes: Enkhuizen

ITALY Bricks: Belluno Feltre Metallurgy-(

Metallurgy-Corundum: Domodossola

PORTUGAL
Plastic Pipes:
Maia

SLOVAKIA

<u>Bricks:</u>

Zlate Moravce

SLOVENIA Roofing Tiles: Dravograd\*) Skocjan\*)

Metallurgy-Corundum: Ruse

SPAIN
Plastic Pipes:
Granollers
Zaragoza
La Carlotta

CZECH REPUBLIC Bricks: Novosedly Tyn\*) Lety')

Cicenice\*)
Jivno\*)
Lisov\*)
Hostomice
Roofing Tiles:
Chrudim\*)
Olbramovice\*)
Clay Tiles:
Hranice\*)
Slapanice\*)
Plastic Pipes:

TURKEY <u>Plastic Pipes:</u> Istanbul\*)

Otrokovice

HUNGARY
Bricks:
Solymar
Sopron
Koszeg I
Orbottyan
Mezotur
Bataszek
Bekescsaba III\*)
Csabai
Ceilings:
Koszeg I
Roofing Tiles:
Veszprem\*)
Kecskemet\*)
Clay Tiles:
Bekescsaba I\*)
Bekescsaba II\*)

Bekescsaba I\*)
Bekescsaba II\*)
Csorna\*)
Plastic Pipes:
Csepel\*)
Debrezen\*)

15

#### PRODUCTION SITES IN AMERICA AND ASIA

CHINA <u>Plastic Pipes:</u> Chengdu Nansha\*)

CANADA Metallurgy-Corundum: Niagara Falls MALAYSIA Clay Pipes: Kuala Lumpur\*)

SINGAPORE Plastic Pipes: Singapore\*) USA <u>Metallurgy-Corundum:</u> Niagara Falls Chester (Mass.)

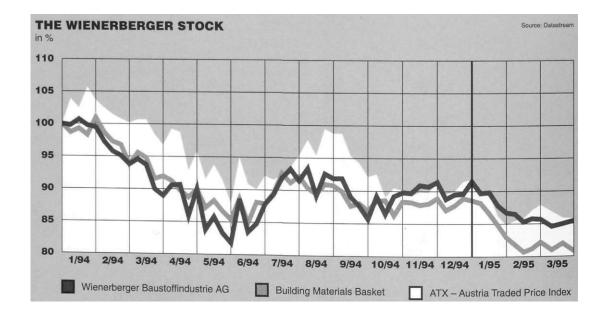
#### SHARE PERFORMANCE

**PERFORMANCE 1994.** Following the general European trend, the Austrian stock exchange was rather weak in 1994. This trend did also affect the Wienerberger share. In the course of the year the ATX receded by more than 8%. Wienerberger's share price declined from AS 4,200 to AS 3,870 at the end of 1994. When comparing this performance with the more indicative building materials basket, Wienerberger's above average performance becomes visible.

Wienerberger is one of the most sought after shares of the Vienna Stock Exchange; its turnover of AS 29.6 billion places it on the number four position.

Despite all positive predictions, the ATX failed to recover during the first months of 1995. Notwithstanding our excellent 1994 results and our high expectations for the

current year, the Wienerberger share could not detach itself from the negative trend which still prevails at the Vienna Stock Exchange. Therefore, our share is considered undervalued and has received buy-recommendations from a host of domestic and international securities analysts.



#### STOCK EXCHANGE DATA

in AS		1992	1993	1994
OVFA-PROFIT		579 mill.	720 mill.	994 mill.
OVFA-CASH-FLOW		1,124 mill.	1,454 mill.	1,840 mill.
<b>OVFA-SHAREHOLDERS' FUNDS</b>		6,737 mill.	6,967 mill.	7,808 mill.
OVFA-EARNINGS PER SHARE		148	183	236
OVFA-CASH-FLOW PER SHARE		300	383	372
DIVIDEND PER SHARE		34	37	42
SHARE PRICE	HIGH	4,383	4,140	4,295
	LOW	2,583	2,840	3,438
P/E- RATIO	HIGH	29.6	24.0	18.2
	LOW	17.5	16.4	14.6
MARKET CAPITALISATION PER	31/12	12.1 bn.	16.3 bn.	16.3 bn.
AVERAGE TURNOVER PER DAY		54 mill.	80 mill.	119 mill.

OVFA results are calculated by independent Austrian financial analysts following uniform standards. The aim is the publication of objective, internationally comparable key figures.

OVFA Earnings per Share showed another strong increase in 1994 which reflects last years remarkable results.

INVESTOR RELATIONS. Timely and comprehensive information of our shareholders is one of our particular concerns. Therefore, our efforts do not stop at a constantly improving and more transparent annual report. To inform our shareholders outside the Annual General Meeting about recent business developments, we organised our first "shareholder-day" in October 1994. This event was very well received, and will be held once every year in the future. If you wish to participate in our next shareholder day, simply phone us in advance.

Company presentations and road shows abroad as well as numerous meetings with Austrian and foreign securities analysts are further hall-marks of our investor relations efforts.

If you have any questions concerning your Wienerberger holdings or if you wish to visit us, please phone our

# INVESTOR'S HOTLINE: ++43 1 60 192/419

Erhard Schaschl,
Chief Executive Officer,
Adolf Jessner,
Senior Vice President Finance and
Controlling, and
Gerhard Bachmaier,
Manager Investor Relations,
will be pleased to assist.

## **REVIEW OF OPERATIONS**

The GLOBAL ECONOMY 1994 was characterised by globally diverging economic cycles. Far Eastern markets were booming apart from signs of exhaustion in Japan. Economic growth in the USA continued to accelerate but should have peaked at the end of the year. Most of the Eastern European economies have bottomed out and some managed to achieve - albeit from depressed levels - remarkable real growth.

WESTERN EUROPE was in the position to profit from surging demand in these three regions. Additional stimulus was provided by the reconstruction of the Eastern part of Germany. Recovery was tentative in the beginning but soon gained more and more strength. Those who profited most were the producers of basic materials and of capital goods.

As a consequence of this positive economic climate the general market expectation of lower interest rates came to an end. Even more telling, in Anglo-American countries interest rates were in a pronounced upward trend. Accompanying these developments were highly volatile financial markets, with the US\$ losing ground against the DEM and particularly against the Yen.

AUSTRIA was undoubtedly poised for economic growth. This recovery was supported mainly by exports and a construction boom. Additional impulses came from the readiness of entrepreneurs to commit themselves to capital expenditure and stable private consumption. Real GDP which is the best indicator to assess the state of the economy surged from stagnation in 1993 to 3% growth in 1994. Concurrently, inflation declined slightly to 3%. Employment picked up 0.5%, thus reducing the rate of unemployment to 6.5%.

Domestic industry successfully fought an uphill struggle to make up the disadvantages of conducting business in Austria: high wages, a strong currency, expensive environmental standards and comparatively high energy prices. The emphasis was placed without doubt on measures to rationalise and increase productivity. These steps enabled industry to increase productivity by 5% - at the expense of further redundancies.

The most important domestic development which strongly paved the future for Austria's economy was the surprisingly unanimous vote to join the European Union. Wienerberger was not in a position to take significant advantage of these developments because of our internationalisation strategy which anticipated and prepared the company for these changes. As early as in the 1980's we recognised this vast market and gradually built new plants in Eastern and Western Europe.

Of considerable impact for the Austrian economy was furthermore the implementation of the second reform of the Income Tax Code which came into effect at the beginning of 1994. Some highlights were the abolition of wealth- and trade tax, the end of fiscal discrimination against shares and a general reduction of the wage tax. In sum, the Austrian economy experienced favourable conditions in 1994.

\_20\_

**DEVELOPMENT OF THE BUILDING INDUSTRY.** In WESTERN EUROPE, the decline which set in three years ago came to an end in 1994. Real volume was up 1,3%. The most important sectors were housing construction and modernisation. Non housing-and public sector construction on the other hand were still stagnant.

The countries with the highest growth rates were Denmark, Ireland and Norway, followed by Germany and Austria. Italy, Sweden and Finland still had to come to terms with recessionary tendencies. Great Britain and the Benelux countries experienced a turnaround. Central Eastern European countries witnessed first signs of a recovery. Nevertheless, the absence of a legal framework and uncertain financing issues were the prime obstacles which prevented the full development of market forces.

Once more the AUSTRIAN building industry was the backbone of buoyant growth. It managed to expand by 4%. Stabilisation of the job market was partly owed to this sector - employment increased by 3%. An unusually number of building permits immediate effects on the bottom line: housing construction increased by 12%. Modernisations was also a lively sector, it grew by 4% in real terms. The reapprobriation of funds by the federal "Wasserwirtschaftsfonds", which provides low-cost financing for infrastructural projects, contributed to overcome the stagnation in the civil engineering market. A "demand-vacuum" accounted for the 8.5% decline in the non-housing sector.

## **BUILDING VOLUME IN EUROPE**

	real change <sup>in %</sup>				
	1991	1992	1993	1994 e	
GERMANY	3.5	9.5	2.8	8.0	
FRANCE	0.2	-3.0	-6.0	-0.2	
ITALY	1.6	0.8	-5.7	-2.8	
GREAT BRITAIN	-7.0	-3.7	-1.8	2.4	
SPAIN	4.0	-6.0	-8.1	1.2	
BELGIUM	3.0	3.5	-1.5	1.5	
NETHERLANDS	0.6	1.4	-3.3	1.5	
PORTUGAL	4.5	2.5	0.0	1.0	
SWITZERLAND	-5.6	-2.3	-2.0	3.7	
HUNGARY	-12.0	-3.0	-1.5	5.0	
CZECH REPUBLIC	-23.9	19.7	-7.4	4.5	
SLOVAKIA	-31.6	7.8	-26.8	-9.0	
POLAND	1.6	-0.6	4.3	3.0	
AUSTRIA	5.1	4.9	2.3	3.8	

## **BUILDING VOLUME IN AUSTRIA**

		reai cna	nge in %	
SECTOR	1991	1992	1993	1994 e
NEW RESIDENTIAL CONSTRUCTION	4.7	8.5	10.5	12.0
PRIVATE NON-RESIDENTIAL CONSTRUCTION	10.0	6.5	-10.0	-8.5
PUBLIC NON-RESIDENTIAL CONSTRUCTION	3.0	1.6	2.0	1.0
CIVIL ENGINEERING	3.7	1.0	1.0	4.0
RENOVATION/MODERNISATION	4.0	4.0	3.0	4.0

Source: Euroconstruct. Zurich. December 1994

# WALL-, CEILING- AND ROOFING SYSTEMS

- Start of operations of the new Haiding brick plant, Upper Austria
- Start of operations of the new Zlate Moravce brick plant, Slovakia
- Acquisition of Csabei brick plant, Hungary
- Construction of brick plant Gransee, near Berlin
- Construction of brick plant Lanhofen, Bavaria, by Schlagmann Baustoffwerke
- Acquisition of minority stake in ZB Ziegelwerke Baalberge, consisting of two backing and two facing brick plants in Saxony
- Market-entry in Northern Italy via acquisition of two brick plants in Feltre and Belluno
- Acquisition of brick plant Hostomice, Czech Republic

# PIPE SYSTEMS AND SEWAGE TECHNOLOGY

- Acquisition of 50% stakes in Solvay owned plastic pipe plants in Spain, Portugal, Belgium and the Netherlands and subsequent integration into the Pipelife Group
- Construction of new plastic pipe plant in Fatra, Czech Republic
- Market-entry in the People's Republic of China via construction of plastic pipe plant in Nansha, Canton and acquisition of 51% stake in plastic pipe and fitting plant in Chengdu, China
- Disposal of Rohr- und Umwelttechnik (including Bohr- und Rohrtechnik)
- Acquisition of the remaining 50% stake in Keramo Wienerberger
- Set-up of distribution firm for Keramo Wienerberger in the Czech Republic

#### TREIBACHER GROUP

- Improvement of capital structure via debtequity swap
- Increase of our stake in Treibacher from 50.3% to 100%
- Restructuring of Treibacher Chemicals into Treibacher Industries and Treibacher Abrasivas
- Preparations for acquisition of corundum plant in Ruse, Slovenia by Treibacher Abrasives
- Conclusion of peroxide joint venture with Degussa Austria

#### OAG GROUP

 Sale of OAG Group to Wolseley pic, United Kingdom

#### **REAL ESTATE/PROPERTY**

- Inauguration of Business Park Vienna
- Conclusion of long-term rental agreements for more than 90% of the Business Park Vienna
- Realisation of property development "Seepark Vosendorf", Lower Austria
- Acquisition of car park in Graz, Styria
- Start-up of construction materials landfill in Baden, Lower Austria

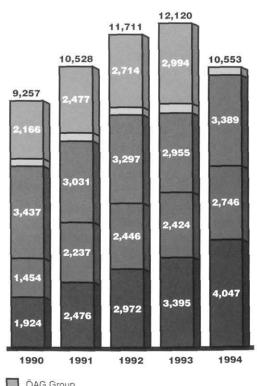
Our 1994 results were second to none in our 175 year company history. All our goals were met. This applies to the continued industrial expansion and the build-up of new markets as well as to the strengthening of our profitability. The sale of OAG Group provided additional extraordinary income.

SALES. As was already forecast in our last annual report, sales decreased following the sale of OAG Group. However, with aggregate sales of AS 10.5 billion - as opposed to our first projections which anticipated AS 9.2 billion - this decline turned out to be considerably lower. Adjusted for the sale of OAG Group, sales increased by 16%.

Our portfolio of four strategic business units has contributed as follows:

	% of Sales	Change 1994
Wall Ceiling- and Roofing Systems	38.4%	+19.2%
Pipe Systems and Sewage Technology	26.0%	+13.3%
Treibacher Group	32.1%	+14.7%
Real Estate/ Property	3.5%	+ 5.7%

SALES AS million



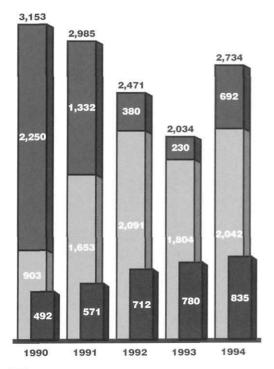
- ÖAG Group
- Real Estate/Property
- Treibacher
- Pipe Systems and Sewage Technology
  - Wall-, Ceiling- and Roofing Systems

2±

**CAPITAL EXPENDITURE.** Capital spending in the Group amounted to AS 2,734 million in the reporting period. AS 2,042 million of which were spent on tangible fixed assets, AS 692 million on investments. A large proportion of this expenditure was financed directly out of cash flow. We placed our emphasis on expansion and optimisation. Existing liquidity allowed for prudent financing.

# CAPITAL EXPENDITURE AND DEPRECIATION

AS million



Investments

Tangible fixed assets

Depreciation

#### ACQUISTIONS AND DISPOSALS.

Wienerberger Ziegelindustrie acquired a controlling minority stake in the leading East-German brick producer, ZB Ziegelwerke Baalberge, whose operations comprise four plants. This acquisition was made possible by the exchange of our minority stake in Gmundner Zementwerke Hans Hatschek. Furthermore, we were able to secure two bridgeheads in Italy, Europe's largest brick market, by purchasing two brick works in Feltre and Belluno.

Our Pipe Systems and Sewage Technology unit acquired 50% stakes in five previously Solvay owned plastic pipe companies, with plants located in Spain, Portugal, Belgium and the Netherlands. Consequently, these companies were integrated into our Pipelife joint venture. On the other hand, Rohr- und Umwelttechnik was sold. At the end of the year we increased our stake in Keramo Wienerberger from 50% to 100%. Additionally, a 51% stake in a Chinese plastic pipe company was purchased.

The 50.3% stake in Treibacher was increased to 100%. At the same time, the organisation was restructured, its activities were split into two new companies, Treibacher Industries and Treibacher Abrasives.

OAG Group was sold to Wolseley pic, thus focusing our Group onto four strategic business units.

**PROFITS.** Profit on ordinary activities increased from AS 938 million to AS 1,303 million. This translates - in spite of the sale of OAG - into an increase of 39%.

Our capital intensive core Wall-, Ceilingand Roofing unit was the main force behind this increase. Resulting from the carefully targeted combination of expansion and optimisation and aided by a robust economic environment last year's record results were increased by another 34%. Profits as a percentage of sales amounted to 21%.

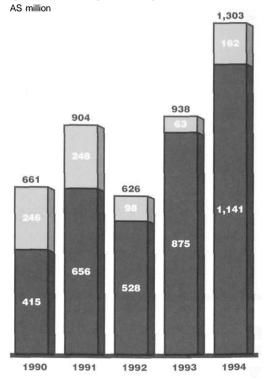
In the Pipe Systems and Sewage Technology unit which is in the process of being built up, whose 1993 results were held back by start-up and restructuring expenses, profits increased by 78%. Hence, profitability rose to 8% of sales.

A difficult economic environment affected Treibacher. Just at the end of the year, the situation started to improve. While Treibacher Industries managed to reach profitability, thanks to a recovery of its metals-business, Treibacher Abrasives was still held back by persistent problems in North America, which can partly be considered extraordinary.

The Real Estate and Property unit showed diverging results: Returns on our liquid assets declined hand in hand with receding interest rates, whilst the postponement of our "Seepark Vosendorf" property development yielded higher than expected returns. Overall, the superior performance of our Real Estate companies comfortably offset the slight downward trend of our treasury operations.

Thus, the results of Wienerberger permit to increase our taxed and untaxed reserve funds by AS 172 million and AS 153 million, respectively. Owing to our still growing profitability the managing board proposes to increase the annual dividend from AS 37 per share to AS 42 per share. Aggregate dividends amount to AS 177 million, after AS 146 million.

# PROFIT ON ORDINARY ACTIVITIES



Real Estate related

From operations

\_26\_

**CASH-FLOW.** The following cash-flow statement was made in accordance with the OVFA standards (OVFA i.e. Association of Austrian Financial Analysts). The "cash-flow

from results" reached AS 1,840 million. An increase of 27%, which shows Wienerberger's strong financing power from operations.

## CASH-FLOW STATEMENT ACCORDING TO OVFA

AS million	1993	1994
Profit for the year	582	1,213
+ Depreciation of fixed assets	+829	+836
+/- Changes of longterm provisions	+43	-209
CASH-FLOW FROM RESULTS	1,454	1,840
+/- Changes of stocks including downpayments made, accrued	expenses -82	+179
- Decrease of downpayments received, deferred income	-26	-75
- Increase of debtors and other current assets	-139	-18
+ Increase of creditors	+227	+139
+/- Changes of shortterm provisions	+145	-64
- Other changes of the Group	-151	-66
CASH-FLOW FROM OPERATIONS	1,428	1,935
- Investments in fixed assets	-2,034	-2,912
+ Disposals of fixed assets	+299	+658
CASH-FLOW FROM INVESTMENT ACTIVITIES	-1,735	-2,254
- Payout to shareholders	-133	-146
+ Inpayments from loans and longterm credits	+318	+518
CASH-FLOW FROM FINANCING ACTIVITIES	185	372
CHANGES OF FROM LIQUID FUNDS	-122	+53
CLOSING BALANCE OF LIQUID FUNDS	1,793	1,846
OVFA-CASH-EARNINGS/SHARE		
Cash-flow from results	1,454	1,840
+/- Extraordinary loss/profit	+55	-245
- Minority interests	-25	-25
Cash-Earnings	1,509	1,570
CASH-EARNINGS/SHARE	AS 383	AS <b>372</b>

#### RESEARCH, DEVELOPMENT AND THE ENVIRONMENT

Increased efficiency, higher product quality and the protection of the environment are the focal targets of our R&D-activities.

As one of the leading European building material's companies, Wienerberger regards it as its macroeconomic duty and as a challenge to contribute to the rationalisation, cost savings and the general improvement of all building related activities. In bricks, it was our tongue and groove solution which went already one step towards this goal. The plane brick, our most recent development, set a new milestone for more efficient construction. This new system hardly requires any mortar. In addition, it causes considerably lower processing costs. Walls made from the plane brick are not only more cost effective but also more homogenous, and thus superior.

Many of our plants were awarded the ISO certification by independent environmental auditors, acknowledging permanent high quality standards.

efforts aimed at innovation Our concentrated on two aspects: process- and product engineering. One case in point for the implementation of our findings in process engineering is our new brick plant in Haiding, Upper Austria. We succeeded in shortening the firing period for bricks considerably by applying a new manufacturing process. Consequently we were able to make savings in constructing the plant, which will ultimately result in lower manufacturing costs. Accordingly, one can expect smaller plants with higher capacity in the future. One such plant utilising the new technology has been constructed in Bavaria by Schlagmann Baustoffwerke, another one is about to be constructed in Gransee.

Our Pipelife Group successfully introduced the gas-stop system, which was developed last year, in various foreign markets. A production process for lightweight plastic pipes, which was pioneered in France, utilising considerably less raw materials respectively recycled materials, is scheduled to be introduced in other European markets, too. The more efficient use of raw materials and recyclat will be a thoroughly felt contribution to the preservation of the environment.

Treibacher Industries continues to follow its innovative tradition, in particular in the ferroalloys sector. While working on boiler residues, we succeeded in combining the cleaning up and the extraction of secondary raw materials. Auermet, a 100% affiliate of Treibacher Industries, successfully terminated its EURAM project for battery-alloys which in turn should lead to new marketing opportunities with strategically important customers. Treibacher Abrasives developed new corundum products with micro-crystalline graining. Also, this entity is participating in an EURAM and EUREKA project.

Pertaining to environmental issues, absence of objective standards for environmental impact of building materials and -methods is one of the core problems. Together with leading German and Swiss brick producers. Wienerberger is working on and financing a project ("D-A-CH") which attempts to produce scientifically based green accounts for all common building materials. The target is the development of objective, scientifically sound criteria for the assessment of building materials at any stage of their life: from the extraction of raw materials to remedial work. In the course of this research, the brick turned out to be the jack-of-all-trades, whose ecological performance is unbeaten.

Our successes in process-engineering permit the construction of "brick plants without chimneys", whose emissions are far below all

#### **HUMAN RESOURCES**

legal standards. The disposal and recycling of any toxic substances is done within the plant via incinerators and filter-systems.

The plant in Treibach, which is usually exposed to negative publicity as a chemical-metallurgical company, adopted a series of measures, like stringent environmental standards, transparency and responsiveness to citizens' needs and was awarded the title "Transparent plant".

Ecologically watertight disposal sites, which offer the supervised waste treatment close the ecological circle within the Wienerberger Group. We demonstrated on several occasions that ecology and economy are not necessarily opposing poles rather that a balance between management-, economicand environmental issues is within our grasp.

Wienerberger's employees are our most important assets. Their actions follow the simple strategic line "C+C", concentration and consistency. This translates into: Do just a few things but do them well!

According to this paradigm, every employee is expected to define discrete targets for his or her particular job. As our employees are not expected to follow somebody else's standards this method yields superior motivation.

Wienerberger is a company in which the WE is placed firmly on top of egocentricity. Hierarchies are flat, decisions quickly reached. These attitudes promote courage, speed and harmony.

Brick- and pipe-production are local businesses. Hence, the Group consists of a multitude of small, independent units. These units have their own culture. What all employees have in common are similar goals and ideals.

Our prospective managers are to a large extent recruited from within the company. To be in such an enviable position, we rely on a strong pool of junior managers as well as specific continouos training and extensive communication. Once every year, we conduct a group information meeting in Vienna. Executives from our domestic and foreign subsidiaries participate in this information exchange.

In 1994 the Group employed on average 4,803 employees. These employees consider themselves as entrepreneurs within the enterprise and this attitude is the foundation for our successes.

## PERFORMANCE OF STRATEGIC BUSINESS UNITS

# WALL-, CEILING- AND ROOFING SYSTEMS PRODUCTS: Wall Systems: Backing Bricks, Facade Bricks, Clinkers and Facing Bricks. Ceiling Systems: Brick Based Ceilings, Ceiling Elements. Roofing Systems: Clay Tiles, Concrete Tiles. Chimney Systems. Paving Bricks. GROUP COMPANIES: Wienerberger Ziegelindustrie (100%), BRAMAC Dachsysteme International (50%), Ziegelwerke Gleinstatten (25%). PLANTS: 72 Production Plants in Austria, Germany, Italy, Hungary, Czech Republic, Slovakia and Slovenia.

IN AS MILLION	1993	1994		1993	1994
SALES	3,395	4,047	CAPITAL EXPENDITURE	822	1,089
PROFIT ON			EMPLOYEES	1,819	1,985
ORDINARY ACTIVITIES	640	859	CASH-FLOW/SALES	23.0%	30.1%
CASH-FLOW	782	1.219	SALES/EMPLOYEE	1.9	2.0

Wall-, Ceiling- and Roofing Systems represents the traditional core-business of the Wienerberger Group. The unit is composed of three lines of business:

- Walls and Ceilings; managed directly by Wienerberger Ziegelindustrie, it comprises the following product groups: Bricks, Ceilings, Chimney Systems and Facing Bricks
- Concrete Tiles; managed by our 50% subsidiary Bramac Dachsysteme International, and
- Clay Tiles; produced by Ziegelwerke Gleinstatten in which Wienerberger has a 25% stake

In aggregate, Wienerberger Ziegelindustrie and our Roofing affiliates operate 72 plants in Austria, Germany, Hungary, Czech Republic, Slovakia, Slovenia and Italy; 9 plants of which produce concrete tiles and 8 plants of which clay tiles.

In the reporting period we managed to increase both sales and profits, thus further improving last years' impressive results.

#### WIENERBERGER ZIEGELINDUSTRIE.

The business unit Wall-, Ceiling- and Chimney systems participated in the buoyant Austrian and German building market. Sales increased by 20%. Profitability did increase further still, even though last years results were already very satisfactory.

In Austria, market penetration was further improved following the capacity increase of our Hennersdorf brick plant and the commencement of operations of the Haiding plant (capacity 80 million units). These developments were accompanied by the successful introduction of the plane brick range. Furthermore the introduction of the Wienerberger Chimney system complemented our product range for structural works.

In Germany, our plants were operating at capacity, too. Capacity at our two plants in Rietberg and Wefensleben was increased fur-

ther still. At present, we are awaiting completion of the Gransee plant near Berlin; its capacity will be 100 million units per year. We are preparing the construction of two new plants in Buldern and Muhlhausen. The past year brought the acquisition of a 40% stake in ZB Baalberge which represents significant expansion of our market presence in East Germany. This company operates two facing brick plants and two backing brick plants, which are currently overhauled.

In Bavaria we acquired at the end of 1993 via our 50% affiliate Schlagmann Baustoffwerke two ceiling elements plants which were brought into the organisation and optimised. The construction of a new plant in Lanhofen (capacity 100 million units) was finished; it should enable this company to markedly expand its market share. Overall, we managed to increase profitability again, in spite of last years' record performance and extraordinary expenses following increased capital expenditure.

Economic trading conditions in Hungary have improved slightly. Towards the end of 1994 housing construction started to pick up. Capital expenditure at the Meszotur and Bataszek plant and the take-over of the brick plant Bekescsaba further strengthened the market position of Hungaria Wienerberger Teglaipari. Girders and lintels production in Koszeg was working at full capacity. In sum we booked a sales increase of 61% and a commensurate increase in profitability.

In the Czech Republic our capital expenditure programme at our majority owned subsidiary Novosedly bore first fruits. The successful introduction of the Porotherm range lead to full-capacity operations and in turn to a pronounced increase in profitability. Our subsidiary South Bohemian Brick Works began to modernise its three most promising plants. Additional steps were taken to improve the organisational structure and to focus our resources. In spite of extraordinary expenses

relating to capital expenditure projects operating profit was nearly breaking even.

At the end of October we acquired two brickworks in Feltre and Belluno, Italy. Following on the heels of our 10% stake in Vela SpA we secured our first foothold in Europe's largest bricks market.

In Slovakia, construction in Zlate Moravce started as scheduled and the entire production of Porotherm bricks was sold. Even though budgetary targets were all outperformed, operating profits were still negative caused by start up costs.

BRAMAC. The leading tile producer in the Danube-region, in which Wienerberger has a 50% stake, enhanced its market position once more. Above-average growth was the result of favourable economic conditions and continued optimisation of operations. A record result followed 117 million sold tiles. Sales increased by 13% to almost AS 1.2 billion. Consequently, profits followed in line.

Deeper penetration of the Austrian market, following carefully targeted marketing campaigns resulted in impressive market share gains and sales growth. Cost reductions in manufacturing and organisational restructurings lead to disproportionate improvements in profitability.

Our foreign subsidiaries were also experiencing favourable business trends: Bramac Kft in Hungary, which was established 10 years ago, had above average sales- and profit growth. In Slovenia, Bramac D.O.O, reached market leadership in its fourth year. Additionally, Croatia and Bosnia were entered via trading organisations. In the Czech Republic, Bramac spol.s r.o. increased its market share following the acquisition of the tile plant Olbramovice, Southern Moravia, which was acquired at the end of 1993. A doubling of sales was followed by drastic profitability improvements.

**Clay Tiles Gleinstatten.** Ziegelwerke Gleinstatten, a 25% subsidiary of Wienerberger has handsomely increased both sales and profits in the reporting period.

In Austria, two clay tile plants which were acquired in 1993, Unterpremstatten and Pinkafeld, were optimised. They were working close to capacity. The parent plant in Gleinstatten was able to further improve its high earnings level.

In Hungary, Jamina Rt increased both sales and profits significantly. Programmes to lower costs and improve quality made these developments feasible. The brick work Csorna, which was acquired in the first quarter of 1994, was the recipient of investment funds to increase its potential and it was successfully integrated into the Ziegelwerke Gleinstatten Group.

In the Czech Republic, the difficult start-up phase of the Slapanice brick works was overcome which resulted in a marked increase in volume both for bricks and tiles. Like in prior years the Hranice plant has met all its budgetary targets - if only on a rather modest scale.

Ziegelwerke Gleinstatten is currently operating at eight production sites in Austria, Hungary and the Czech Republic. Eight plants produce clay tiles and four plants produce bricks. The first effect of prior year capital spending and higher capacity utilisation was markedly improved profitability.

# PIPE SYSTEMS AND SEWAGE TECHNOLOGY PRODUCTS: Clay Pipes for Waste-Water Disposal. Plastic Pipes for Water Supply and Disposal, Irrigation, Gas-Supply, Cables, Drainage, Electric Installations and District Heating. Duroton-Prefabricated Parts. COMPANIES: Wienerberger Rohrsysteme und Abwassertechnik

(100%), Keramo Wienerberger (100%), Pipelife International Holding (50%). **PLANTS:** 27 plants in Austria, Belgium, Czech Republic, France, Germany, Greece, Hungary, Netherlands, Portugal,

Spain, Turkey, China, Malaysia and Singapore.

<b>IN</b> AS MILLION	1993	1994		1993	1994
SALES	2,424	2,745	CAPITAL EXPENDITURE	216	252
PROFIT ON			EMPLOYEES	1,250	1,229
ORDINARY ACTIVITIES	120	213	CASH-FLOW/SALES	6.9%	8.5%
CASH-FLOW	167	232	SALES/EMPLOYEES	1.9	2.2

Within barely four years our strategic business unit Pipe Systems and Sewage Technology has developed into an important pillar of the Wienerberger Group. Increasing environmental awareness was duly taken into consideration when taking internationalisation steps. Several important stages were:

- Acquisition of the remaining 50% stake in Keramo Wienerberger; thus we integrated 100% of one of the leading European vitrified clay pipe producers into the Wienerberger Group,
- Acquisition of five plastic pipe plants in the Netherlands, Belgium, Spain and Portugal and subsequent integration into the Pipelife Group,
- Disposal of Rohr- und Umwelttechnik including Bohr- und Rohrtechnik.

Hence, our activities were concentrated onto our strategic goals:

- Keramo Wienerberger
- the Pipelife joint venture and
- our pipe activities in South East Asia

At the end of 1994 the unit Pipe Systems and Sewage Technology was already present with 27 plants in 14 countries; within several years it has become the second core business of the Wienerberger Group.

Consolidated sales amounted to AS 2.7 billion, thus reaching a new peak. This result was supported mainly by the Pipelife Groups' positive development, which - owing to favourable economic conditions - further improved its results.

## **PIPE SYSTEMS AND SEWAGE TECH- NOLOGY.** After the sale of Rohr- und Umwelttechnik our domestic activities were concentrated on the production and distribution of Duroton products. Business was satisfactory.

In South-East Asia first steps were made to enter the potential market of China with

plastic pipe plants. Two joint ventures with local partners were formed. A new construction in Nansha, Province Canton, was started, production is scheduled to start in the first quarter of 1995. In the second joint venture, our partner is an important Chinese plastic pipe and fitting producer; it is operating successfully since the beginning of 1995. We anticipate a further increase of our level of activity in China in 1995.

The existing plants in Singapore and in Brunei have met expectations in 1994.

**KERAMO WIENERBERGER.** Our joint venture with the Kumpen family which was inaugurated in 1991 as Keramo Wienerberger, has been established as a niche producer for the disposal of waste water via ceramic pipes. At the end of 1994 we acquired the remaining 50% of this international group.

1994 was characterised by strong competition in the ceramic pipes market in Europe. Those difficult trading conditions were countered by optimising all the various aspects of this business. Cash flow and operating profits improved following rationalisation and restructuring steps, while sales were slightly less than in the preceding period.

Keramo Wienerberger has annual production capacity of 200,000 metric tons. Costs of production and logistics were considerably lowered following rationalisation spending and improved fine-tuning of all production processes.

The parent plant in Hasselt/Belgium expanded its capacity for 2.5 m pipes and the output of new injection moulding products was increased. The Zwickau, Germany, and Kuala Lumpur, Malaysia (opened in 1993) plants were targeted for production improvement and optimisation programmes.

Our co-operation with two ceramic pipe producers in Krauschwitz, Germany, and Boro-

vany, Czech Republic, met our expectations. We were thus able to open up future markets. Furthermore we succeeded in pushing ahead our jacking pipe technology.

A joint venture which was started in 1993 between Keramo Wienerberger and the two leading Czech ceramic pipe producers, Keramo Wienerberger Kamenia is currently expanding its position in the Czech waste water pipe market.

**PIPELIFE.** The Pipelife Group, a joint venture with Solvay S.A, Bruxelles, has not only focused on the expansion of its potential markets but also onto the implementation of programmes to reduce costs in all its plants.

The positive development of the European building industry, supported by decisively higher raw materials prices, is responsible for more than 30% organic growth, i. e. excluding acquisitions. Profitability was considerably higher.

In the second half of 1994, Wienerberger acquired 50% stakes in previously exclusively Solvay-owned plastic pipe plants in Belgium, the Netherlands, Spain and Portugal. Subsequently, these plants were integrated into the Pipelife Group.

At the end of 1994 construction of our planned plastic pipe plant in Fatra, Czech Republic was finished and it commenced operations.

In Austria, the concentration of production of PVC-pipes in Wr. Neudorf and of polyole-fine-pipes in Krems, both Lower Austria, yielded the expected results. Pipelife Rohrsysteme acquired the remaining 50% of Fernwarme Systeme from the Styrian electric utility, Steweag. To secure the growing export to Slovenia, a trading affiliate was established. Since 1994, Pipelife's gas-stop is being exported to other European countries.

In Germany, a record result was achieved. The range of trading goods was expanded to meet customers' expectations even better. A favourable cost structure enabled unusually good results in the sewage-pipe sector, even though there are still over capacities, which led to intense competition in several market segments.

The building industry in France managed to recover slightly. As a consequence of our optimisation programme we increased profits by tightening the distribution organisation.

In Hungary, trading conditions did pick up, but at the same time competition was intensified following the entry of new foreign competitors. Our joint venture Pannonpipe has enlarged its direct-distribution system by three sales outlets and started the production of polyethylen pipes.

In Greece, competitive pressure forced us to adopt further rationalisation steps. The range of products was widened by introducing cable protecting pipes.

At the beginning of 1994 Turkey experienced an economic-financial crisis which led to a strong devaluation of the currency and short-term interest rates of up to 300%. The impact of this crisis was countered successfully by Arili by lowering costs, reducing capacity and adoption of delivery against payment policies.

As a result, the Pipelife Group has 20 facilities in 11 European countries, it is Europe's second largest producer of plastic pipes.

#### **TREIBACHER**

#### TREIBACHER INDUSTRIES

**PRODUCTS:** Ferro-Alloys. Hard-Metal Base Materials. Flints, Misch-Metals and Rare Earth Alloys. Peroxide. **PLANT:** One in Austria with 87% export quota.

#### TREIBACHER ABRASIVES

**PRODUCTS:** Corundum and Silicium-Carbide. **PLANTS:** Six plants in Austria (export quota 90%), Italy, Slovenia, Canada and USA.

IN AS MILLION	1993	1994		1993	1994	
SALES	2,955	3,389	CAPITAL EXPENDITURE	292	142	
PROFIT ON			EMPLOYEES	1,673	1,455	
ORDINARY ACTIVITIES	-113	-65	CASH-FLOW/SALES	0%	3.2%	
CASH-FLOW	32	107	SALES/EMPLOYEE	2.0	2.3	_

Treibacher is the venture-field in the Wienerberger portfolio. Contrary to building materials our activities are not aimed at regional but at global markets. Thus, Treibacher is exposed to economic cycles, currency turmoil and the movement of metal prices. Overall, this business is highly cyclical.

In the past years Treibacher passed through an economic slump. It was not possible to find substitutes for Eastern- and South Eastern European markets which practically disintegrated. Additionally, selected sectors had to cope with low-price competitors from the former CIS countries, China and Latin America. On top of all these factors came the aftermath of the international steel crisis.

Those difficult trading conditions were made worse by the particular disadvantages - high staff-expenses, environmental costs, high energy prices and the hard currency - of producing in a high-cost country, Austria. As a result, the number of employees in the Austrian industry decreased by 3%.

Harsh cost-saving and rationalisation steps which were taken by Treibacher proved not to be sufficient; radical structural changes seemed inevitable.

In these difficult circumstances Wienerberger decided to shoulder full responsibility for Treibacher and increased its stake to 100%. This transaction was financed by the issue of young Wienerberger shares. Banks were willing to support the transaction by swapping AS 600 million of liabilities into equity and equity finance promises. Thus the capital structure of Treibacher improved markedly. At the same time, Treibacher's businesses were spun off into two new subsidiaries. Treibacher Industries, Treibach, and Treibacher Abrasives, Villach. Devoid of any remaining activities, the holding company was merged into Wienerberger.

TREIBACHER INDUSTRIES. Treibacher Industries focuses onto three lines business, ALLOYMET concentrates on ferroalloys and pre-melts for steel refinement as well as metal chlorides, POWDERMET on hard metal base materials for high-performance cutting tools and PEROXIDE provides oxygen based bleachers. The 100% subsidiary, Treibacher Auermet produces flints, environmentally-friendly battery-alloys, mischbase materials for petrochemical metal. catalysators, base materials for high performance ceramics and rare-earth allovs.

At the start of the financial year 1994 the economic cycle for steel started to pick up again in most industrialised countries. This trend culminated in rising prices in the fourth quarter of 1994. After touching record lows, molybdenum, vanadium, nickel and tungsten prices staged remarkable comebacks. Just the recovery for peroxide did not yet materialise.

Consequently, sales posted a 38% increase. Mainly responsible for this development were sales increases in ferro-alloys and peroxide-products. Overall plant utilisation was satisfactory.

Treibacher Auermet achieved increased sales volume and market share in cerium, mischmetal and hydrogen storage alloys owing to depressed price-levels sales were receding.

Our activities in the Alloymet division were centred around the extension of the product range in alloys, the conclusion of long-term contracts with Russian and Chinese raw material suppliers and the stepping-up of the purchasing of secondary raw materials. Additionally, to lessen our dependence on volatile raw materials prices, we started to use recyclants for the production of vanadium-oxide. The trial run of a disposal facility for the nickel-roasting machine was commenced. The English distribution subsidiary

was liquidated and the streamlining of our foreign distribution organisation was completed.

Profitability has improved in the fourth quarter, due to increased trading volume. Thanks to the consequent implementation of our rationalisation programmes we were able to overcome the worst post war slump in the company's history and to post - for the first time in three years - positive results.

As a first step in the direction to opening up the company for strategic alliances, we spun off our peroxide activities into a new subsidiary, in which Degussa Austria subsequently acquired a 51% stake. On top of securing the supply of raw materials, we expect substantial synergies in production and distribution.

Capital expenditure was focused onto the construction of a ferro-molybdenum crusher, a logistically optimised raw materials feeder for the nickel-roasting machine and the natural gas supply for our vanadium-oxide facility.

TREIBACHER ABRASIVES. Treibacher Abrasives was also able to participate in the end of the crisis in the car- and steel-industry. Abrasives, once again were in high demand. Capacity utilisation of our European production plants in Villach, Austria, and Domodossola, Italy, was increased, following the disappearance of two competitors; Domodossola profited handsomely from the devaluation of the Italian Lira. Operating profits in Italy were highly satisfactory.

Our Villach facility on the other hand, was unable to follow this trend to the same extent, even in the light of a 20% sales volume increase. Lowered prices, the fallout of Austria's hard currency, resulted - with 90% of our production being exported only in low operating profits. This trend was further emphasised when including one-off restructuring charges.

Profitability in North America was still negative, although, contrary to last year, we are anticipating a turnaround. Our optimism is founded on the thorough rationalisation programme which we initiated together with a different marketing strategy.

Capital spending focused onto the expansion of melting capacities and the preparation of the acquisition of the Ruse, Slovenia, corundum plant which was executed in 1995.

Our main business goal, to extend our product range in the high quality segment and thus win additional market share, is bearing first fruits. 1994 is to be regarded as the start-up phase of Treibacher Abrasives' mediumterm strategy, which aims at securing the long-term build-up of this ceramics company to form the third core business of the Wienerberger Group.

### REAL ESTATE AND PROPERTY

**SERVICES:** Acquisition and Management of Property to Secure the Supply of Raw Materials **and** the Investment in Real Estate. Property Development. Construction and Management of **Car** Parks. Construction and Management of Landfills and Hazardous Waste Disposal Sites. Stove-Tile Manufacture. Treasury and Procuration of Funds. Insurance-Services. **COMPANIES:** Wienerberger Immobilien (100%). Wipark Garagen (100%). Mineralstoffverwertung (100%). Wienerberger Ofenkachel (100%). Wienerberger Versicherungs-Service (60%). "Aiwa" (35,5%).

IN AS MILLION	1993	1994		1993	1994	
SALES	352	372	CAPITAL EXPENDITURE	712	1,251	
PROFIT ON			EMPLOYEES	133	134	
ORDINARY ACTIVITIES	171	296	CASH-FLOW/SALES	-	_	
CASH-FLOW	286	490	SALES/EMPLOYEE	2.6	2.8	
						_

Wienerberger has extensive real-estate holdings, which originated from the brick production. In the past few years, as a direct consequence of our industrial expansion, these holdings in Austria and abroad increased substantially. They consist of commercial property, mineral sites, farm land, forests and developed land.

WIENERBERGER IMMOBILIEN. Out standing event of the year in the field of property development was the opening of the Business Park Vienna at the beginning of September 1994. At the end of stage 1 the project consisted of 65,000 m² (approx. 700,000 sq. ft) office space, a shopping mall comprising 22 retail outlets, restaurants, conference facilities, a 175 room Holiday Inn hotel, 45 flats, a fitness centre and a kindergarten. To complement these facilities, there are a golf course and a health centre in the immediate vicinity.

The basic principle behind the Business Park Vienna is the Living Office concept, which allows tenants and their employees to work in a holistic environment which offers all facilities to meet everyday needs. Following the completion of the parts A + B in 1993, parts C + D, the shopping mall and the high-rise were completed in August 1994; tenants were starting to move in following the progress of their interior designers. Our bluechip tenants include Unilever, Schrack, RWA Raiffeisen Ware Austria and Wienerberger Baustoffindustrie with several affiliates.

It is particularly encouraging that the occupancy rate tops 90% at the end of 1994. As a result of this high acceptance, apart from opening the hotel in March 1995, we will initiate stage 2 of the development. The vacant lot of approx. 60,000 m² (650,000 sq.ft) will be used to build between 600-800 flats, two office-towers, a home for the elderly and a day nursery.

WIPARK GARAGEN. Wipark Garagen started to operate its second car-park in the Business Park Vienna and thus maintains 19 car parks offering 7,000 parking spaces in Vienna. Business is, in spite of locational variances developing well. At the end of 1994, another underground car park, in Graz, Styria, was acquired. In 1995 we plan to construct three further car parks, five additional projects with 2,000 parking spaces, one of which abroad are in the planning stage.

**MINERALSTOFFVERWERTUNG.** In the summer of 1994 we started a building refuse landfill in Baden, near Vienna. All our disposal sites posted satisfying results.

"ALWA". In the course of property development projects, Wienerberger acquired during the past few years 600 hectares (approx. 1,500 acres) of farmland and forests. To increase transparency, these sites were managed as independent entities. However, it was decided to contribute Forstbetrieb Scheiberhof and Forstbetrieb Schoofl. together with two further pieces of woodland in kind to "Aiwa".

Thus, our stake in "Aiwa" increased from 25% to 35.5%. With total property holdings in excess of 26,000 hectares (approx. 64,250 acres), "Aiwa" is among the ten largest private property owners in Austria. Positive earning trends were further improved in 1994.

WIENERBERGER OFENKACHEL. Wienerberger Ofenkachel, which has one plant in Walbersdorf, Pannonia, used 1994 to specialise itself further as a low-cost niche provider. Business was very satisfying.

**WIENERBERGER VERSICHERUNGS SERVICE.** This service-company met all expectations in 1994. Commission income has been increasing as volume expanded.

**TREASURY.** Its main activity is the investment of surplus liquidity. Irrespective of lower interest- and money market rates results were similar to last year's good figures.

TIES - BUDGET - VISION. The economic SCENARIO for 1995 is positive. Western Europe has firmly left the economic doldrums behind. Recovery in European OECD countries set the stage for our Eastern neighbours to push ahead their restructuring endeavours. Current forecasts for 1995 and 1996 signal the continued recovery in East and West, even though rising interest rates, recent currency turmoil as well as fiscal austerity measures are not conducive to justify such optimism. South-East Asia will remain a growth-region, whilst the North American recovery should have reached its peak.

SCENARIO • STRATEGY - ACTIVI-

Western European building volume does not necessarily behave congruently with the economy as a whole. In particular in the traditional home-markets of the Wienerberger Group, Austria and West-Germany, housing starts will remain a pillar of building-demand, nevertheless, we expect it to ease off. On the other hand, 1995 will see a growing building industry in the Netherlands and in parts of Scandinavia; Italy and Sweden will experience, notwithstanding economic growth, less housing starts. The special situation in the German New Lander, which is producing high, double-digit growth rates continues; the main focus, however is shifting from renovations to new housing. In central European countries a divergence between housing needs on one hand and financing capabilities on the other hand persists.

Wienerberger's **STRATEGY** is a combination of global thinking and local action: While operating on a global scale, we focus onto regional markets.

Our activities are - according to the portfolio principle - spread over four lines of business. An additional risk-reducing layer is the geographical spread over 19 different economies in three continents. Capital expenditure follows these portfolio principles as well: at least 50% of capital spending takes place in Western Europe, up to 30% in Eastern Europe and up to 20% in overseas locations.

Wienerberger has dominant market positions in its core businesses, strong assets, profitability, cost-efficiency, innovation, man-power and a clear strategy ahead.

This strategy is constantly adapted to permanently changing economic conditions. 1995 will be dedicated to increase our competitive strengths in our two core businesses, bricks and pipes, to decisively push ahead global expansion and to optimise all existing assets.

- Our traditional core business, Wall-, Ceiling- and Roofing Systems has the strongest market position, the largest percentage of our assets, the largest amount of specific know-how and the strongest earnings potential. In this field, we regard expansion into new markets and the optimisation of existing operations as the focus of our attentions. Targeted markets are Poland, Croatia as well as Italy, Benelux and maybe even Great Britain.
- Our new core business, Pipe Systems and Sewage Technology has great potential for the future. After the complete integration of Keramo Wienerberger into the Wienerberger Group we have a niche-producer with strong market positions in Central Europe. The Pipelife joint venture will continue to expand in the future. Target markets in this line of business are - besides South-East Asia - Poland, Italy and maybe even Scandinavia.
- Treibacher Industries is again price competitive and has good earnings potential in 1995. The new structure permits carefully selected strategic business alliances. In this unit, the aim is the creation of an industrial portfolio with optimised divisions, which should be secured together with partner firms under Wienerberger's lead.

46

Treibacher Abrasives is in the position to become world market leader in corundum. Innovation, intensified capital spending and tight cost controls should make this objective obtainable.

 The Real Estate/Property unit has serving character. It's main purpose is to secure our industrial activities. Via the regrouping of assets we want to build up long-lasting, inflation proof returns. On the other hand, our stake in "Aiwa" expresses our positive attitude for long term assets.

In pursuing these targets, we took the following **ACTIVITIES** in the first months of 1995:

- Opening of the new Gransee brick plant, Berlin, (capacity 100 million units)
- Opening of the new Lanhofen brick plant, Bavaria, which was constructed together with our joint-venture partner Schlagmann (capacity 100 million units)
- Reopening of the rebuilt brick plants Tyn, Cicenice and Lety, all Czech Republic, by the South Bohemian Brick Works (capacity 170 million units)
- Acquisition of Hostomice brick plant, Czech Republic, (capacity 45 million units)
- Opening of new plastic pipe plant in Nansha, China
- Start of construction of new plastic pipe plant in Chengdu, China
- Acquisition of corundum plant Ruse, Slovenia, opening of another furnace in the Domodossola plant, Italy, start of construction of a new brown sizing facility in the Niagara Falls plant, USA, and start of construction of a new micrograining facility in the Villach corundum plant, Austria
- Realisation of two property developments valued at AS 135 million

Opening of Holiday Inn hotel in the Business Park Vienna

Our **BUDGET** 1995 anticipates, excluding planned acquisitions, increased sales of more than AS 12 billion, after 10.5 billion in 1994. Profits on ordinary activities is expected to grow from AS 1.3 billion to AS 1.5 billion. Additions to fixed assets are scheduled to increase by AS 3 billion.

These targets materialised in the first quarter of 1995 - in particular because of robust housing trends. Hence we are optimistic to make 1995, after our vintage performance in 1994, our next record year.

Our **VISION** stands: Wienerberger - an Austrian company, global leader in bricks and pipes.

# FINANCIAL STATEMENTS 1994 WIENERBERGER BAUSTOFFINDUSTRIE AKTIENGESELLSCHAFT

Balance Sheet as at December 31, 1994

Profit and Loss Account

for the Year ended December 31, 1994

Changes in Fixed Assets

Changes in Untaxed Reserves

51

#### BALANCE SHEET AS AT DECEMBER 31, 1994

#### **ASSETS**

	Status as at Dec. 31, 1994 AS	Status as at Dec. 31, 1993 AS
A. Fixed Assets		
Intangible Fixed Assets		
Concessions, patents, licences and similar rights	56,995,103	24,893,935
II. Tangible Fixed Assets		
1. Freehold and leasehold land		
and buildings	273,985,310	265,168,786
2. Undeveloped property	146,446,818	154,555,382
3. Plant and machinery	10,809,754	18,858,770
<ol><li>Fixtures, fittings, tools and equipment</li></ol>	9,837,143	12,132,738
	441,079,025	450,715,676
III. Investments		
Subsidiaries and related companies	4,459,104,229	4,028,994,944
2. Other investments	533,522,979	106,612,733
	4,992,627,208	4,135,607,677
	5,490,701,336	4,611,217,288
B. Current Assets		
Trade debtors     Amounts owed by group	22,039,057	9,395,062
companies	1,888,800,517	1,242,223,227
Amounts owed by related companies	948,634	32,330,731
4. Other debtors	303,215,050	81,931,752
	2,215,003,258	1,365,880,772
	_,_ : 0,000,_00	, , ,
II. Investments	<u> </u>	
Other investments	966,258,130	916,261,844
III. Cash at bank and in hand	60,124,617	68,817,028
	3,241,386,005	2,350,959,644
C. Accrued Expenses	1,061,568	4,101,540

52

8.733.148.909 6.966.278.472

#### WIENERBERGER BAUSTOFFINDUSTRIE AG

		LIABILITIES
	Status as at Dec. 31, 1994 AS	Status as at Dec. 31,1993 AS
A. Shareholders Equity 1. Called-up share capital	422,078,200	393,578,200
II. Capital reserves		
Share premium account	4,893,731,714	4,138,331,366
2. Additional capital paid in	434,177,419	434,177,419
	5.327,909,133	4,572,508,785
III. Retained earninas	614,402,774	442,472,488
IV. Profits		
Profit brought forward	213,594	153,686
2. Net profit	177,312,072	145.683.842
	177,525,666	145,837,528
	6,541,915,773	5,554,397,001
B. Untaxed Reserves		
1. Reserves under Income Tax Act 1972	701,242,747	730,187,087
2. Reserves under Sect. 10 Income		
Tax Act 1988	2,294,588	18,263,195
Reserves under Sect. 12 Income     TaxAct1988	223,264,230	01 407 000
TAXACTI900	926,801,565	91,407,988 <b>839,858,270</b>
	920,001,303	039,030,270
C. Provisions		
<ol> <li>Provisions for severance payments</li> </ol>	12,775,314	11,217,179
2. Provisions for pensions	59,882,070	57,538,441
<ol><li>Provisions for taxes</li></ol>	28,380,000	59,929,000
4. Other provisions	74,574,773	62,868,424
	175,612,157	191,553,044
D. Creditors		
1. Bank loans and overdrafts	8,502,093	21,226,355
2. Trade creditors	5,172,148	9,571,759
3. Amounts owed to group companies	1,052,004,163	329,057,925
4. Amounts owed to related companies	0	1,896,963
5. Other creditors	22,961,010	16,223,354
	1,088,639,414	377,976,356
E. Deferred Income	180,000	2,493,801

8,733,148,909 6,966,278,472 2,264,433,778 53

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 1994

<u>54</u>

		1994		1993	
		AS	AS	AS	AS
					70.040.004
1.	Sales		68,295,919		72,210,094
2.	Other operating income a) Profits on the disposal of fixed assets b) Profits on the release of provisions c) Other income	162,488,218 478,788 14,498,583	177,465,589	20,868,515 19,469,861 16,567,289	56,905,665
3.	Staff expenses a) Wages b) Salaries c) Severance payments and pensions d) Mandatory social security contributions	1,313,445 40,341,518 9,224,960 6,684,518		1,210,668 38,058,632 18,480,586 6,344,736	
	e) Voluntary social security contributions	1,327,006	-58,891,447	2,091,582	-66,186,204
4.	Depreciation		-34,663,018		-31,016,724
5.	Other operating expenses a) Taxes b) Other	2,587,056 39,992,701	-42,579,757	31.147.843 23,854,301	-55,002,144
6.	Subtotal 1. to 5.	_	109,627,286		-23,089,313
7.	Income from investments		262,908,356		206,761,208
8.	Interest income, securities- and similar income		165,275,758		140,051,077
9.	Profits on the disposal of investments		15,775,522		471,178
10.	Provisions against investments		-1,982,583		-1,572,364
11.	Expenses relating to fixed and current investments		-21,576,597		-2,178,039
12.	Interest and similar expenses	_	-39,436,700		-14,713,258
13.	Subtotal 7. to 12.		380,963,756		328,819,802
14.	Profits on ordinary activities	4	190,591,042		305,730,489

#### WIENERBERGER BAUSTOFFINDUSTRIE AG

		1994			1993
		AS	AS	AS	AS
	brought forward		490,591,042		305,730,489
15.	Extraordinary expenses		-11,552,341		-16,911,451
16.	Income taxes		-52,205		2,556,306
17.	Costs of capital increase a) Capital taxes b) Others	15,703,076 407,925	-16,111,001	0 0	0
18.	Surplus for the year	4	162,875,495		291,375,344
19.	Release of untaxed reserves		39,580,206		18,037,435
20.	Additions to untaxed reserves		-153,213,343		-24,461,937
21.	Additions to retained earnings		-171,930,286		-139,267,000
22.	Profit for the year	1	177,312,072		145,683,842
23.	Profit brought forward		213,594		153,686
24.	Net Profit	1	177,525,666		145,837,528

Vienna, March 1995

The Managing Board

Wolfgang Reithofer Erhard Schaschl Paul Tanos
Chairman

As the result of our due audit we can certify that the accounting records and the financial statements comply with the legal regulations. The financial statements give a true and fair view of the company's assets, the liabilities, financial position and profit or loss in conformity with generally accepted accounting principles. The management report corresponds with the financial statements.

Vienna, April 7, 1995 KPMG Austria Wirtschaftsprufungs-Gesellschaft m.b.H.

(signed) Hruschka

(signed) Zochling

Certified Public Accountants

55

#### CHANGES IN FIXED ASSETS

	Cost at Jan.1,1994	Additions
=	AS	AS
Fixed Assets		
Intanqible Fixed Assets		
Concessions, licences, patents, trade	07.050.000	50 007 004
marks and similar rights	37,252,622	59,607,081
II. Tangible Fixed Assets		
1. Freehold and leasehold land		
and buildings		
a) Real estate	146,208,201	0
b) Freehold buildings	85,682,393	6,315,936
c) Leasehold buildings	53,555,259	8,240,335
	285,445,853	14,556,271
2. Undeveloped properties	155,486,586	11,583,174
<ol><li>Plant and machinery</li></ol>	50,302,103	21,360
<ol><li>Fixtures, fittings, tools and</li></ol>		
equipment	96,321,250	8,962,212
-	587,555,792	35,123,017
III. Investments		
1. Investments in related companies	4,028,994,944	1,171,687,380*
2. Other investments	107,624,220	502,382,415
_	4,136,619,164	1,674,069,795
	4,761,427,578	1,768,799,893

<sup>56</sup> 

<sup>&#</sup>x27; of which agricultural land and forest AS 17.365,000 " of which agricultural land and forests AS 6.224,787 " of which agricultural land and forests AS 37,763,859

#### WIENERBERGER BAUSTOFFINDUSTRIE AG

Disposals AS	Accumulated Depreciation AS	Net Book Value at Dec. 31, 1994 AS	Net Book Value at Jan. 1, 1994 AS	Depreciation 1994 AS
22,379,412	17,485,188	56,995,103	24,893,935	10.076.428
428	0	146,207,773	146 200 201	0
7,102,229	14,121,380	70,774,720	146,208,201 67,049,226	2,475,546
584,489	4,208,288	57,002,817	51,911,359	3,148,873
7,687,146	18,329,668	273,985,310	265,168,786	5,624,419
19,691,738"	931,204	146,446,818	154,555,382	0
3,160,649	36,353,060	10,809,754	18,858,770	8,070,366
80,864,353	14,581,966	9,837,143	12,132,738	10,891,805
111,403,886	70,195,898	441,079,025	450,715,676	24,586,590
744 570 005***	2	4 450 404 220	4.020.004.044	0
741,578,095***	0	4,459,104,229	4,028,994,944	0
76,209,669	273,987	533,522,979	106,612,733	0
817,787.764	273,987	4,992,627,208	4,135,607,677	0
951,571,062	87,955,073	5,490,701,336	4,611,217,288	34,663,018

#### CHANGES IN UNTAXED RESERVES

#### a) Valuation Reserve under Section 8 Income Tax Act

	Status as at Jan. 1, 1994	Reduction	Consumption	Status as at Dec. 31,1994
	AS	AS	AS	AS
Fixed Assets				
Intangible assets				
Concessions, patents, licences, trade				
marks and similar rights	0	0	0	0
II. Tanadala assata				
II. Tangible assets  1. Freehold real estate and				
leasehold buildings a) Real estate	0	G	0	0
b) Freehold buildings	359,502	(i 0	359,502	0
c) Leasehold buildings	339,302	0	0.09,502	0
c) Leasenoid buildings				
	359,502	0	359,502	Ü
2. Undeveloped properties	0	0	0	0
3. Plant and machinery	0	0	0	0
4. Fixtures, fittings, tools and				
equipment	15,134	0	15,134	0
•	374,636	0	374,636	0
	·		· · · · · · · · · · · · · · · · · · ·	
III. Investments				
Investments in related companies	0	0	0	0
	374,636	0	274 626	
	314,030	0	374,636	0

#### WIENERBERGER BAUSTOFFINDUSTRIE AG

#### b) Valuation Reserve under Section 12 Income Tax Act

	Status as at Jan. 1, 1994	Provision	Release	Status as at Dec. 31,1994
_	AS	AS	AS	AS
Fixed Assets 1. Intanqible assets Concessions, patents, licences, trade marks and similar rights	0	0	0	0
II. Tanaible assets  1. Freehold real estate and leasehold buildings	· ·	0		<u> </u>
a) Real estate	144,012,132	0	0	144,012,132
b) Freehold buildings	62,024,710	2,500,000	1,341,360	63,183,350
c) Leasehold buildings	51,911,355	0	2.118.831	49,792,524
	257,948,197	2,500,000	3,460,191	256,988,006
2. Undeveloped properties	113,616,453	11,583,174	14,417,124*	110,782,503
<ul><li>3. Plant and machinery</li><li>4. Fixtures, fittings, tools and</li></ul>	0	0	0	0
equipment	0	0	0	0
- -	371,564,650	14,083,174	17,877,315	367,770,509
III. Investments				
Investments in related companies	358,247,801	0	24,775,563**	333,472,238
- -	729,812,451	14,083,174	42,652,878	701,242,747

<sup>&#</sup>x27; of which agricultural land and forests AS 1.914.279 " agricultural land and forests

#### CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 1994

#### **ASSETS**

	Status as at Dec. 31, 1994 AS 1,000	Status as at Dec. 31,1993 AS 1,000
A. Fixed Assets		· · · · · · · · · · · · · · · · · · ·
Intanaible fixed assets	<u> </u>	
1. Concessions, patents, licences, trade marks		
and similar rights	240,219	212,495
2. Goodwill	19,360	35,194
	259,579	247,689
II. Tanqible fixed assets		
Freehold and leasehold land and buildings	4,637,612	3,806,553
2. Undeveloped property	424,547	369,711
3. Plant and machinery	2,362,561	1,884,605
4. Fixtures, fittings, tools and equipment	371,782	458,201
5. Prepayments and plants under		
construction	480,670	840,520
	8,277,172	7,359,590
III. Investments		
Shares in associates	349,731	408,220
2. Advances	18,348	33,625
3. Other investments	639,141	254,636
4. Prepayments	32,651	32,910
	1,039,871	729.391
	9,576,622	8,336,670
B. Current Assets	3,370,022	0,550,070
I. Inventories		
<ol> <li>Raw materials and consumables</li> </ol>	489,966	473,063
2. Work in Progress	247,278	264,981
<ol><li>Finished goods and merchandise</li></ol>	1,014,573	1,254,542
4. Prepayments	68,367	21,069
	1,820,184	2,013,655
II. Debtors		
1. Trade debtors	2,157,691	2,453,084
2. Amounts owed by related companies	98,840	105,487
3. Other debtors	1,014,326	694,815
	3,270,857	3,253,386
III. Other investments		
	1,018,913	998,109
IV. Cash at bank and in hand	826,543	794,379
	6,936,497	7,059,529
C. Accrued Expenses	40,828	26,086
TOTAL ASSETS	16,553,947	15,422,285

62

#### FINANCIAL STATEMENTS 1994 WIENERBERGER GROUP

Consolidated Balance Sheet as at December 31, 1994

Consolidated Profit and Loss Account for the Year ended December 31,1994

Changes in Fixed Assets

### CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 1994

		1994 AS1,000	1993 AS 1,000
1.	Sales	10,553,475	12,119,947
2.	Change in stocks of finished goods and work in progress	54,893	-21,153
3.	Own work capitalised	53,294	40,281
4.	Other operating income	487,697	428,018
	Operating performance (1. to 4.)	11,149,359	12,567,093
5.	Raw materials and consumables	-5,098,280	-6,670,457
6.	Staff costs	-2,325,891	-2,643,836
7.	Depreciation on tangible and intangible fixed assets	-834,592	-780,212
8.	Other operating charges	-1,547,943	-1,506,996
9.	Operating profit (1. to 8.)	1,342,653	965,592
10.	Income from investments	35,590	22,736
11.	Interest and securities income	214,892	255,337
12.	Income from the disposal of investments	7,630	7,828
13.	Expenses relating to fixed and current investments	-40,982	-22,069
14.	Depreciation of other investments	-22,807	-2,402
15.	Interest payable and similar expenses	-234,221	-289,462
16.	Financial results (10. to 15.)	-39,898	-28,032

#### WIENERBERGER GROUP

		LIABILITIES
	Status as at	Status as at
	Dec.31,1994	Dec. 31,1993
	AS 1,000	AS 1,000
A. Shareholders' Equity		
1. Called-up share capital	422,078	393,578
II. Capital reserves	2,725,247	2,636,222
III. Retained earnings	4,067,509	3,137.147
IV. Negative goodwill	198,613	175,524
V. Minority interacts	587,812	835,948
V. Minority interests	8,001,259	7,178,419
B. Provisions		
Provisions for severance payments	216,107	287,981
2. Provisions for pensions	155,911	292,814
3. Provisions for taxes	548,610	610,272
4. Other provisions	797,677	800,403
	1,718,305	1,991,470
C. Creditors		
1. Debentures	88,849	98,443
2. Bank loans and overdrafts	3,681,270	3,154,195
3. Payments received on account	45,622	62,401
4. Trade creditors	1,176,645	929,695
5. Bills of exchange payable	55,621	303,984
6. Due to related companies	48,857	41,322
7. Other creditors	1,465,244	1,331,905
	6,562,108	5,921,945
D. Deferred Income	272,275	330,451

63

#### CHANGES IN FIXED ASSETS

	Cost at Jan. 1, 1994*)	Additions
	AS 1,000	AS 1,000
Fixed Assets		
Intanqible Fixed Assets	_	
1. Concessions, licences, patents, trade marks		
and similar rights	289,044	84,222
2. Goodwill	62,365	576
	351,409	84,798
II. Tanaible Fixed Assets		
Freehold and leasehold land	•	
and buildings of which:		
Real estate	1,236,549	26,639
Buildings	3,499,710	724,170
2. Undeveloped real estate	439,931	38,790
3. Plant and machinery	5,163,665	595,124
4. Fixtures, fittings, tools and equipment	1,111,426	198,505
5. Prepayments and plants in the course of construction	957,789	374,491
	12,409,070	1,957,719
III. Investments		
Investments in related companies	685,555	117,984
2. Advances	29,567	6,413
3. Securities	214,039	535,003
4. Prepayments	326	32,382
	929,487	691,782
	13,689,966	2,734,299

#### WIENERBERGER GROUP

	1994 AS 1,000	1993 AS 1,000
17. Profit on ordinary activities	1,302,755	937,560
18. Extraordinary items	245,572	-103,444
19. Income taxes	-335,394	-252,122
20. Profit for the year	1,212,933	581,994
21. Minority interests	-24,871	43,763
22. Profit for the year excluding minority interests	1,188,062	625,757

Vienna, April 1995

The Managing Board

Wolfgang Reithofer Erhard Schaschl Paul Tanos
Chairman

As the result of our due audit we can certify that the Group's accounting records and the consolidated financial statements comply with the legal regulations. The consolidated financial statements give a true and fair view of the Group's assets, the liabilities, financial position and profit or loss in conformity with generally accepted accounting principles. The management report corresponds with the consolidated financial statements.

Vienna, April 18, 1995 KPMG Austria Wirtschaftsprufungs-Gesellschaft m.b.H.

(signed) Hruschka (signed) Zochling

Certified Public Accountants

#### WIENERBERGER GROUP

Disposals	Account transfers	Accumulated depreciation	Net Book Value at Dec. 31, 1994	Net Book Value at Jan. 1, 1994	Depreciation 1994
- AS 1,000	AS 1,000	AS 1,000	AS 1,000	AS 1,000	AS 1,000
57.474	0	75,908	240,219	212,495	34,551
0	0	43,581	19,360	35,194	13,808
57.474	0	119,489	259,579	247,689	48,359
		-,		,000	.0,000
19,853	-2,192	81,995	1,159,147	1,348,468	855
157,867	590,166	1,177,865	3,478,465	2,458,085	136,886
19,716	1,369	35,827	424,546	369,711	6,392
210,423	211,898	3,401,168	2,362,561	1,884,605	489,785
205,991	-3,328	729,322	371,782	458,201	152,313
47,798	-803,812	1	480,671	840,520	1
661,648	-5,899	5,426,178	8,277,172	7,359,590	786,232
438,939	0	14,869	349,731	408,220	0
12,441	-4,811	380	18,348	33,625	287
106,190	0	3,712	639,141	254,636	944
56	0	0	32,651	32,910	0
557,626	-4,811	18,961	1,039,871	729,391	1,231
1,276,748	-10,710	5,564,628	9,576,622	8,336,670	835,822

<sup>7</sup>0

ACCOUNTING POLICIES. The accounts have been prepared according to Austrian Accounting Standards, thus by adhering to the overriding principle of giving a true and fair view of the state of affairs of the parent company and the Group.

Intangible assets are valued at cost and depreciated over their useful lives (5-15 years). Tangible assets are valued at acquisition or production cost, depreciation of tangible fixed assets is based on useful lives and is provided on a straight-line basis. The principal useful lives are:

Buildings	10-50 years
Machinery	5-15 years
Fixtures, Fittings, Tools	5-10 years
and Equipment	

In principle, full annual depreciation is applied to additions during the first half of the accounting period, half the annual depreciation rate for those effected in the second half.

Small ticket items bought by domestic companies are fully depreciated in the year of acquisition.

Additional depreciation is provided if a reduction in value is believed to be permanent.

Investments - with the exception of equity consolidated enterprises - have been stated at their acquisition cost in the Consolidated Balance Sheet. Lower values are used, if a permanent diminution in value is anticipated.

Stocks are valued at the lower of production cost or net realisable value. Production costs are computed including direct and prorata indirect costs. Debtors and other assets are recorded at their nominal value; additionally general and specific provisions against bad and doubtful debts were made. Other current investments are quoted at the lower of cost and market value at December 31, 1994.

Provisions for current and future pensions resulting from individual agreements are provided on a systematic basis. The costs are calculated using actuarial methods (Ettl-

Pagler) and applying an interest rate of 6%. Any amounts exceeding the limits of section 14 Income Tax Code have been taxed.

Provisions for severance payments are discounted applying an interest rate of 6%. Other provisions take into account the accruals concept and the concept of prudence by putting aside reserves for risks and liabilities whose value has not yet been determined

Liabilities are stated at the higher of nominal value or redemption price. Debtors and creditors denominated in foreign currency are translated into AS at the mean rate of exchange prevailing at the balance sheet date, if these exceed their book-values.

The Profit and Loss Accounts use the aggregate cost format.

# NOTES TO THE ACCOUNTS WIENERBERGER BAUSTOFFINDUSTRIE AG AND WIENERBERGER GROUP

Accounting Policies

Principles of Consolidation

Consolidation Range

Notes to the Balance Sheet

Notes to the Profit and Loss Account

#### **CONSOLIDATION RANGE**

The consolidation range of Wienerberger Baustoffindustrie AG comprises the following domestic and foreign companies:

Fully consolidated:	Share capital AS million	%-held Dec. 31, 1994
-	7.0 111111011	DCC. 01, 1004
Austria:		
Wienerberger Ziegelindustrie AG, Wien	300.00	100.00
Steirische Ziegelwerke GmbH, Barnbach	0.50	74.00
Wienerberger Rohrsysteme und		
Abwassertechnik GmbH, Wien	200.00	100.00
Keramo Wienerberger VertriebsgmbH, Wien	3.50	100.00
Treibacher Industrie AG, Treibach	100.00	100.00
Treibacher Auermet ProduktionsgmbH, Treibach	5.00	100.00
Treibacher Schleifmittel AG, Villach	100.00	100.00
Mineralstoffverwertungs-GmbH, Wien	50.00	100.00
WIPARK Garagen GmbH, Wien	100.00	100.00
Garage am Beethovenplatz GmbH & Co KG, Wien	15.50	100.00
Luegerplatz Garage GmbH, Wien	1.50	100.00
Tiefgarage Freyung Errichtungs- u.		
VerwaltungsgmbH, Wien	0.50	100.00
Tiefgarage Freyung Errichtungs- u.		
VerwaltungsgmbH & Co KG, Wien	1.00	100.00
Wienerberger BeteiligungsverwaltungsgmbH, Wien	275.00	100.00
Wienerberger Ofenkachel GmbH, Wien	5.00	100.00
Wienerberger Versicherungs-Service GmbH, Wien	0.50	60.00
Wienerberger Immobilien AG, Wien	800.00	71.725
Business Park Vienna Holding GmbH, Wien	5.00	71.725
Bauteile A + B ErrichtungsgmbH, Wien	0.50	71.725
Bauteile C + D ErrichtungsgmbH, Wien	0.50	71.725
Bauteil E ErrichtungsgmbH, Wien	25.00	71.725
Bauteil H ErrichtungsgmbH, Wien	0.50	71.725

#### PRINCIPLES OF CONSOLIDATION.

The consolidation of accounts applies the book-value method, goodwill is accounted for at the point of acquisition or of first-consolidation. Goodwill arising on the acquisition of a subsidiary is written off capital reserves in the year of acquisition. According to Austrian law (sect. 261 (2) Companies Act) a minor portion of goodwill is allocated to real estate whereas the major portion is offset against capital reserves. Negative Goodwill appears under shareholders' equity.

Companies over which Wienerberger has significant influence, but less than 50% of the voting rights are equity consolidated (sect. 264, Companies Act). The basis for inclusion in the Consolidated Accounts are their latest published informations. Goodwill arising on equity consolidation is written off capital reserves in the year of first consolidation.

Retained earnings in the Consolidated Balance Sheet include untaxed reserves, whose distribution would result in additional tax expense (sect. 253 (3) Companies Act); relevant provisions are included in "Provisions for Taxes".

Within the framework of debt consolidation, amounts receivable and other debtors have been set against corresponding liabilities and provisions. Inter-company results from the transfer of fixed assets within the Group have, if material, been eliminated with corresponding effect on the income statement. The same applies to inter-company profits resulting from group inventories.

Provisions have been made according to sect. 258, Companies Act for deferred taxes arising on the consolidation of debts, expenses, income and the elimination of intercompany profits. These are included in provisions for taxes.

Minority interest denotes the share of outsiders in companies which are included in the Consolidated Accounts.

The financial statements of foreign companies are translated using the year-end mean rate of exchange.

Abroad:		
Schlagmann BeteiligungsgmbH, Lanhofen	0.05 DEM	50.00
Schlagmann Baustoffwerke GmbH & Co KG, Lanhofen	10.00 DEM	50.00
Bramac Pokrovni Sistemi D.O.O., Zagreb	0.48 ATS	50.00
Bramac Dachsteinproduktion und		
Baustoffindustrie KFT, Veszprem	1,831.88 HUF	31.02
Bramac Dachsteinproduktion und Baustoffindustrie		
D.O.O., Skocjan	459.49 SIT	31.35
Bramac spol.s r.o., Chrudim	628.43 CZK	37.36
Bramac Stresne Systemy spol.s r.o., Bratislava	0.10 SKK	50.00
Pipelife Rohrsysteme GmbH, Bad Zwischenahn	8.20 DEM	50.00
Pipelife Rohrsysteme Golzau GmbH, Golzau	0.50 DEM	50.00
Pipelife Elektrorohr GmbH, Bad Zwischenahn	0.05 DEM	50.00
Pipelife France S.A., Chateauroux	128.10 FRF	50.00
France Tube S.A., Gaillon	2.30 FRF	50.00
Tubes de la Seine S.A., Gaillon	1.20 FRF	50.00
Societe Mediterraneenne de Plastiques Agricoles,		
Saint-Gilles	3.85 FRF	50.00
Societe d'Etudes de Recherche et d'Applications		
des Plastiques, Compiegne	2.18 FRF	50.00
Pannonpipe Kunststoffindustrie KFT, Budapest	1,224.00 HUF	25.00
Tubos y Repuestos de Plastico S.A., Zaragoza	1,200.00 ESP	50.00
Polva Pipelife S.A., Kalmthout	19.50 BEF	50.00
Tubos Saenger S.A., Granollers	800.00 ESP	50.00
Equity consolidated:	Share capital AS million	%-held Dec. 31, 1994
	•	
Austria:	AS million	Dec. 31, 1994
Austria: "Alwa" Guter- und Vermogensverwaltungs-AG, Wien	•	
Austria: "Alwa" Guter- und Vermogensverwaltungs-AG, Wien Wienerberger Ziegelindustrie AG &	AS million 56.95	Dec. 31, 1994 35.50
Austria: "Alwa" Guter- und Vermogensverwaltungs-AG, Wien	AS million	Dec. 31, 1994
Austria: "Alwa" Guter- und Vermogensverwaltungs-AG, Wien Wienerberger Ziegelindustrie AG &	AS million 56.95	Dec. 31, 1994 35.50
Austria: "Alwa" Guter- und Vermogensverwaltungs-AG, Wien Wienerberger Ziegelindustrie AG & Braas Austria GmbH OEG & Co KEG, Wien	AS million 56.95	Dec. 31, 1994 35.50
Austria: "Alwa" Guter- und Vermogensverwaltungs-AG, Wien Wienerberger Ziegelindustrie AG &	AS million 56.95 10.50	Dec. 31, 1994 35.50 33.35
Austria: "Alwa" Guter- und Vermogensverwaltungs-AG, Wien Wienerberger Ziegelindustrie AG & Braas Austria GmbH OEG & Co KEG, Wien	AS million 56.95 10.50 Share capital	Dec. 31, 1994 35.50 33.35 %-held
Austria: "Alwa" Guter- und Vermogensverwaltungs-AG, Wien Wienerberger Ziegelindustrie AG & Braas Austria GmbH OEG & Co KEG, Wien  Equity consolidated:  Abroad:	AS million  56.95  10.50  Share capital AS million	Dec. 31, 1994  35.50  33.35  %-held Dec. 31, 1994
Austria: "Alwa" Guter- und Vermogensverwaltungs-AG, Wien Wienerberger Ziegelindustrie AG & Braas Austria GmbH OEG & Co KEG, Wien  Equity consolidated:  Abroad: ZB Ziegelwerke Verwaltung GmbH, Sinning	AS million  56.95  10.50  Share capital AS million  0.05 DEM	Dec. 31, 1994  35.50  33.35  %-held Dec. 31, 1994  40.00
Austria: "Alwa" Guter- und Vermogensverwaltungs-AG, Wien Wienerberger Ziegelindustrie AG & Braas Austria GmbH OEG & Co KEG, Wien  Equity consolidated:  Abroad: ZB Ziegelwerke Verwaltung GmbH, Sinning ZB Ziegelwerke GmbH & Co KG Baalberge, Baalberge	AS million  56.95  10.50  Share capital AS million  0.05 DEM 5.00 DEM	35.50 33.35 %-held Dec. 31, 1994 40.00 40.00
Austria: "Alwa" Guter- und Vermogensverwaltungs-AG, Wien Wienerberger Ziegelindustrie AG & Braas Austria GmbH OEG & Co KEG, Wien  Equity consolidated:  Abroad: ZB Ziegelwerke Verwaltung GmbH, Sinning ZB Ziegelwerke GmbH & Co KG Baalberge, Baalberge Jihoceske Cihelny A.S., Budweis	AS million  56.95  10.50  Share capital AS million  0.05 DEM 5.00 DEM 595.14 CZK	Dec. 31, 1994  35.50  33.35  %-held Dec. 31, 1994  40.00
Austria: "Alwa" Guter- und Vermogensverwaltungs-AG, Wien Wienerberger Ziegelindustrie AG & Braas Austria GmbH OEG & Co KEG, Wien  Equity consolidated:  Abroad: ZB Ziegelwerke Verwaltung GmbH, Sinning ZB Ziegelwerke GmbH & Co KG Baalberge, Baalberge Jihoceske Cihelny A.S., Budweis Lasbra homok kavics kitermelo KFT, Budapest	AS million  56.95  10.50  Share capital AS million  0.05 DEM 5.00 DEM 595.14 CZK 251.48 HUF	%-held Dec. 31, 1994  %-held Dec. 31, 1994  40.00 40.00 49.65 25.00
Austria: "Alwa" Guter- und Vermogensverwaltungs-AG, Wien Wienerberger Ziegelindustrie AG & Braas Austria GmbH OEG & Co KEG, Wien  Equity consolidated:  Abroad: ZB Ziegelwerke Verwaltung GmbH, Sinning ZB Ziegelwerke GmbH & Co KG Baalberge, Baalberge Jihoceske Cihelny A.S., Budweis	AS million  56.95  10.50  Share capital AS million  0.05 DEM 5.00 DEM 595.14 CZK 251.48 HUF 6.00 SGD	%-held Dec. 31, 1994  %-held Dec. 31, 1994  40.00 40.00 49.65 25.00 40.00
Austria: "Alwa" Guter- und Vermogensverwaltungs-AG, Wien Wienerberger Ziegelindustrie AG & Braas Austria GmbH OEG & Co KEG, Wien  Equity consolidated:  Abroad: ZB Ziegelwerke Verwaltung GmbH, Sinning ZB Ziegelwerke GmbH & Co KG Baalberge, Baalberge Jihoceske Cihelny A.S., Budweis Lasbra homok kavics kitermelo KFT, Budapest HL-Wienerberger Manufacturing (S) PTE Ltd., Singapur	AS million  56.95  10.50  Share capital AS million  0.05 DEM 5.00 DEM 595.14 CZK 251.48 HUF	%-held Dec. 31, 1994  %-held Dec. 31, 1994  40.00 40.00 49.65 25.00
Austria: "Alwa" Guter- und Vermogensverwaltungs-AG, Wien Wienerberger Ziegelindustrie AG & Braas Austria GmbH OEG & Co KEG, Wien  Equity consolidated:  Abroad: ZB Ziegelwerke Verwaltung GmbH, Sinning ZB Ziegelwerke GmbH & Co KG Baalberge, Baalberge Jihoceske Cihelny A.S., Budweis Lasbra homok kavics kitermelo KFT, Budapest HL-Wienerberger Manufacturing (S) PTE Ltd., Singapur Eurotub S.A., Avignon	AS million  56.95  10.50  Share capital AS million  0.05 DEM 5.00 DEM 595.14 CZK 251.48 HUF 6.00 SGD 2.00 FRF	%-held Dec. 31, 1994  %-held Dec. 31, 1994  40.00 40.00 49.65 25.00 40.00
Austria: "Alwa" Guter- und Vermogensverwaltungs-AG, Wien Wienerberger Ziegelindustrie AG & Braas Austria GmbH OEG & Co KEG, Wien  Equity consolidated:  Abroad: ZB Ziegelwerke Verwaltung GmbH, Sinning ZB Ziegelwerke GmbH & Co KG Baalberge, Baalberge Jihoceske Cihelny A.S., Budweis Lasbra homok kavics kitermelo KFT, Budapest HL-Wienerberger Manufacturing (S) PTE Ltd., Singapur Eurotub S.A., Avignon Petzetakis-Pipelife Polyethylene Pipe Systems S.A.,	AS million  56.95  10.50  Share capital AS million  0.05 DEM 5.00 DEM 595.14 CZK 251.48 HUF 6.00 SGD	35.50 33.35  %-held Dec. 31, 1994  40.00 40.00 49.65 25.00 40.00 25.00
Austria: "Alwa" Guter- und Vermogensverwaltungs-AG, Wien Wienerberger Ziegelindustrie AG & Braas Austria GmbH OEG & Co KEG, Wien  Equity consolidated:  Abroad: ZB Ziegelwerke Verwaltung GmbH, Sinning ZB Ziegelwerke GmbH & Co KG Baalberge, Baalberge Jihoceske Cihelny A.S., Budweis Lasbra homok kavics kitermelo KFT, Budapest HL-Wienerberger Manufacturing (S) PTE Ltd., Singapur Eurotub S.A., Avignon Petzetakis-Pipelife Polyethylene Pipe Systems S.A., Piraeus	AS million  56.95  10.50  Share capital AS million  0.05 DEM 5.00 DEM 595.14 CZK 251.48 HUF 6.00 SGD 2.00 FRF  1,515.85 GRD	35.50 33.35  %-held Dec. 31, 1994  40.00 40.00 49.65 25.00 40.00 25.00 33.30

Share capital

AS million

%-held

Dec. 31, 1994

Proportionately consolidated:

Fully consolidated:	Share capital AS million	%-held Dec. 31, 1994
Abroad:	_	
Wienerberger Ziegelindustrie		
Deutschland GmbH, Hannover	9.50 DEM	100.00
Wienerberger Ziegelindustrie		
Verwaltungs-GmbH, Hannover	0.05 DEM	100.00
Wienerberger Ziegelindustrie		
GmbH & Co, Hannover	17.50 DEM	100.00
Wienerberger Systemschornstein GmbH, Hannover	0.13 DEM	100.00
WZI-Finanz S.A., Luxemburg	25.00 DEM	100.00
Hungaria-Wienerberger Teglaipari RT, Budapest	2,995.00 HUF	74.96
Alfoldi Wienerberger Teglaipari KFT, Mezotur	679.28 HUF	82.47
Bataszeki Wienerberger Teglaipari KFT, Bataszek	1,059.65 HUF	82.47
Wienerberger Bohemia Cihelny spol.s r.o.	71.55CZK	64.99
Wienerberger-Slovenska-Tehlaren spol.s r.o., Prag	0.10 CZK	100.00
Wienerberger Slovenske Tehelne spol.s r.o.,		
Zlate Moravce	201.00 CZK	64.70
Wienerberger Moravsky Cihlarsky Prumysl A.S., Novosedly	119.90 CZK	56.47
FPK Corporation BV, Rotterdam	0.04 NLG	100.00
Cadorina Laterizi SpA, Belluno	563.00 ITL	90.40
Feltrina Laterizi SpA, Belluno	2,500.00 ITL	100.00
Wienerberger Ecology Technics B.V., Eindhoven	3.20 NLG	100.00
Wienerberger S.A., Luxemburg	27.00 DEM	100.00
Wienerberger Beteiligungsverwaltungs-GmbH,		
Oldenburg	5.00 DEM	100.00
Wienerberger N.V., Hasselt	1,300.00 BEF	100.00
Keramo Wienerberger Holding N.V., Hasselt	1,015.00 BEF	100.00
Keramo Wienerberger N.V., Hasselt	167.02 BEF	100.00
Keramo Wienerberger Steinzeugwerk		
Zwickau GmbH, Zwickau	4.00 DEM	100.00
Limburgs Transportbedrijf B.V. BA, Hasselt	0.76 BEF	100.00
Keramo Wienerberger VertriebsgmbH, Aachen	0.05 DEM	100.00
Keramo Wienerberger Immo NV, Hasselt	81.69 BEF	100.00
Treibacher Schleifmittel SpA, Domodossola	5,106.00 ITL	100.00
Societa Italiana dei Prodotti Elettrochimici	00.00 ITI	50.00
di Treibach "Sipet" S.a.s., Mailand	60.00 ITL	50.00
American Treibacher Corp., Delaware	0.02 USD	100.00
Treibacher Schleifmittel Corp., Niagara Falls	0.04 USD	100.00
Proposition at the connectificate de	Share capital	%-held
Proportionately consolidated:	AS million	Dec. 31, 1994
Austria:	=	
Wienerberger Ziegelindustrie AG & Braas Austria GmbH		
OEG, Wien	7.00	50.00
Wibra Tondachziegel Beteiligungs-GmbH, Wien	0.50	50.00
Bramac Dachsysteme International GmbH, Pochlarn	40.00	50.00
Pipelife International Holding GmbH, Wr. Neudorf	4.00	50.00
Pipelife Rohrsysteme GmbH, Wr. Neudorf	0.50	50.00
Pipelife Rohrsysteme GmbH & Co Nfg. KG, Wr. Neudorf	60.00	50.00
Flexalen Fernwarmesysteme GmbH & Co Nfg. KG, Wien	2.00	50.00

The Consolidated Balance Sheet includes investments amounting to AS 350 million, AS 287 million of which relate to companies accounted for by the equity method. The remainder of AS 63 million comprises other investments.

Advances in the Consolidated Balance Sheet include AS 17 million, whose residual maturities do not exceed one year.

At the balance sheet date, Wienerberger Baustoffindustrie AG held interests in the following principal Austrian and foreign companies:

Company	Share capital	Holdi	ngs	Shareholders' Equity')	Profits <sup>2</sup> ) 1994	Profits <sup>2</sup> )
	AS1,000	AS1,000	%	AS 1,000	AS 1,000	AS1,000
Domestic:						
Wienerberger Ziegelindustrie AG,						
Wien	300,000	275,000	91.7	3,012,274	+200,291	+ 120.099
Wienerberger Rohrsysteme und						
Abwassertechnik GmbH,						
Wien	200,000	200,000	100.0	550,284	+ 136,831	+ 12,671
Wienerberger Ofenkachel						
GmbH, Wien	5,000	5,000	100.0	18,846	+ 3,627	+ 2,817
Wienerberger Beteiligungs-						
verwaltungsgmbH, Wien	275,000	275,000	100.0	636,145	+ 63,783	+ 35,495
Wienerberger Immobilien AG,						,
Wien	800,000	521,927	65.2	1,016,990	+ 31,955	+ 17,342
Mineralstoffverwertungs-						
GmbH, Wien	50,000	50,000	100.0	78,225	+ 11,611	+ 19,990
Garage am Beethovenplatz	•			,	•	,
GmbH & Co KG, Wien	1,734	29	1.6	10,802	- 2,389	+ 3,623
Wienerberger Versicherungs-	,			-,	,	,
Service GmbH, Wien	500	300	60.0	1,454	+ 946	+ 1,000
"Aiwa" Guter- und				, -		,,,,,,
Vermogensverwaltungs-AG,						
Wien	56,950	20,200	35.5	248,538	+ 15,245	+ 6,578
	,		00.0	2.0,000	0,2.0	. 0,0.0
Abroad:						
WZI-Finanz S.A., Luxemburg <sup>3</sup> )	25,000	50	0.2	29,894	+ 4,346	+ 3,501

<sup>&#</sup>x27;) incl. untaxed reserves

2) net profit + profits brought forward
3) in DEM 1,000

### Changes in the Consolidation Range:

	Fully	Proportionately consolidated	Equity
Status as at Dec. 31, 1993	54	27	8
Additions	16	8	5
Disposals	18	9	2
Status as at Dec. 31, 1994	52	26	11

35 non-consolidated Group affiliates have not been included as they are of minor importance in giving a true and fair view of the state of affairs of the company. The combined sales of these companies amount to less than 3% of total sales.

NOTES TO THE BALANCE SHEET/CONSOLIDATED BALANCE SHEET. The Consolidated Balance Sheet total rose by AS 1,132 million, i.e. 7% to AS 16,554 million on December 31st, 1994. Fixed Assets recorded an increase of AS 1,240 million, thus amounting to AS 9,577 million at the balance

sheet date. On the other hand, current assets declined from AS 7,085 million to AS 6,977 million. The share of fixed assets as a percentage of total assets increased to 58%, after 54% in 1993, consequently, current assets represent 42%, after 46% in 1993, of the balance sheet total.

Shareholders' equity stood at AS 8,001 million, AS 822 million higher than last year, amounting to 48% of the balance sheet total. Provisions and liabilities edged up by AS 309 million to AS 8,553 million. They represent 52% of the balance sheet total.

#### **FIXED ASSETS**

in AS 1,000		Wiener berger Baustoffinc Justrie AG		•berger )up
	1994	1993	1994	1993
Intangible Assets	56,995	24,894	259,579	247,689
Tangible Assets	441,079	450,716	8,277,172	7,359,590
Investments	4,992,627	4,135,607	1,039,871	729,391
	5,490,701	4,611,217	9,576,622	8.336.670

The changes in fixed assets in the year under review have been outlined on pages 56 + 57 and 66 + 67, respectively for the parent company and the Group.

Of the investments valued at AS 4,459 million in the balance sheet of the parent company, AS 4,274 million are shares of consolidated enterprises.

Of the Group's debtors, AS 77 million are bills of exchange.

General Provisions of AS 16 million against doubtful debts have been made.

#### SHAREHOLDERS FUNDS

AS 1,000	Wienerberger Baustoffindustrie AG		Wienerberger Group	
	1994	1993	1994	1993
Called-up share capital	422,078	393,578	422,078	393,578
Capital reserves	5,327,909	4,572,509	2,725,247	2,636,222
Retained earnings	614,403	442,472	4,076,509*)	3,137,147*)
Net profit	177,526	145,838	-	-
Negative goodwill	-	-	198,613	175,524
Minority interests	-	-	587,812	835,948
	6,541,916	5,554,397	8,001,259	7,178,419

<sup>\*)</sup> including profit for the year

Called-up share capital was increased in the reporting period by using AS 28.5 million of the authorised capital to AS 422,078,200. It consists of:

- 283,124 AS 1,000 shares and
- 1,389,542 AS 100 shares

The share premium of AS 755 million was transferred to capital reserves.

The 125th Annual General Meeting authorised capital of AS 100 million, AS 50 million of which are to be used against cash payments, AS 50 million of which against contributions in kind. At the balance sheet date, taking into consideration the above capital increase, the company still had authorised capital of AS 71.5 million remaining, of which AS 50 million are to be used against cash payments and AS 21.5 million against contributions in kind.

In the Consolidated Balance Sheet, good-will to the extent of AS 2,602 million (opening balance AS 1,936 million) has been written off against the share premium account. Of this amount, AS 2,081 million are accounted for by fully and proportionately consolidated companies and AS 521 million by equity consolidated entities.

**UNTAXED RESERVES.** The untaxed reserves of the fully and proportionately consolidated companies have been allocated to retained earnings with an amount of AS 2,245 million (last year AS 1,549 million) after having deducted deferred taxes.

The changes in the revaluation reserve of Wienerberger Baustoffindustrie AG, the parent company, are listed on pages 58 + 59 of this annual report.

Changes of other untaxed reserves of Wienerberger Baustoffindustrie AG are set out below.

### CURRENT ASSETS

AS 1,000	Wienerberger Baustoffindustrie AG		Wienerberger Group	
	1994	1993	1994	1993
Stocks	-	-	1,820,184	2,013,655
Debtors	2,215,003	1,365,881	3,270,857	3,253,386
Investments	966,258	916,262	1,018,913	998,109
Cash at bank and in hand	60,125	68,817	826,543	794,379
	3,241,386	2,350,960	6,936,497	7,059,529

# DEBTORS AND OTHER ASSETS MATURING WITHIN ONE YEAR

AS 1,000	Wienerberger Baustoffindustrie AG		Wienerberger Group	
	1994	1993	1994	1993
Trade debtors	22,039	8,355	1,207,925	1,580,783
Amounts owed by group companies	1,705,300	1,242,223	-	-
Amounts owed by related companies	949	32,331	-	105,487
Other debtors and assets	244,593	74,330	1,006,055	600,376
	1,972,881	1,357,239	2,213,980	2,286,646

# DEBTORS AND OTHER ASSETS MATURING AFTER MORE THAN ONE YEAR

AS 1,000	Wienerberger Baustoffindustrie AG		Wienerberger Group	
	1994	1993	1994	1993
Trade debtors	-	1,040	949,766	872,301
Amounts owed by group companies	183,500	-	_	_
Amounts owed by related companies	-	-	_	_
Other debtors and assets	58,622	7,602	107,111	94,439
	242,122	8,642	1,056,877	966,740

### **PROVISIONS**

AS 1,000	Wienerberger Baustoffindustrie AG		Wienerberger Group	
	1994	1993	1994	1993
Provisions for severance payments	12,775	11,217	216,107	287,981
Provisions for pensions	59,882	57,538	155,911	292,814
Provisions for taxes	28,380	59,929	548,610	610,272
Other provisions	74,575	62,869	797,677	800,403
_	175,612	191,553	1,718,305	1,991,470

Provisions for taxes include deferred taxes, pursuant to sect. 253(3) of the Companies Act amounting to AS 132 million (1993: AS 88 million) and pursuant to sect. 258 of the Companies Act AS 259 million (1993: AS 186 million).

"Other Provisions" of Wienerberger Baustoffindustrie AG include AS 54 million for the restoration of waste disposal sites.

### CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

AS 1,000		Wienerberger Baustoffindustrie AG		rberger oup
	1994	1993	1994	1993
Bank loans and overdrafts	8,502	10,613	1,683,268	1,793,452
Prepayments	-	-	16,116	33,852
Trade creditors	5,172	9,572	1,124,475	827,491
Bills of exchange payable	-	-	55,621	303,984
Due to group companies	1,052,004	329,058	-	-
Due to related companies	-	1,897	48,857	41,322
Other liabilities	22,961	16,223	515,499	636,861
	1,088,639	367,363	3,443,836	3,636,962

# CHANGES OF THE OTHER UNTAXED RESERVES OF WIENERBERGER BAUSTOFFINDUSTRIE AG

AS 1,000	Jan.1,1994	Provision	Release	Dec. 31, 1994
Capital Expenditure allowance				
under Sect. 10 Income Tax Act				
for1990	17,977	0	17,977	0
1991	95	0	20	75
1992	126	0	31	95
1993	65	0	0	65
1994	0	2,060	0	2,060
	18,263	2,060	18,028	2,295
Revaluation Reserve under				•
Sect. 12/7 Income Tax Act				
1991	19,297	0	19,297	0
1992	47,714	0	0	47,714
1993	24,397	0	0	24,397
1994	0	151,153	0	151,153
	91,408	151,153	19,297	223,264
	109,671	153,213	37,325	225,559

# ANALYSIS OF SHAREHOLDERS' EQUITY AS PRESENTED IN THE CONSOLIDATED BALANCE SHEET

AS million	
Shareholders' Equity at Jan. 1, 1994	7,178
- Dividend for 1993 Wienerberger Baustoffindustrie AG	146
+ Capital increase	783
+ Profit for the year	1,213
- Goodwill of which: Fully and proportionately consolidated Equity consolidated	667 315
- Other changes	45

7')

# NOTES TO THE PROFIT AND LOSS ACCOUNT AND TO THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

## **SALES**

AS 1,000		Wienerberger Baustoffindustrie AG		rberger oup
	1994	1993	1994	1993
Domestic	68,296	72,210	2,589,951	5,945,901
Abroad			7,963,524	6,174,046
_	68,296	72,210	10,553,475	12,119,947

## OTHER OPERATING INCOME

AS 1,000	Wienerberger Baustoffindustrie AG		Wienerberger Group	
	1994	1993	1994	1993
Profit on disposal of				
fixed assets	162,488	20,869	211,882	82,527
Release of provisions	479	19,470	41,666	78,635
Other income	14,499	16,567	234,149	266,856
	177,466	56,906	487,697	428,018

# STAFF COSTS

AS 1,000	Wienerberger Baustoffindustrie AG		Wienerberger Group	
	1994	1993	1994	1993
Wages	1,313	1,211	974,501	1,032,551
Salaries	40,342	38,059	766,666	945,436
Severance and pension payments	9,225	18,480	65,162	115,210
Mandatory social security	6,684	6,345	474,504	496,661
Other social expenditure	1,327	2,091	45,058	53,978
	58,891	66,186	2,325,891	2,643,836

CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

AS1,000	Wienerberger Baustoffindustrie AG		Wienerberger Group	
	1994	1993	1994	1993
Debenture loans	-	-	88,849	98,443
Bank loans and overdrafts	-	10,613	1,998,002	1,360,743
Prepayments	<del>-</del>	-	29,506	28,549
Trade creditors		-	52,170	102,204
Other liabilities	-	-	949,745	695,044
	-	10,613	3,118,272	2,284,983

Of these long-term creditors, AS 1,662 million have residual maturities of more than

five years. For creditors in the amount of AS 276 million security has been provided.

### **GUARANTEES**

AS 1,000	Wienerberger Group		
	1994	1993	
Bills of exchange	85,121	102,382	
Suretyship contracts	25,979	40,197	
Guarantees	22,823	59,269	
Others	5,951	4,969	
	139,874	206.817	

Contingent liabilities resulting from guarantees for creditors of Group companies have to be shown in the accounts of Wienerberger Baustoffindustrie AG for the first time. They total AS 2,264 million, of which AS 2,258 million refer to consolidated enterprises. Contingent liabilities compare with contingent claims of similar amounts.

Payments to be made by the Group for the lease of tangible assets which are not shown in the balance sheet, will total AS 24 million in 1995; and AS 100 million within the next five years. Leasing payments of Wienerberger Baustoffindustrie AG will amount to AS 11 million for next year, AS 50 million for the next 5 years.

**DIRECTORS, PERSONNEL.** In 1994 the Group employed on average 4,803 persons. 37 employees worked for the parent company, Wienerberger Baustoffindustrie AG.

Emoluments to the Managing Board amounted to AS 20,475,760. AS 2,455,983 was paid as pensions to former members of the Managing Board and their surviving dependants. Emoluments to the Supervisory Board totalled AS 697,000.

The members of the Supervisory Board and the Managing Board are listed on page 11.

### **DIVIDEND PROPOSAL.**

We propose to the Annual General Meeting, to distribute the net profit of

AS 177,525,666

as follows:

Payment of a dividend of AS 42 per AS 100 share, i.e. on 4,220,782 outstanding shares a total of

AS 177,272,844

and to carry forward the remainder of

AS 252,822

84

THE MANAGING BOARD

Vienna, April 1995

#### EXPENDITURE FOR SEVERANCE PAYMENTS AND PENSIONS

AS1,000		Wienerberger Baustoffindustrie AG		Wienerberger Group	
	1994	1993	1994	1993	
Managing Board Management and	7,512	15,583	14,837	25,015	
other employees	1,713	2,897	50,325	90,195	
	9,225	18,480	65,162	115,210	

#### OTHER OPERATING EXPENSES

AS1,000	Wienerberger Baustoffindustrie AG		Wienerberger Group	
	1994	1993	1994	1993
Taxes	2,587	31,148	45,743	101,535
Other	39,993	23,854	1,502,200	1,405,461
_	42,580	55,002	1,547,943	1,506,996

The parent company recorded income from investments at AS 263 million; AS 256 million of which are accounted for by consolidated companies. Expenditure relating to consolidated companies amount to AS 2 million. Interest income from consolidated companies reached AS 81 million while other debtors contributed AS 85 million. Interest Expenditure includes AS 35 million which was paid to deposits held by consolidated entities with the parent company.

Extraordinary items comprise primarily income and expenses associated with the disposal of discontinued operations, namely OAG Group and Rohr- und Umwelttechnik. Furthermore, income from the sale of Gmundner Zementwerke and expenses arising from restructuring Treibacher are included.

According to sect. 247 (2) Companies Act, key figures regarding the earnings situation with and without OAG Group are shown below:

#### **EARNINGS KEY FIGURES WITH/WITHOUT OAG**

AS1,000			1993 1994 out OAG	
Sales	12,119,947	8,965,688	10,553,475	
Domestic	5,945,901	3,016,732	2,589,951	
Abroad	6,174,046	5,948,956	7,963,524	
Other operating income	447,146	393,716	595,884	
Material expenses	-6,670,457	-4,202,348	-5,098,280	
Staff expenses	-2,643,836	-2,287,617	-2,325,891	
Depreciation	-780,212	-751,508	-834,592	
Other operating expenses	-1,506,996	-1,277,428	-1,547,943	
Operating Profit	965,592	840,503	1,342,653	

Publisher: Wienerberger Baustoffindustrie Aktiengesellschaft, A-1102 Vienna, Austria, Business Park Vienna, Wienerbergstrasse 7

Translation: Tassilo Mayer, A-1014 Vienna, Kohlmarkt 9

Concept and Layout: Kerbler GrafikDesign, 1180 Vienna, Vinzenzgasse 18

Photos: Buenos Dias, Contrast, Gotschim, Hurnaus, Prohaska, Zefa

Printed by: Agens-Werk Geyer + Reisser 1051 Vienna, Arbeitergasse 1-7

Printed on BIO TOP 3 by Neusiedler AG, 100% chlorine free 100% recycled

# REPORT OF THE SUPERVISORY BOARD

The Supervisory Board has, among other things, in its meetings fulfilled its obligations under the law and the articles of association. The Managing Board has reported regularly on the direction and situation of the companies' business.

The Annual Accounts and the Report of the Managing Board were examined by KPMG Austria Wirtschaftsprufungs-Gesellschaft m.b.H., Vienna. The findings of this audit showed no cause for qualification. The Supervisory Board endorses the findings of the audit.

The findings of the examination undertaken by the Supervisory Board pursuant to section 96 of the Companies Act, the report of the Managing Board, the proposal for the distribution of profits and of the conduct of business show no cause for objection.

The Supervisory Board has approved the Annual Accounts which are thereby - section 125 (2) Companies Act - adopted.

Guido N. Schmidt-Chiari

Chairman

Vienna, April 1995