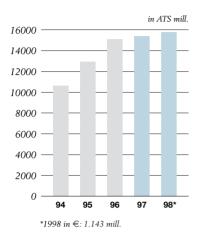


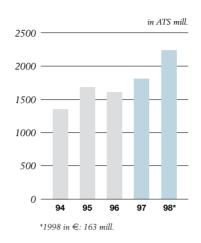
# 1998 represents a milestone in the expansion of our core business. Wienerberger is the largest brick producer in Europe. This position is enhanced by strategic building materials investments in pipes, roofing systems, and pavers – with 178 plants in 25 countries. In spite of difficult market conditions in Western Europe, Wienerberger recorded good levels of sales and earnings in 1998 just as we did 100 years ago. Reprint from the Annual Report 1898: "...We have endeavored to counterbalance the fall in brick prices during this operating year through intensive utilization of our factories and improvements to our machinery in the face of higher wages, and are hereby pleased to announce a renewed increase in profit for the year 1898..." **Building Value** Our vision is built on directed growth: Wienerberger - a leading international building materials group, ranking Nr.1 in our markets.

# Key Data on the Wienerberger Group

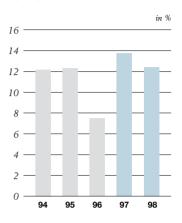
#### Sales



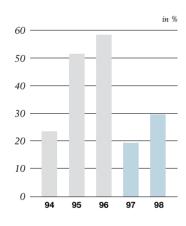
**Operating Profit** 



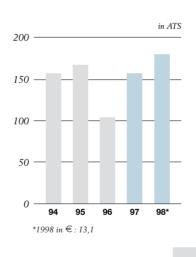
Return on Capital Employed



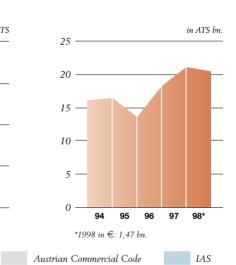
Gearing



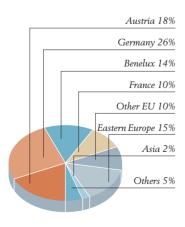
Earnings per Share



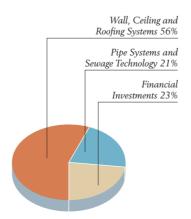
**Market Capitalization** 



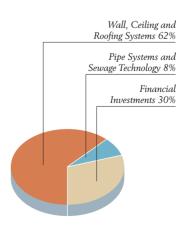
Sales by Region



Sales by Business Unit



**EBIT** by Business Unit



Corporate Data		1994	1995	1996	1997	1998	1998 in €
Sales	in ATS mill.	10,553	12,855	15,061	15,325	15,732	1,143.3
Domestic	in ATS mill.	2,590	2,845	2,954	3,091	2,771	201.4
Foreign	in ATS mill.	7,963	10,010	12,107	12,234	12,961	941.9
EBIT 1)	in ATS mill.	1,343	1,674	1,602	1,804	2,237	162.6
EBIT-Margin	in %	12.7	13.0	10.6	11.8	14.2	14.2
Profit before tax	in ATS mill.	1,548	1,393	1,198	1,616	2,244	163.1
Net income	in ATS mill.	1,213	1,116	801	1,395	1,603	116.5
Cash flow 2)	in ATS mill.	2,048	2,102	2,266	3,174 <sup>6)</sup>	2,918	212.1
Capital expenditures 3)	in ATS mill.	2,043	2,492	2,278	1,441	3,274	237.9
ROCE 4)	in %	12.1	12.2	7.4	13.8	12.4	12.4
<b>EVA</b> 5)	in ATS mill.	283	348	-221	531	439	31.9
Gearing	in %	23.4	51.3	58.3	19.0	29.7	29.7
Employees		4,803	6,418	8,229	7,574	7,988	7,988

Stock Excha	inge Data		1994	1995	1996	1997	1998	1998 in €
Dividend		in ATS mill.	177	292	365	399	434	31.5
Dividend per	share	in ATS	28	42	42	46	50	3.6
Earnings per	share 7)	in ATS	157	168	104	157	180	13.1
Equity per sh	are <sup>7)</sup>	in ATS	1,140	1,081	1,062	1,169	1,291	93.8
Share price	High	in ATS	2,863	2,687	2,400	2,766	3,280	238
	Low	in ATS	2,292	1,855	1,893	2,000	1,980	144
	At year-end	in ATS	2,580	2,000	2,100	2,425	2,332	169
P/E Ratio	High		18.2	16.0	23.1	17.6	18.2	18.2
	Low		14.6	11.0	18.2	12.7	11.0	11.0
	At year-end		16.4	11.9	20.2	15.4	13.0	13.0
Shares outsta	anding 8)	in 1,000	6,331	6,946	8,682	8,682	8,682	8,682
Market capital	ization at year-end	in ATS mill.	16,334	13,891	18,232	21,053	20,246	1,471
Av. stock exc	hange sales/da	<b>y</b> in ATS mill.	64	77	52	63	78	5.7

Condensed Balance Sheet		1994	1995	1996	1997	1998	1998 in €
Assets							
Fixed and financial assets	in ATS mill.	9,577	11,004	15,015	12,283	15,431	1,121.4
Inventories	in ATS mill.	1,820	2,267	3,206	2,956	3,074	223.4
Misc. current assets	in ATS mill.	5,157	6,072	5,101	6,989	9,464	687.8
Liabilities/Sharehold. Equity							
Equity	in ATS mill.	8,001	8,133	9,874	10,415 9)	11,532 9)	838.1
Provisions	in ATS mill.	1,718	1,812	2,579	3,295	3,621	263.1
Liabilities	in ATS mill.	6,835	9,398	10,869	8,518	12,816	931.4
Total Balance Sheet	in ATS mill.	16,554	19,343	23,322	22,228	27,969	2,032.6

#### Explanatory Notes:

- 1) Operating profit
  2) Net income plus depreciation on tangible assets and amortization of intangible assets
  3) Additions to tangible and intangible assets
  4) Return on Capital Employed

- 5) Economic Value Added
  6) Including loss on deconsolidation of Treibacher Schleifmittel
  7) 1994 1996 according to ÖVFA
  8) Adjusted for 2:1 stock split in 1995
  9) Equity plus minority interests

Austrian Commercial Code

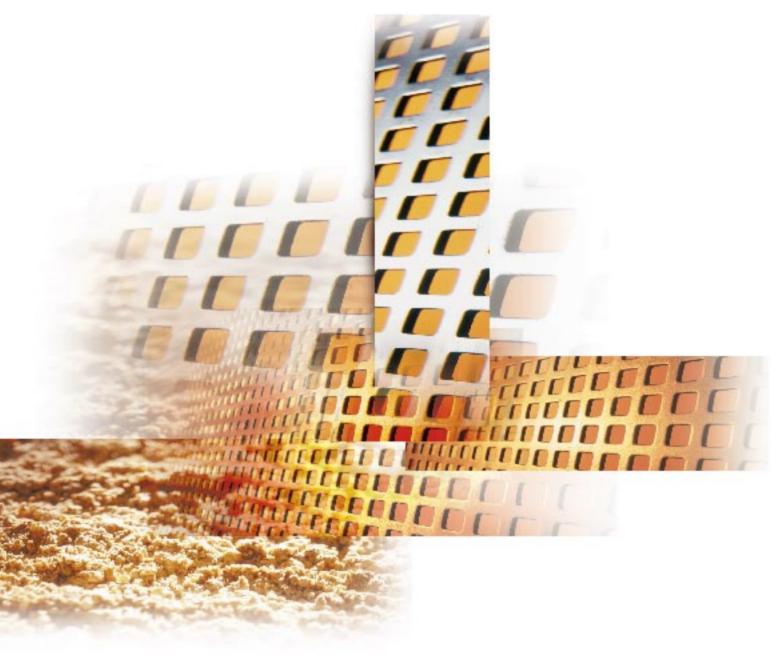
# Major Companies in the Wienerberger Group











Annual Financial Statements and Annual Report 1998 of the Wienerberger Baustoffindustrie Aktiengesellschaft, Vienna

Presented at the  $130^{\text{th}}$  Annual General Meeting on May 7, 1999

Wienerberger Baustoffindustrie Aktiengesellschaft A-1100 Vienna, Wienerbergstrasse 7, Austria

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## Chief Executive's Review

Deas Shareholder,

On the cover of this Annual Report you will see "Building Value". This motto symbolizes "increasing value" as the strategic goal to which we have dedicated ourselves not only in the interests of our shareholders, but also our customers and employees.

Reflecting this objective, 1998 was characterized by forced expansion and full concentration on our core business.

6 New markets

We selectively reinforced existing market positions and also entered six new national markets: our Company logo now also shines in Bulgaria, Estonia, Finland, Norway, Rumania, and Switzerland.

26 New plants

During the past year we acquired or constructed 29 plants. After deducting three sites which were closed, the number of plants increased by 26 to 178. We are now represented in 25 countries – where we are market leader, or on the best way to reaching this goal.

3.3 bill. invested

Investments totaled a record ATS 3.3 billion, with over 85% centered on our core brick business. Priority was given to exploiting the high potential for expansion in the Reform Countries and, in particular, on the development of markets in Poland and Croatia. We also continued our efforts to expand market coverage to the whole of Western Europe.

Additions to assets do not include the 29.8% interest in Ibstock plc which was acquired at the end of last year. This investment was sold at a profit early in 1999, since a majority takeover was not possible.

**Difficult markets** 

1998 was also characterized by a particularly difficult business environment. This was especially true in Germany, our primary brick market. Excess capacity resulting from public subsidies triggered a dramatic fall in prices, which in turn led to a process of selection especially in the new provinces. Wienerberger took an offensive position in this situation, consciously waived higher profits over the short-run, and was able to substantially increase market share. I view this as an extremely important investment in our future.

6% organic growth

Group sales – excluding divestitures and companies consolidated for the first time – therefore rose by 6.1% to ATS 15,732 million.

We were able however to increase EBIT from ATS 1,804 to 2,237 million, which represents growth of 24%. This was supported primarily by the ATS 443 million record profits earned by Treibacher Industrie AG and a gain of ATS 187 million realized on the sale of the Sturm concrete business.

Operating income in our core brick business rose by 31% to ATS 1,383 million. Earnings in the pipe segment doubled to ATS 181 million after a successful turnaround.

I freely admit, however, that measures designed to secure the future of our Company should also be evaluated in light of their short-term effects: massive investments and our role in market corrections in Germany will have a positive effect on our Company over the long-term. At the same time, however, they had a negative influence on our value indicators during the prior year. Return on Capital Employed (ROCE) declined from 13.8% to 12.4% and Economic Value Added (EVA) from ATS 531 to 439 million.

Value indicators under pressure

In contrast, Earnings per Share rose from ATS 157 to 180. The Managing Board therefore recommends an increase from ATS 46 to 50 in the 1998 dividend. The distribution of profits will thereby reach a new high of ATS 434 million. The equity increase of ATS 1,056 million is also confirmation of the internal increase in value to which we have dedicated ourselves.

Earnings per share ATS 180

Erhard Schaschl, Chief Executive Officer Wienerberger Baustoffindustrie AG

# Forward into the future

And now from the past into the future: because tomorrow, today will be history – and looking ahead is what counts at Wienerberger.

1999 will mark the  $180^{th}$  year in our tradition-filled history. This "little anniversary" is an occasion for all of us on the Board and for all our employees to direct our attention to further increasing the value of the Group.

To help us reach this goal, we have revised the Wienerberger Value Management program to include two main objectives: optimization and expansion. Since large investment projects and strategic acquisitions normally do not yield an immediate return, it is absolutely necessary to consequently improve the earning power of our current business and concentrate more than ever on our core business.

# Clear strategy with focus on bricks

We have therefore redefined our Company strategy to increase the emphasis on specific goals and have made the brick business our Number 1 priority. Our other building materials activities, which are primarily organized as joint ventures, form the second most important part of our business: the Pipelife Group, our clay pipe investment, the roofing activities of Wiekor, Bramac and Ziegelwerke Gleinstätten, and our newest participation the Semmelrock company. We want to expand these businesses in the future, and develop them into core businesses. In contrast, we have classified all activities in the real estate and treasury segment and Treibacher Industrie AG as financial investments. Here we will focus on optimizing earnings and will remain open for divestitures.

#### First Performance Share Plan

An important role in the realization of this strategy is played by our human capital. In order to vitalize this resource even more, our first Performance Share Plan will be submitted to the Annual General Meeting for approval.

The exercise of options is dependent on two factors: a noticeable increase in the market value of our stock and significant improvement in the quality of earnings in our core business, measured by "Economic Value Added" (EVA).

I view this as a genuine challenge for all those who share management responsibility with me in our Group. We want to remain one step ahead because, in the end, our Building Value is measured by Shareholder Value. I will therefore use all my persuasive powers to make this Performance Share Plan a success for Wienerberger and its management.

As a supporting measure for the continuation of our business success, we have begun to develop the Wienerberger Baustoffindustrie AG into a strategic holding company and to further strengthen its management structure. The Wienerberger Group Management was installed for this purpose. This body comprises the three members of the Managing Board of the Holding Company, the five top executives of our key Group companies, and the heads of our Corporate Services. The efficiency of the entire Group will be improved by the elimination of interim holding companies and the direct organizational link of subsidiaries, the higher capability of reporting, the implementation of SAP, strengthening of the Group communications network, and the preparation of a comprehensive employee stock ownership model.

The 1999 Budget forecasts growth in sales to over ATS 17 billion. Parallel to this, earnings in the core brick business and other building materials activities must increase further. In our financial investments unit additional income from the real estate and treasury activities should help us offset the cyclical downturn in earnings at Treibacher.

Ambitious Budget 1999

The improvement of our Value indicators is decisive for the future. Calculated according to International Accounting Standards (IAS), our mid-range goal is therefore to earn at least 12% Return on Capital Employed (ROCE) in each of our building materials businesses.

12% ROCE as mid-range target

We will pursue this target in 1999 with commitment and dedication. Since the founding of the Company in 1819, the Wienerberger logo has included a flame – a flame which symbolizes the fire in our kilns. This same fire burns in the hearts of all our employees.

We ask you to view this enthusiasm and power at Wienerberger as a sign of our thanks for the trust you have placed in us – and we will prove it is warranted.

yours E. bane

[7]

# Corporate Profile

Wienerberger is a leading, rapidly expanding company in the European building materials industry.



### Overview

# 180 Years of Tradition

# 1986: Start of Internationalization

This year Wienerberger will celebrate its 180th anniversary. Founded in 1819 on Vienna's Wienerberg and traded on the Vienna Stock Exchange since 1869, Wienerberger is a company with a long tradition.

The expansion and internationalization in bricks and pipes began in 1986 and has been highly successful since that time: over a span of thirteen years Wienerberger has grown from its beginnings as an Austrian brick manufacturing company to become Nr. 1 in Europe, and has also secured a leading position among European pipe producers. The Company's industrial building materials portfolio is safeguarded by solid financial investments such as Treibacher and real estate, which support our industrial expansion.

Today Wienerberger is comprised of more than 70 operating companies with 178 plants in 25 countries. This multicultural Group and its many independent companies are guided by the principles of "Wienerberger Value Management", which was introduced in 1997. A strong commitment to the core brick business and other building materials activities, growth in Return on Capital Employed, and our vision of a leading international building materials group are the foundations of this value-based management philosophy.

#### Milestones in our Development

#### 1869

Trading starts on the Vienna Stock Exchange ...

... 10,000 employees on the Wienerberg in what was then the world's largest brick factory, supplier to many of the magnificent buildings in Vienna's Inner City, ornamentation and terra-cotta transformed construction into an art form ...

# 1819 Founding by Alois Miesbach on the Wienerberg in Vienna HE WALL STREET Nr. Eu wii in in

#### ...

New management and reorganization of this provincial Austrian brick manufacturer

Start of internationalization and expansion ...

...through acquisition of the Oltmanns Group in Germany and entry into the Hungarian market, construction or acquisition of more than 170 plants, development of leadership position in West Europe, founding of the Pipelife joint venture, expansion of clay pipe business, purchase of Semmelrock in Austria, Sturm in France, Terca in Belgium, Mabo in Scandinavia and numerous other companies in Europe, first steps towards Asia and full concentration on Eastern Europe with current emphasis on Poland, Slovenia and Croatia, ...

#### 1998

Nr. 1 in bricks and a European leader in pipes with 178 plants in 25 countries.

# Wienerberger Value Management

#### **Vision**

Wienerberger – a leading international building materials group, ranking Nr. 1 in our markets

#### Strategy

- Focus on core brick business
- Develop strategic investments in building materials
- Optimize existing business activities
- Expand, particularly in Eastern Europe

#### **Measurement Criteria**

- Return on Capital Employed (ROCE)
- Economic Value Added (EVA)
- Earnings per Share



"Building Value" for our investors, customers, and employees

#### **Management and Employees**

- Information and communication
- Management Development
- Performance-based compensation
- Employee stock ownership program

#### **Corporate Culture**

- Entrepreneurs in Group companies
- C&C concentration and consistency
- Speed and harmony
- Focus on our customers,
   quality, and the environment
- Multicultural corporation

# Supervisory Board, Managing Board and Management

#### **Supervisory Board**

#### Gerhard Randa.

Chairman, Chairman of the Board of Directors of Bank Austria AG

#### Christian Dumolin,

Vice-Chairman, President of Koramic Building Products N.V.

#### Josef Esterl

Delegated by the Employees' Council

#### Ignace Gheysens

Secretary General of Koramic Building Products N.V.

#### **Heinz Gruber**

Chairman of the Employees' Council and Speaker of the European Employees' Council

#### Sieglinde Gruber

Delegated by the Employees' Council

#### **Erich Hampel**

Chairman of the Board of Directors of Creditanstalt AG

#### **Gerhard Hampel**

Delegated by the Employees' Council

#### **Rupert Hatschek**

Managing Director of Rupertus Vermögensverwaltungs- und Beteiligungsges.m.b.H.

#### Franz Lauer

Vice-Chairman of the Board of Directors of Wiener Städtische Allgemeine Versicherung AG

#### Alois Michielsen

Chairman of the Board of Directors of Solvay AG

#### **Erich Pimmer**

Executive Director Industrial Investments at Creditanstalt AG

#### Karl Sauer

Delegated by the Employees' Council

#### **Georg Schwarz**

Managing Director of Ludwig Engel KG

#### Jean Dominique Sturm

Entrepreneur



#### Erhard Schaschl, Chief Executive

since July 1, 1980, 56 years old, responsible for strategy, finance and communications, as well as the business unit "Financial Investments"

#### Wolfgang Reithofer, Deputy Chief Executive

since February 1, 1981, 50 years old, responsible for the business unit "Wall, Ceiling and Roofing Systems" and for real estate

#### **Paul Tanos**

since January 1, 1988, 54 years old, responsible for the business unit "Pipe Systems and Sewage Technology"



# Wienerberger Group Management

Erhard Schaschl Wolfgang Reithofer Paul Tanos Managing Board

Klaus Hoppe

Wienerberger Ziegelindustrie GmbH

Reinhard Iro

Treibacher Industrie AG

Thomas J.M. Lenders

Terca Bricks N.V.

**Gerhard Bachmaier** 

Corporate Communications

**Adolf Jessner** 

Corporate Finance

Hans Tschuden

Steinzeug GmbH

Johann Windisch

Wienerberger Ziegelindustrie AG

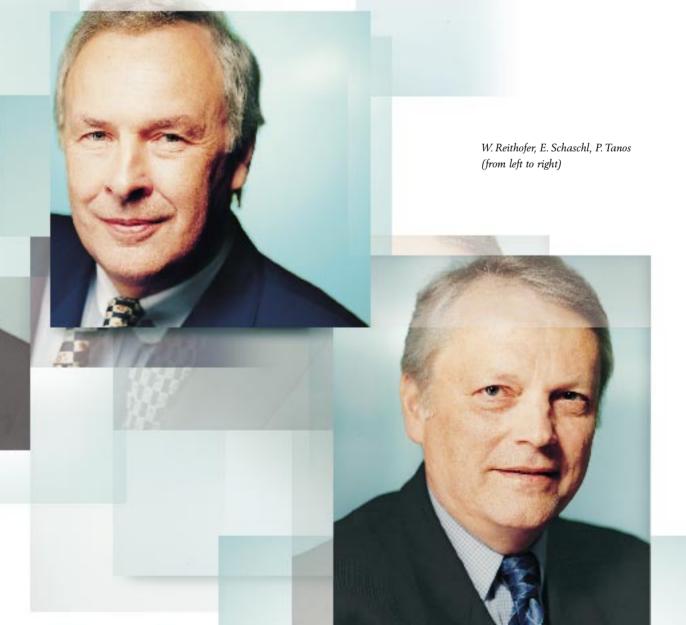
Arno Langwieser Corporate Services

Executive Management

**Walter Novotny** 

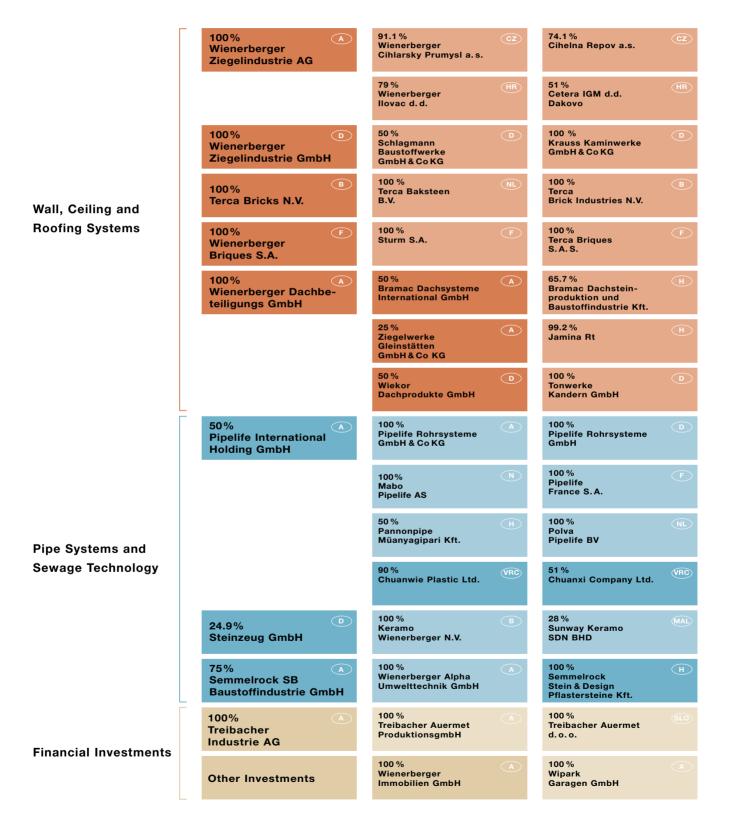
Management Development

Corporate Development



# **Organization Chart**





99.9 % Wienerberger Slovenske Tehelne spol.s r.o.

86.9 % Wienerberger Téglaipari Rt 77.8 % Wienerberger Honoratka S.A. Ceramika Budowlana 100 % Wienerberger Cegielnie Lebork Sp.z o.o. PL

49.9 % Opekarna Ormoz d. d. 100 % Wienerberger Laterizi SpA 80 % Laterizi Brunori SRL

100 % Bramac spol.s r.o. CZ

100 % Bramac Stresne Systemy spol.s r.o. 67.6 G Bram prode

67.6 %
Bramac Dachsteinproduktion und
Baustoffindustrie d. o. o.

100 % Bramac Pokrovni Sistemi d. o. o. HR

70 %
Ziegelwerke Gleinstätten
Krytina Slovensko
spol.s r.o.

91.6 % Ziegelwerke Gleinstätten Krytina Slapanice a.s. 2iegelwerke Gleinstätten Ciglane-Bedekovcina d. d. 84.8 % Krizevske Opekarne d.d. (SLO)

100 % Tonwarenfabrik Laufen AG

100 % V.W. Elektrorohre GmbH СН

100 % Wiekor Prokrycia Dachowe Sp.z o.o.

100 % Davinyl AB PL

66.7 %
Pipelife-Fatra
spol.s r.o.

100 % Polva Pipelife S.A.

100 % Pipelife Hispania S. A.

E

100 % Maiaplas Lda

100 % Pipelife Hellas S. A. 51 % Arili Plastik Sanayii A. S.

100 % Pipelife Systemy Rurowe Polska Sp.z o.o. 100 % Pipelife Cevni Sistemov d.o.o. 50 % Pannonpipe Rom Com s.r.l. 100 % Pipelife Cijevi sustavi d.o.o.

51 % Chuanlu Plastic Sales & Service Ltd. 100 % Wienerberger Shanghai Plastic Pipe Ltd. 75 % HL-Wienerberger Plastic Pipe Manufacturing Ltd.

49 % Aktivsauerstoff GmbH

19.9% Immofinanz Immobilien Anlagen AG 35.5 % + (15.5 %) "Alwa" Güter- und Vermögensverwaltungs-AG

100 % Wienerberger Ofenkachel GmbH 60 % Wienerberger Versicherungs-Service GmbH

#### Industrial Resources

#### 178 plants in 25 countries

#### **Belaium**

Hollow bricks

Beerse Ostyn Sari Tessenderlo Zonnebeke

Facing bricks

Beerse Ghlin Maaseik Malle Ouirijnen Warneton Zonnebeke

Plastic pipes Kalmthout

Clay pipes Hasselt\*

#### Bulgaria Concrete tiles

Silistra

#### Germany

Hollow bricks

Bad Freienwalde Bollstedt Buldern Erfurt Gransee Hainichen Jeddeloh Königsaue Lanhofen I & II Reuden Rietberg Sittensen Wefensleben

Zwickau Facing bricks

Buchhorst Hude Petershagen Wegberg Woldegk

Ceilings

Dollnstein Lanhofen III & IV

Rosenau Chimneys

Elze Geiselbullach Osterwald

Concrete tiles

Langburkersdorf

Clay tiles

Langenzenn Riesa

Plastic pipes

Ekern Gölzau

Haltern

Clay pipes

Bad Schmiedeberg\* Frechen\*

**Estonia** Clay tiles

Kadrina

Aseri Plastic pipes **Finland** 

Plastic pipes Kaavi

#### Utajarvi France

**Hollow bricks** 

Achenheim Betschdorf I & II Pont d'Aspach Pont de Vaux Rouffach

Facing bricks

Angervilliers Hulluch Ollainville St. Sauveur Wizernes

Ceilings Achenheim

Concrete products

Achenheim

Pontarlier Clay tiles

Bouxwiller Plastic pipes

Châteauroux Compiègne Gaillon St. Gilles

#### Greece

Plastic pipes Thiva

#### Italy

Hollow bricks

Feltre Imola I & II

#### Croatia

**Hollow bricks** 

Dakovo Karlovac II & III Concrete tiles

Drnis Clay tiles Bedekovcina\*

Dakovo

Plastic pipes Karlovac

#### Netherlands

**Hollow bricks** Brunssum

**Facing bricks** Remmel

Haaften Heteren Kijfwaard I Kijfwaard II Ochten Reuver

Thorn Wolfswaard

Plastic pipes

Enkhuizen

#### Fürstenfeld Haiding

Norway

Stathelle

Surnadal

Vanvikan

Austria

Bärnbach

Plastic pipes

**Hollow bricks** 

Göllersdorf Hennersdorf Laa/Thaya Neckenmarkt Uttendorf

Facing bricks Rotenturm

Ceilings

Leopoldsdorf Concrete tiles

Gaspoltshofen Gleisdorf Pöchlarn

Clay tiles

Gleinstätten\*

Pinkafeld\* Unterpremstätten\*

Plastic pipes

Krems Wr. Neudorf

Concrete pavers

Klagenfurt

Leopoldsdorf Civil engineering

products . Leopoldsdorf

Metallurgy

Treibach Stove tiles Walbersdorf

#### Poland

**Hollow bricks** 

Czestochowa Honoratka Lebork

Zielonka Clay tiles

Kunice Plastic pipes

Radom

Zarnowiec

#### **Portugal**

Plastic pipes

Porto

Rumania

Plastic pipes

Cluj Napoca

Sweden Plastic pipes

Haparanda Ljung Ölsremma

Switzerland

Clay tiles Laufen

#### Slovakia

Hollow bricks

Boleraz

Zlaté Moravce

Concrete tiles Ivanka pri Nitra

Clay tiles

Nitrianské Pravno\*

Skocjan Clay tiles

Križevci

Jivno

Kostelec n. Orl.

Novosedly

Tyn

Concrete tiles

Olbramovice

Clay tiles

Plastic pipes

Plastic pipes Istanbul\*

**Hollow bricks** 

Bataszék

Mezötur

Örbottván Solvmár I

Solymár II

Kecskemet

Clay tiles

Békéscsaba I\* Békéscsaba II\*

Csorna<sup>3</sup> Plastic pipes

Csepel\*

Concrete pavers



#### Slovenia

**Hollow bricks** 

Ormoz

Concrete tiles

Metallurgy

#### **Spain**

Plastic pipes

Granollers Zaragoza

#### Czech Republic

**Hollow bricks** 

Cicenice

Hostomice

Lety

Lisov

Repov

Chrudim

Protivin

Hranice\* Jircanv\*

Slapanice'

#### Otrokovice

**Turkey** 

Hungary

Békéscsaba III\*

Köszeg

Sopron

Ceilings

Köszeg Concrete tiles

Veszprém

Debrezen\*







# Review of 1998 Operations

Satisfactory earnings despite adverse market environment

EBIT (IAS) growth from ATS 1.8 to 2.2 billion

Continued development in East Europe and anticyclical expansion in West Europe

Increase in number of plants from 152 to 178 in 25 countries



# The Economy in 1998

#### Slowdown in Worldwide Economic Growth

1998 was a turbulent year for the world economy and international capital markets: the crisis in Asia proved to be extremely persistent, Russia slid into a severe financial and economic crisis in mid-August, and Latin American countries began to feel the effects of declining trust in emerging markets.

These regional crises and the resulting fiscal and political counteractions also had a negative impact on highly developed economies. This was reflected in setbacks on worldwide stock markets and increasing pressure on exports. With real growth of 3.9%, the USA emerged as an important stabilization factor for the worldwide economy.

Export growth in the EU also leveled off during the second half of the year. Gross domestic production increased to 2.9% (real) as a result of strong domestic demand, but distinct signs of a decline were also noted in this sector at year-end.

Massive problems in Russia did not affect the neighboring Reform Countries of Eastern Europe. In spite of structural problems individual regions recorded above-average growth, this however measured against a very low base.

Subdued Climate in West European Construction Industry

The construction industry's share of gross domestic production continued to decline. At 1.6%, growth in the West European construction industry again fell below general economic development. Positive impulses were provided only by the renovation and modernization sectors and business construction. New residential housing starts decreased again, whereby a strong contrast was noted between the drop in construction of multiple story buildings and a moderate rise in single family housing.

Budgetary pressure in most West European countries has eased somewhat with the realization of convergence criteria necessary for entry into the European Monetary Union, and civil engineering profited from the subsequent loosening of restrictions on public spending.

In recent years, the construction industry in Central Europe has grown approximately four times faster than in the West. This trend continued in 1998 with an increase of 5.2%. Impulses were provided mainly by civil engineering and business construction, and new housing starts rose by 4%. The Czech Republic and Hungary recorded slight declines for the first time, and the highest growth rates were registered in Poland (10.5%) and Slovakia (7%).

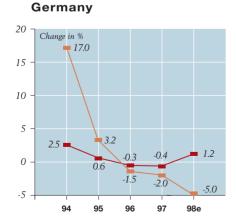
Opportunities in East-Central Europe

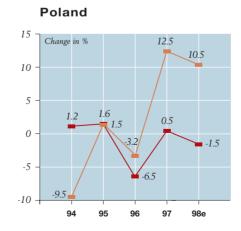
	_				
Countries	1994	1995	1996	1997	1998e
Austria	4.7	1.6	2.8	3.0	3.0
Belgium	1.5	1.4	-2.0	6.8	4.0
France	-0.2	0.1	-3.8	-0.9	1.8
Germany	7.8	0.3	-3.1	-2.5	-1.9
Great Britain	3.2	-0.6	0.6	0.6	3.7
Italy	-3.0	1.0	2.0	0.7	2.8
Netherlands	3.1	1.8	2.9	5.4	1.7
Portugal	1.0	5.8	4.3	12.8	4.7
Spain	1.2	5.0	-1.0	2.0	5.0
Switzerland	2.0	-3.0	-2.9	-3.5	0.5
Average	2.7	0.9	-0.4	0.6	1.6

Construction Volume Western Europe

Countries	1994	1995	1996	1997	1998e
Czech Republic	3.1	8.5	4.7	-3.9	-4.5
Hungary	16.0	3.0	1.1	7.0	7.0
Poland	2.0	5.6	3.0	12.2	9.0
Slovakia	-5.3	2.5	3.6	8.9	7.1
Average	2.6	5.6	3.2	6.8	5.2

Construction Volume East-Central Europe





Change in new housing starts and renovation in Germany and Poland

New housing startsRenovation

Source: Euroconstruct, December 1998; Annual growth rates in %, e  $\dots$  estimated

# 1998 Highlights

In 1998 more than ATS three billion was invested in the expansion of our building materials activities. Over 85% of these investments were made in the brick segment.

#### Wall, Ceiling and Roofing Systems

#### **Bricks**

- Acquisition of a hollow brick plant in Beerse, Belgium, by Terca
- Purchase of heavy clay activities from Keramik Laufen with two hollow brick plants in Pont d'Aspach and Pont de Vaux, France
- Acquisition of the hollow brick plant Boleraz in Slovakia
- Start of construction on new brick plants in Honoratka and Dobre, Poland
- Acquisition of majority interests in the Honoratka and Karbud hollow brick plants in Poland
- Creation of a sales organization for bricks in Slovenia and Rumania
- Acquisition of four brick plants in Bernau, Erfurt, Hainichen and Zwickau from the bankruptcy assets of the BTS Group in Germany
- Sale of the concrete business of Sturm S.A. in France

#### Roofs

- Construction of the new Protivin concrete tile plant in the Czech Republic by Bramac
- Closure of the Dravograd concrete tile plant in Slovenia by Bramac
- Acquisition of the Krizevci clay tile plant in Slovenia by Ziegelwerke Gleinstätten
- Purchase of the Laufen clay tile plant in Switzerland by Wiekor
- Acquisition of the Silistra clay tile plant in Bulgaria by Bramac
- Purchase of the clay tile plants Kunice in Poland and Aseri in Estonia by Wiekor
- Acquisition of the Jircany clay tile plant in the Czech Republic by Ziegelwerke Gleinstätten

#### Ibstock plc

In addition, a 29.8% investment in Ibstock plc, one of the two leading English brick producers with a strong market presence in the USA, was acquired for ATS 1.8 billion on October 20, 1998. The price of 66 pence per share represented a premium of 50%. In December 1998 the Irish CRH building materials group placed an offer at 70 pence. Wienerberger also accepted this offer, thereby realizing a capital gain. A 100% takeover by Wienerberger would have been too speculative due to lack of support by local management, incomplete knowledge of the market, and insufficient due diligence.



#### **Pipe Systems and Sewage Technology**

- Start of production at the Ócsa concrete pavers plant in Hungary by the Semmelrock Group
- Closure of the La Carlotta site in Spain by Pipelife
- Completion of the Cluj Napoca plastic pipe plant in Rumania by Pipelife
- Construction of the Karlovac plastic pipe plant in Croatia by Pipelife
- Transfer of the clay pipe activities of Keramo Wienerberger to Deutsche Steinzeug Cremer & Breuer AG in exchange for a 10% direct investment and 24.9% share in the subsidiary Steinzeug GmbH
- Acquisition of Davinyl AB, a Swedish plastic pipe manufacturer, by Pipelife

#### **Financial Investments**

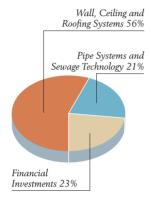
 Start of construction for the Vienna Twin Tower on the Wienerberg in a joint venture with Immofinanz Immobilien Anlagen AG; total investment equals ATS 1.5 billion

# Our strong expansion in bricks and pipes continued during the first months of 1999

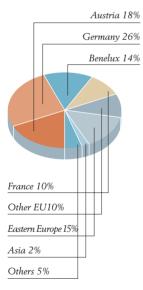
- Acquisition of a majority share in the Ormoz hollow brick plant in Slovenia
- Purchase of a majority share in the Dakovo brick and clay tile company in Croatia
- Acquisition of the Czestochowa brick company in Poland
- Closure of the brick plant Mauthausen in Austria
- Acquisition of the Mabo Group, a leading Scandinavian plastic pipe manufacturer with three plants in Norway, two plants each in Sweden and Finland, and one plant each in Poland and Estonia and group sales of ATS 1.4 billion
- Takeover of the V.W. Elektrorohre GmbH in Germany by Pipelife

# 1998 Results Financial Analysis

# Sales by Business Unit



# Sales by Region



# First Annual Financial Statements according to International Accounting Standards (IAS)

As of January 1, 1998 all accounting and reporting systems in the Wienerberger Group were converted to International Accounting Standards (IAS); prior year values were adapted to meet the changed requirements. The advantages of this step lie in better international comparability and higher transparency. Wienerberger can now make use of a uniform, better data base which is capable of providing additional information for direction of the Group and implementation of the Value Management program.

#### 1998 Results

Group sales – after the exclusion of divestitures and companies consolidated for the first time – rose by 6.1% to ATS 15,732 million. As in prior years, over 75% of this figure was recorded by the Wall, Ceiling and Roofing Systems business unit at ATS 8,853 million and the Pipe Systems and Sewage Technology unit at ATS 3,238 million. Sales at Treibacher Industrie AG increased by 18% to ATS 3,361 million as the result of a favorable business environment.

Growth in Eastern Europe was particularly strong at 11.6%, with sales rising to a level of ATS 2,391 million. The share of Group sales earned in this region was 15%. Positive developments in the Czech Republic and expansion of the Polish market supported these results. The volume of business remained constant in Germany, Austria, France and the Benelux countries in the face of localized price and market declines. Price-based sales declines in Germany were offset by the acquisition of four hollow brick plants owned by the former BTS Group.

The cost of materials as a percentage of sales remained at a level of 46%, despite intensified price competition. At ATS 3,355 million, personnel expenses remained virtually unchanged from the previous year. The depreciation component of sales decreased from 9.8% to 8.4%.

EBIT rose by 24%, whereby the comparative prior year value includes non-recurring expenses of ATS 508 million related to plant closures and divested companies. In contrast, the sale of the Sturm Group concrete business contributed ATS 187 million to EBIT in 1998. High one-time real estate revenues of ATS 581 million generated by the sale of the Business Park Vienna in 1997 are to be compared with 1998 revenues of ATS 182 million from the "Wienerberg City" project. Excluding these items, EBIT increased by 8% over the prior year.

EBIT-Development	1997	1998	Change
	in ATS mill.	in ATS mill.	in %
IAS-EBIT	1,804	2,237	+24
minus one-time real estate revenues	-581	-182	-
adjusted for non-recurring expenses	239	0	-
adjusted for gain on sale of companies	270	-187	_
Adjusted EBIT	1,732	1,868	+8

EBIT by Business Unit	1997	1998	Change
	in ATS mill.	in ATS mill.	in %
Wall, Ceiling and Roofing Systems	1,056	1,383	+31
Pipe Systems and Sewage Technology	89	181	>100
Financial Investments	659	673	+2
Wienerberger Group	1,804	2,237	+24

#### Wall, Ceiling and Roofing Systems

EBIT in our core business rose from ATS 1,056 to 1,383 million. This 31% increase was, however, the direct result of extraordinary events mentioned above. Rising profits in Eastern Europe were unable to completely offset the decline in the German brick business and lower sales in the roofing segment. In spite of adverse market conditions, the EBIT margin remained at the high level of 15.6%.

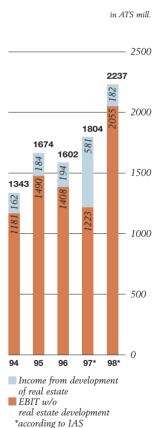
#### Pipe Systems and Sewage Technology

All sectors of the Pipe Systems and Sewage Technology business unit contributed to growth in EBIT from ATS 89 to 181 million. This improvement resulted primarily from favorable prices for raw materials used by Pipelife in the manufacture of plastic pipes and absence of the loss recorded by the clay pipe producer Keramo Wienerberger in the prior year. This business was transferred to the newly founded Steinzeug GmbH, which was successfully reorganized and made a positive contribution to income from financing activities in 1998.

#### **Financial Investments**

Conditions in the steel industry remained favorable through Fall 1998 and helped Treibacher Industrie AG record an unparalleled level of profits. EBIT rose by 31% to ATS 443 million, even without consideration of the deconsolidation loss of Treibacher Schleifmittel.

# **Development** of **EBIT**



The unusually high operating income recorded by the real estate sector in the prior year after sale of the Business Park Vienna declined from ATS 591 to 231 million as planned. Of this amount, ATS 182 million is related to the partial sale of the "Wienerberg City" project.

Financial results in the Wienerberger Group improved by ATS 194 million to show net financing income of ATS 7 million in 1998. This development was on the one hand the result of cash inflows from the sale of real estate and investments in companies during the second half of 1997 and first six months of 1998, and on the other hand due to other investments which took effect only during the second half of the reporting year.

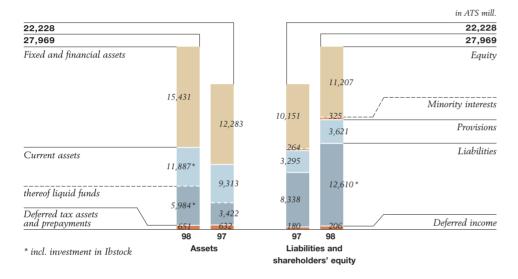
The low tax rate which resulted from special items in 1997 – sale of the Business Park Vienna and non-recurring expenses related to plant closures – rose to 29% in 1998. Tax expense remained below forecast for the Group, since income from "Wienerberg City" and the gain on sale of the Sturm Group concrete business did not generate a tax liability.

The above-mentioned factors resulted in a 15% increase in Group net income from ATS 1,395 to 1,603 million and earnings per share from ATS 157 to 180.

Profit and Loss Account – Summary	1997	1998	Change
	in ATS mill.	in ATS mill.	in %
Sales	15,325	15,732	+2.7
Other income	1,253	1,194	-4.7
Total output	16,578	16,926	+2.1
Cost of materials	7,163	7,281	+1.6
Personnel expenses	3,294	3,355	+1.9
Depreciation	1,509	1,316	-12.8
Other operating expenses	2,808	2,738	-2.5
EBIT	1,804	2,237	+24.1
Income from financing activities	-187	7	>100
Profit before tax	1,616	2,244	+38.9
Income taxes	-221	-641	>100
Net income	1,395	1,603	+14.9

#### **Assets and Financing**

The balance sheet structure of the Wienerberger Group is characteristic for the building materials industry, and shows a high fixed asset component and aboveaverage percentage of long-term financing – at Wienerberger, primarily equity.



Development of the Balance Sheet Structure

The balance sheet total increased from ATS 22,228 to 27,969 million as a result of company acquisitions. This figure includes an investment in Ibstock plc, which has already been sold.

Additions to fixed and intangible assets increased total assets by ATS 3,274 million, and exceeded depreciation by ATS 1,958 million. This underscores the renewed dynamic expansion in the Wienerberger Group after a year of divestitures. For the first time, consolidated companies represented ATS 784 million of fixed and intangible assets. The increase in financial assets resulted from the 24.9% investment in Steinzeug GmbH following the transfer of Keramo Wienerberger and an increase in the share owned in Immofinanz Immobilien Anlagen AG after partial sale of "Wienerberg City".

Inventories and trade receivables remained stable at ATS 3,074 million and 1,551 million respectively, despite the organic growth in sales.

The strong increase in marketable securities is related to the ATS 1,894 million investment in Ibstock plc, which the Group owned as of 31.12.1998. Financing was provided by a bank loan of approximately the same amount. In January 1999 the investment in Ibstock plc was sold.

Deferred tax assets include provisions arising from book value differences between IAS values and local tax values, as well as tax loss carry-forwards. Deferred tax assets totaling ATS 577 million are offset by provisions for deferred taxes of ATS 1,570 million.

Equity rose from ATS 10,151 to 11,207 million. The increase of ATS 1,565 million from 1998 Group net income is offset by cash outflows of ATS 399 million for dividends paid by Wienerberger Baustoffindustrie AG and a change of ATS 99 million in the currency translation adjustment. The equity ratio declined from 46% to 40% due to heavy investment and acquisition activity as well as the participation in Ibstock plc, which was still reflected on the balance sheet.

Low provisions are typical for the building materials industry, and equal ATS 3,621 million or 13% of the balance sheet total. This figure represents an increase over the prior year, and was generated by companies included in the consolidation for the first time and provisions for deferred taxes.

High investment and acquisition activity resulted in an increase in financial liabilities from ATS 5,679 to 9,817 million. This figure includes financing for the investment in Ibstock plc which was sold in January 1999. Gearing, the ratio of net debt to equity, rose according to plan from 19.0 to 29.7%.

Balance Sheet – Summary	31. 12. 1997	31. 12. 1998	Change
m 41 1 41	in ATS mill.	in ATS mill.	in %
Tangible and intangible assets	10,861	13,353	+22.9
Financial assets	1,422	2,078	+46.1
Fixed and financial assets	12,283	15,431	+25.6
Inventories	2,956	3,074	+4.0
Receivables	2,935	2,828	-3.7
Liquid funds	3,422	5,984	+74.9
Current assets	9,313	11,887	+27.6
Deferred tax assets and prepayments	632	651	+3.0
Total assets	22,228	27,969	+25.8
Equity	10,151	11,207	+10.4
Minority interests	264	325	+23.1
Provisions	3,295	3,621	+9.9
Liabilities	8,338	12,610	+51.2
Deferred income	180	206	+14.4
Total liabilities and shareholders' equity	22,228	27.969	+25.8

#### **Cash Flow**

Cash flow of ATS 2,414 million from operating activities reflects the earnings and financing power of the Wienerberger Group. Cash flow from operations, which includes working capital, totaled ATS 2,349 million and represents an increase of ATS 149 million or 6.8% over the prior year. This figure does not include payments received on the sale of real estate or Group companies, since these funds form a part of cash flow from investing activities. Cash flow from operating activities equaled 64% of cash outflows from investing activities.

Payments made for capital expenditures rose by 94% over the prior year to a level of ATS 3,541 million. Acquisitions and sales of companies generated net cash outflows of ATS 593 million. These cash outflows were offset by payments of ATS 478 million received on the sale of fixed assets and companies.

In addition to cash flow from operations, bank loans totaling ATS 4,274 million were used to finance investments. This increase in debt includes ATS 1,795 million of financing for the purchase of shares in Ibstock plc. After the repayment of debt and distribution of dividends, net cash flow in the Wienerberger Group generated a cash surplus of ATS 2,563 million.

Cash Flow Statement – Summary	1997	1998
	in ATS mill.	in ATS mill.
Cash flow from operating activities	2,200	2,349
Cash flow from investing activities	-232	-3,656
Cash flow from financing activities	-946	3,870
Change in cash and cash equivalents	1,022	2,563
Cash and cash equivalents at end of period	3,422	5,984
Free cash flow	2,155	-1,314

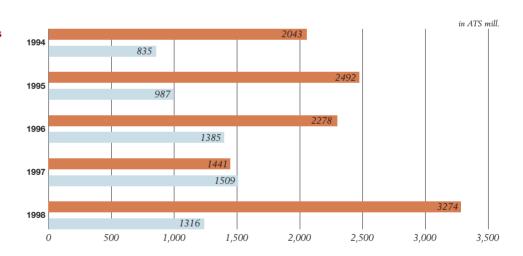
#### **Capital Expenditures and Acquisitions**

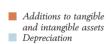
# Higher investment activity

The total volume of investments increased from ATS 1,441 million over the prior year to a level of ATS 3,274 million as a result of the expansion and investment program realized during the 1998 business year. Of the total additions to tangible and intangible fixed assets, 87% were made in the core business of Wall, Ceiling and Roofing Systems. These investments were concentrated in the development of new markets – especially Poland and Croatia – and the strengthening of our market position in West Europe, primarily in Germany.

Capex by Business Unit	1997	1998
	in ATS mill.	in ATS mill.
Wall, Ceiling and Roofing Systems	921	2.835
Pipe Systems and Sewage Technology	303	228
Financial Investments	217	211
Wienerberger Group	1,441	3,274

# Capital Expenditures and Depreciation





#### **Net Value Added**

Net value added increased by 13.4% to ATS 5,959 million. It shows the net total of goods and services provided by Wienerberger in all its markets and the total of services provided by third parties. Net value added is distributed among our shareholders, creditors, public authorities, and our employees.

Employees

(personnel expenses) 56%

Net Value Added	1997	1998	Change
	in ATS mill.	in ATS mill.	in %
Employees (Personnel expenses)	3,294	3,355	+1.9
thereof Wages and salaries	2,465	2,483	+0.7
Severance payments and pensions	83	99	+19.3
Employee-related expenses	746	773	+3.6
Fiscal authorities (Taxes)	221	641	>100
Creditors (Interest)	383	435	+13.6
Wienerberger shareholders (Dividend)	399	434	+8.8
The Group (Increase in reserves)	924	1,056	+14.3
Minority shareholders	35	38	+8.6
Total Value Added	5,256	5,959	+13.4

# Minority shareholders [increase in reserves] Wienerberger shareholders (dividends) 7%

#### Wienerberger Value Figures

Value Figures		1997	1998
ROCE 1)	in %	13.8	12.4
EVA <sup>2</sup> )	in %	531	439
Earnings per share	in ATS	157	180
Gearing	in %	19.0	29.7
Free cash flow	in ATS mill.	2,155	-1,314

<sup>1)</sup> Return on Capital Employed = NOPAT : Capital Employed NOPAT = Net Operating Profit after Tax = EBIT - taxes - adjusted taxes CAPITAL EMPLOYED = Equity + interest-bearing debt - liquid funds - financial assets 2) Economic Value Added = CAPITAL EMPLOYED x (ROCE – WACC); WACC = 9 %

Calculation of Return on Capital Employed		1997	1998
EBIT	in ATS mill.	1,804	2,237
Taxes	in ATS mill.	-221	-641
Adjusted taxes	in ATS mill.	-64	+2
NOPAT	in ATS mill.	1,519	1,598
Shareholders' equity and Minority interests	in ATS mill.	10,415	11,532
Interest-bearing debt (incl. intercompany balance)	in ATS mill.	5,403	9,412
Liquid funds and Financial assets	in ATS mill.	4,843	8,063
Capital Employed	in ATS mill.	10,975	12,881
ROCE	in %	13.8	12.4

Return on Capital Employed declined to 12.4% in 1998 from 13.8% in the prior year because of heavy investment activity and a related increase in Capital Employed. Economic Value Added decreased from ATS 531 to 439 million on an unchanged 9% cost of capital. After conversion to International Accounting Standards, our mid-range ROCE target for all building materials activities is a minimum of 12%.

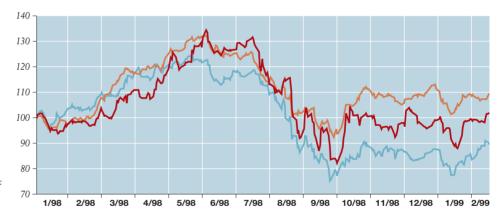
ROCE from 13.8 to 12.4% due to high investments

# The Wienerberger Share

The Vienna stock market again failed to mirror developments on major international stock exchanges in 1998. After a relatively good start, performance was negatively affected by the crises in Russia and Asia in the second half of the year. During this period the ATX remained far below the key indexes of most international exchanges, and subsequent price improvements registered in other markets did not materialize. The ATX closed the year at –13.45%, compared to the DJ Industrial: +16.10%; DAX: +17.71%; FT-SE 100: +14.55% and SPI: +15.36%. <sup>1)</sup>

Wienerberger share: high of 238 € in June 1998

The development of the Wienerberger Share also followed the ATX trend in 1998, but other international building materials stocks recorded significantly better results. Our Share remained unchanged from January 1998 to end of February 1999 – with the exception of a high in June 1998 at a price of 238  $\in$  (ATS 3,280) – and traded at 180  $\in$  (ATS 2,477) at the end of February 1999 for a plus of 2.1%. During this same time the performance of our Share was significantly better than the ATX level of –9.4%. However the Wienerberger Share did not match the increase registered by the European Building Materials Index (+9.1%) because of the weak market in Vienna and earnings which failed to meet our high expectations.



■ Wienerberger Baustoffindustrie AG
 ■ ATX – Austrian Traded Price Index
 ■ European Building Materials Index

Dividend policy at Wienerberger is based on steady growth in distributions to shareholders. The Managing Board therefore recommends an increase in the dividend from ATS 46 to 50 per ATS 100 share for the 1998 business year. Total dividends paid will therefore increase by 8.7% to over ATS 434 million, for a pay-out ratio of 28%.

Shareholders' Hotline: ++43/1/60192/463 E-Mail: investor @wienerberger.com In 1998 Wienerberger shareholders suffered a loss of 2.3% on the reinvestment of their cash dividends. In relation, the ATX registered an even higher loss of 13.5%. Over a period of ten years, an investment in Wienerberger stock – even without the reinvestment of cash dividends— has yielded an attractive average annual increase of 13.9% in value. Over this same period of time, average growth on the ATX equaled 7.7% per year.

values adjusted for currency fluctuations; excluding these adjustments: DJ Industrial: +7.98; DAX: +17.70%; FT-SE 100: +7.29%; SPI: +14.22%

With turnover of ATS 19.5 billion or an average of ATS 78 million per day, the Wienerberger Share remained one of the most popular on the Vienna Stock Exchange in 1998. On the Austrian Futures and Options Exchange 65,835 (1997: 68,442) options contracts were bought and sold for the Wienerberger Share, representing a total contract value of nearly ATS 17.3 billion (1997: ATS 16.2 billion) and approximately 12% of the total trading volume.

#### **Shareholder Structure**

With market capitalization of over ATS 20 billion and approximately 7% of the ATX volume, Wienerberger is one of the most widely traded Austrian stocks. Majority shareholder is the Wienerberger Holding GmbH, which owns over 50% plus two shares. This company, in turn, is owned equally by the Austrian Creditanstalt AG and the Belgian Koramic Building Products N.V. An analysis of the ownership structure conducted in February 1999 placed the Austrian stake of the free float at 55%. The largest percentage of foreign investors is represented by the USA at 14%. Substantial investments are also held in France, Belgium, Germany, Great Britain, and Luxembourg.

#### **Investor Relations**

Our activities in the area of investor relations were intensified during the past year. Annual Financial Statements were prepared for the first time entirely in accordance with International Accounting Standards (IAS). In order to increase the number of foreign shareholders and thereby strengthen liquidity, we initiated a Sponsored Level-1 ADR Program with the Bank of New York in 1997. Numerous meetings with investors and analysts in Austria and other countries formed the basis of our investor relations activities. Our policy of providing continual and transparent information has led to initial coverage by a number of leading international investment houses such as Salomon Smith Barney, CS First Boston, and Schroders.

After the press conference on 1998 results, our new homepage "WOW – World of Wienerberger" will go on-line in the form of a magazine. This new presence is designed to address the increasing significance of Internet as an information medium. "WOW" will present the multi-cultural faces of our Group, and combine news with comprehensive information and interesting reports from the "World of Wienerberger" (www.wienerberger.com).

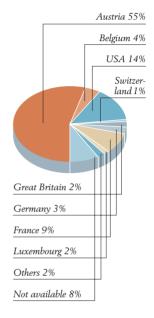
#### Information on the Wienerberger share:

Reuters: WBSV.VI ADR Level 1: WBRBY

Bloomberg: WBST AV ÖTOB: WIE

Datastream: O: WNBA Stock number: 083170

# Shareholder structure/ 50% Free float







# Research and Development, the Environment

Greater economy, better quality products, and improved environmental protection are the principles which guide our research and development activities.

At Wienerberger, we are dedicated to making residential construction better and less expensive. The groove and tongue solution for wall systems, the plane brick, and the new Porotherm PT 45 S brick represent milestones in wall construction. Our quick burning process for bricks was improved and is currently in operation at three sites in Austria and Germany.

Highest environmental protection standards The installation of new after-burning systems at the Austrian plants in Laa, Göllersdorf and Bärnbach and the Czech plant in Tyn during 1998 improved environmental compatibility and further reduced energy and production costs.

"Higher Value Added" Products"

Development programs were also given priority in the pipe segment. "Higher Value Added" products and specially designed system solutions for water supply and waste water disposal, as well as the further improvement of polypropylene pipes and fittings were a major focus of development activities in the Pipelife Group.

Research and development at Treibacher Industrie AG are focused on the creation of compound metals for the ceramics industry based on a new process for the low cost manufacture of ferro alloys, and subsequent conversion to semi-technical production standards. In addition, work is continuing on a process to extract metals from crude oil residue and basic engineering for production equipment. Main programs in rare earth research involve high performance ceramics for the casting of turbojet components and hydrogen storage alloys for rechargeable batteries. After brief preparations, a "Responsible Care" audit was conducted in accordance with worldwide standards applicable to the chemical industry. This audit evaluates both environmental management and plant safety, and was passed with an above-average rating.

Ecology and Economy – no contradiction The operation of ecologically sound landfills, which ensure the controlled disposal of waste, completes the life cycle of nature and technology in the Wienerberger Group. This is proof that ecology and economy need not be a contradiction.

### **Human Resources**

The development of long-term value for the investors and customers of the Wienerberger Group is supported by our employees. Our organization in small business units provides considerable space for entrepreneurial creativity and responsibility. The above-average commitment which results from this structure forms the basis for our success at Wienerberger.

In order to improve the qualifications and international experience of our Wienerberger management team, we have created a separate corporate function for management development.

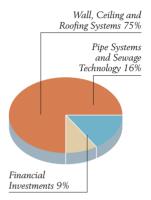
In addition to on-going individual programs, increased emphasis will be placed on the training of top management. Selected employees will attend international top executive programs as part of our mid- to long-range personnel planning.

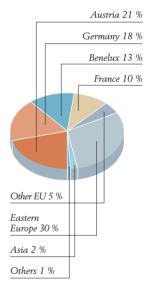
The planned introduction of performance-based compensation models for all employees has been awarded a high priority at Wienerberger, reflecting our goal to give employees the opportunity to participate directly in the success of our company. Our new stock savings plan includes a bonus on the purchase of Wienerberger shares. Implementation plans for this model are currently in preparation and will be organized by country.

A Performance Share Plan, which will enable top management to share in the success of our Company, is also scheduled to start in 1999 subject to approval by the Annual General Meeting in May of this year. The prerequisites for participation will be an individual contribution by management and fulfillment of the following two criteria for the exercise of options: in addition to a noticeable increase in the market price of the Wienerberger Share, the earnings power of the core business as measured by Economic Value Added must significantly improve. In introducing this program, Wienerberger will be the first industrial company in Austria with this type of ambitious, broad-based stock option plan.

Our personnel policy will continue to focus on the fundamentals of decentralization and multi-cultural diversity, with the utilization of Group synergies playing a key role. All our efforts are based on the principle: Together simply better.

### 7,988 employees worldwide







# Performance of Strategic Business Units

Satisfactory earnings in the brick segment

Significant improvement in the pipe segment

Record earnings at Treibacher







#### **Our Products**

Wall Systems:

Hollow bricks

Facing bricks

**Ceiling Systems:** 

Brick-based ceilings

Concrete girders

Ceiling elements

**Roofing Systems:** 

Clay tiles

Concrete tiles

Chimney systems

Paving bricks

#### **Our Companies**

Wienerberger Ziegelindustrie AG (100 %)

Wienerberger Ziegelindustrie GmbH (100%)

Terca Bricks N. V. (100%)

Wienerberger Briques S.A. (100%)

Wienerberger DachbeteiligungsGmbH (100%)

Wiekor Dachprodukte GmbH (50%)

Bramac Dachsysteme International GmbH (50%)

Ziegelwerke Gleinstätten GmbH & Co. KG (25 %)

#### **Plants**

#### 131 Production sites:

in Austria, Belgium, Bulgaria, Croatia, Czech Republic, Estonia, France, Germany, Hungary, Italy, Netherlands, Poland, Slovakia, Slovenia and Switzerland

in ATS million	1997	1998	Change
			in %
Sales	8,598	8,853	+3
EBIT	1,056 1)	1,383 2)	+31
EBIT-Margin in %	12.3	15.6	+27
Profit before tax	804	1,215	+51
ROCE in %	12.4	10.1	-19
EVA <sup>3)</sup>	248	113	-54
Cash Flow	1,873	1,908	+2
Capex	921	2,835	>100
Employees	5,154	5,973	+16

<sup>1)</sup> incl. non-recurring expenses of ATS 225 million

<sup>2)</sup> incl. gain on sale of Sturm concrete business: ATS 187 million

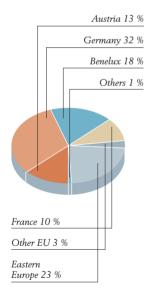
<sup>3)</sup> WACC = 9 %

# Wall, Ceiling and Roofing Systems

### 131 Plants in 15 Countries

EBIT of ATS 1,383 million in spite of difficult markets

#### Sales by Region



Over a period of ten years, the traditional core business of the Wienerberger Group "Wall, Ceiling and Roofing Systems" has developed from a local Austrian brick company into the largest manufacturer of bricks in Europe. Investments in leading roofing companies throughout Central and Eastern Europe complement the basic product segment. This business unit currently operates 131 plants in 15 countries with a total of 5,973 employees.

The development of business was satisfactory in 1998. Sales rose from ATS 8,598 to 8,853 million, and EBIT (IAS) increased from ATS 1,056 to 1,383 million. The high growth of over 30% in earnings was supported by the conversion to International Accounting Standards.

Developments varied considerably from region to region: the upward trend continued in Eastern Europe, but Wienerberger was faced with high excess capacity and adverse economic conditions in Western Europe, particularly in Germany. The decision was made to take an offensive approach and use this situation to further expand our leading position in this area. We also increased our rapid expansion in the East. Our presence on the Polish and Croatian markets was strengthened and we were able to secure leading positions. Investments reached a record level of more than ATS 2.8 billion.

The "Wall, Ceiling and Roofing Systems" business unit was reorganized in 1998 to eliminate interim holding companies and redistribute management responsibility. Four independent regional brick companies and one roofing systems company now constitute the five business areas of our traditional core business.

#### Wienerberger Ziegelindustrie AG Austria, South and East Europe

Austria was faced with a significant decline in housing construction, which reached 8.5%. This situation was exaggerated by new capacity added in recent years, and oversupply and price declines were the result. Priority was therefore given to reducing production costs. Earnings did not remain at the high levels recorded in past years, however.

Measurably higher earnings were registered in Italy despite continued intense competition for market shares. Cost reduction programs had a positive effect at the plants in Feltre and Imola.

East European brick companies remained on an upward course in 1998. Residential construction increased in Slovakia, Slovenia, Croatia and Poland. Hungary and, particularly during the second half of the year, the Czech Republic experienced declines.

Sales and earnings rose significantly in Hungary during 1998, and higher earnings were also registered in the Czech Republic and Slovakia.

Our leading position on the hollow brick market in East Europe was considerably strengthened during 1998. We acquired majority shares in the Honoratka brick company in central Poland and the Karbud brick company near Warsaw. Construction also began on two new brick plants in Honoratka and Dobre, and we purchased a company in Czestochowa in early 1999. The realization of this extensive investment program will help Wienerberger establish a leading position on the key Polish market. Our industrial presence on the rapidly growing brick market in Slovakia is strengthened by the brick plant in Boleraz. After year-long negotiations we entered the Slovenian market with the acquisition of a majority interest in Ormoz, a leading regional brick producer. In early 1999 a further step was taken to expand our position on the Croatian market with the acquisition of a majority share in the Dakovo brick and clay tile company.

Leadership on East European hollow brick market

#### Wienerberger Ziegelindustrie GmbH / Germany

The brick market in Germany has been characterized by declines and high excess capacity since 1995. We took an offensive approach and used this opportunity for further market adjustments. During the first quarter of 1998 Wienerberger acquired its largest competitor, the BTS Group, during bankruptcy proceedings and restarted operations at four of the five plants. Prices continued to fall in 1998, but sales volumes rose due to the success of the new Poroton plane brick. This partly offset the overall decrease in sales, and earnings remained positive.

In the facing brick segment, we considerably expanded our presence on regional markets. Acquisition of the Krauss Kaminwerke will provide the Wienerberger system chimney with a major impulse for innovation. Schlagmann, the Bavarian company strengthened its leading regional position in bricks and concrete through product innovations.

In summary, Wienerberger has further expanded its market position in Germany through cost leadership and the development of innovative systems for housing construction.

#### Terca Bricks N.V.

Despite minor excess capacity in stable to declining markets, the Terca Group was able to maintain or even increase price levels. Sales volumes were lower, however, due to a decrease in market share in the Netherlands and Germany.

Wienerberger's proven expertise in the manufacture of hollow bricks was transferred successfully. The construction of a new plant at Zonnebeke and the acquisition of Nova have decidedly improved the company's market position and cost structure in Belgium.

A 'Cost Efficiency Program' was started in the Netherlands and Belgium. In addition, new products in the pavers segment and a more balanced product offering should improve usage of plant capacity. In Holland, a new line of pavers was successfully introduced in 1998. The implementation of SAP also began.

Optimization measures and increased, innovative sales activities through the program "Terca goes Architect" should help the company maintain its leading position and earnings power on its home markets.

#### Wienerberger Briques S.A.

Our brick business in France was reorganized during 1998: the Sturm Group's concrete business was sold and a book gain of ATS 187 million was realized. An organizational merger combined the Sturm S.A. hollow brick segment with the facing brick unit of Terca Briques S.A. in France into Wienerberger Briques S.A.

Economic developments in France were generally positive, with increases registered in the new construction of both single and multiple family housing. Terca Briques S.A. was able to maintain its high share of the market during the past year and raised prices slightly. Export sales declined, however. Earnings recorded by Sturm S.A. increased on both domestic sales in France and exports to Germany. Initial benefits from the reorganization and cost reduction programs were also noted.

#### Wienerberger DachbeteiligungsGmbH

Wienerberger DachbeteiligungsGmbH, which was founded in 1998, is responsible for coordination of roofing activities.

#### Koramic-Wienerberger Dachprodukte Holding GmbH

Koramic-Wienerberger Dachprodukte Holding GmbH consequently implemented its expansion strategy in Germany, Poland, Estonia and Switzerland. In the rapidly growing Polish market, BTS Dachkeramik Sp.z o.o. with two clay tile plants in Kunice / Legnica was acquired. A smaller clay tile plant was also purchased in Aseri, Estonia, to establish an early presence in the Baltic States. In Germany Koramic-Wienerberger acquired Tonwerke Kandern GmbH, and merged the sales activities of this company with Wiekor Dachprodukte GmbH in early 1999. Construction of a new press tile plant in Langenzenn, which began in 1997, was successfully completed. At the end of the year Tonwarenfabrik Laufen AG was acquired. This company, with its two production lines, is the second largest manufacturer of clay tiles in Switzerland . 1998 operating income was still negatively affected by high expenditures for investments and reorganization.

#### **Bramac Dachsysteme International GmbH**

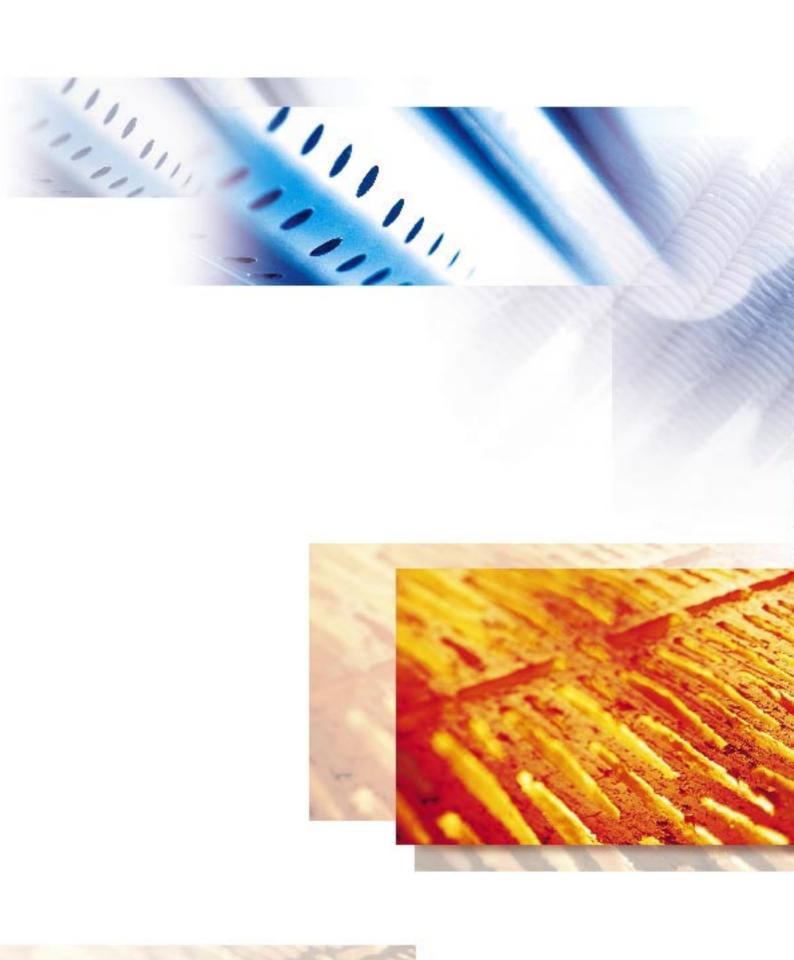
Bramac is the leading producer of concrete tiles in Central and Eastern Europe. Business was successful in 1998, even the company was not able to duplicate the record level of earnings registered during the prior year. With 178 million tiles sold, volume nearly reached the prior year. Implementation of the company's growth strategy for the Reform Countries continued: Main steps were the construction of a third roofing tile plant in the Czech Republic, as well as the acquisition of a tile plant in Silistra representing the first step into the Bulgarian market.

#### Ziegelwerke Gleinstätten GmbH

Ziegelwerke Gleinstätten GmbH & Co. KG, in which Wienerberger holds an investment of 25%, recorded the largest growth in its history during 1998 and was able to further expand its leading position in clay tiles in East-Central Europe. In Austria, a plant with production capacity of 20 million press tiles was opened in Pinkafeld. A company located near Prague, was acquired from the Imetal Group in the Czech Republic. In September 1998, the Krizevci AG in Slovenia was acquired.

#### Outlook

Earnings are forecasted to improve again in 1999. The German market appears to have bottomed out, and first price increases were realized at the beginning of the year. The business environment in the weak Austrian and Dutch markets was negatively affected by the long winter and heavy snowfall. The core brick business is expected to remain on its growth course in the future – with respect to volume, quality, and earnings.





#### **Our Products**

Plastic pipe systems for the transport of water, energy, and information

Clay pipe systems for sewage disposal

Concrete pavers

#### **Our Companies**

Wienerberger Rohrsysteme und Abwassertechnik GmbH (100 %) Pipelife International Holding GmbH (50 %) Chuanlu Plastic Sales & Service Ltd. (51 %) Steinzeug GmbH (24,9 %) Semmelrock SB Baustoffindustrie GmbH (75 %)

#### **Plants**

44 Production sites:

In Austria, Belgium, China, Croatia, Czech Republic, Estonia, Finland, France, Germany, Greece, Hungary, Malaysia, Netherlands, Norway, Poland, Portugal, Romania, Spain, Sweden, and Turkey

11/1/1

in ATC million	4007	4000	Ohamma
in ATS million	1997	1998	Change
			in %
Sales	3,626	3,238	-1111)
EBIT	89 2)	181	>100
EBIT-Margin in %	2.5	5.6	>100
Profit before tax	7	150 <sup>3)</sup>	>100
ROCE 4) in %	2.5	10.7	>100
EVA	-117	26	>100
Cash Flow	219	309	+41
Сарех	303	228	-25
Employees	1,708	1,294	-24

<sup>1)</sup> Organic growth +4.6 %

<sup>3)</sup> incl. income from investment in Steinzeug GmbH

<sup>2)</sup> incl. loss from Keramo Wienerberger

<sup>4)</sup> WACC = 9 %

# Pipe Systems and Sewage Technology

#### Pipe Systems and Sewage Technology

The "Pipe Systems and Sewage Technology" business unit includes the following activities:

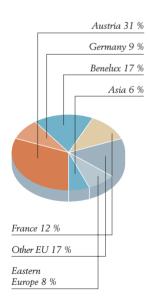
- Plastic pipe systems (Pipelife Group and investments in China)
- Clay pipe systems (Steinzeug Group) and
- Concrete pavers (Semmelrock Group)

This business unit currently operates at 44 production sites in 20 countries throughout Europe and Asia.

Significant earnings growth in all segments A wide range of actions resulted in a significant increase in earnings over the prior year and growth in all segments of business.

Earnings in the plastic pipe segment rose considerably over the prior year in spite of counteracting factors. Raw materials prices for PVC declined continually from a high point at the beginning of the year, and marketing actions were unable to offset the resulting pressure on selling prices. Despite the crisis in Asia, record earnings were registered on plastic pipe activities in China.

#### Sales by Region



Developments in the clay pipe area were influenced by the union of Keramo Wienerberger and Deutsche Steinzeug Cremer & Breuer AG. Cost savings, process optimization, and price increases helped this segment register positive earnings again in 1998 after a three year dry spell.

At Semmelrock earnings in Austria continued to improve, and a first step was taken into neighboring Eastern Europe with the construction of a new plant in Hungary.

Excluding companies which were sold or consolidated for the first time, sales rose by  $4.6\,\%$  to ATS 3,238 million. Operating profit increased from ATS 89 to 181 million.

#### **Plastic Pipe Systems**

#### The Pipelife Group

For many reasons, 1998 was a decisive year for the Pipelife Group. Earnings rose over the prior year, but unforeseeable developments in the raw materials area prevented the company from reaching its optimistic budget target. The level of earnings remained satisfactory in Austria, Hungary, Belgium, Sweden and Germany, and considerable improvement was registered in Holland. Results were

positive again in France, but still far below expectations. Earnings in Southern Europe, especially in Spain and Greece, were still unsatisfactory and negatively affected by heavy competition, investments, and reorganization costs.

In order to better meet the new challenges presented by the unified European market, Pipelife revised its strategy and prepared a new 5-year business plan in 1998. Priority will be given to the *optimization* of existing activities, *innovation*, *focus on customers*, and *expansion*.

Optimization is centered primarily on the production and logistics areas. Additional projects involve the reduction of raw materials costs, productivity increases, and outsourcing.

Innovation and focus on customers have received top priority in Pipelife's strategic plan. The main point of emphasis in the company's 5-year business plan involves a significant increase in the share of "Higher Value Added" products. This will enable Pipelife to offer its customers both complete problem solutions and innovative products for new applications. Further expansion of the direct sales network, especially in East Europe, will be continued in 1998.

The *expansion* of the Pipelife Group into new markets and the strengthening of activities in existing markets will also continue. During the reporting year, Pipelife intensified its existing sales activities in Croatia and Rumania by establishing a production site in each country.

At the beginning of 1999, Pipelife signed a contract with Norsk Hydro for purchase of the Mabo Group. This acquisition, which was the company's largest to date, enabled Pipelife to significantly expand its market position in the Nordic countries, Poland, and the Baltic States. Pipelife expects a positive outcome from the use of synergies and years of experience in the manufacture of polypropylene pipes and fittings.

In early 1999 a contract was signed with Pittsburgh Tube Company for purchase of the German V.W. Elektrorohre GmbH. With this acquisition, Pipelife has secured an important position on the electrical pipe market in Germany.

#### **Activities in China**

1998 was the most successful year to date for the plastic pipe business in China. This accomplishment was supported by both highly efficient production technology and actions by the Chuanlu Marketing Company to expand their successful sales program to cover additional regions in China. The crisis in Asia did not have a negative influence on the development of business during 1998.

Optimization, innovation, focus on customers, Expansion

Mabo: a forward giant step

#### **Clay Pipe Systems**

#### Steinzeug GmbH

## Merger of clay pipe activities

In early 1998 the clay pipe segments of Keramo Wienerberger and Deutsche Steinzeug Cremer & Breuer AG were combined. With the transfer of Keramo Wienerberger, Wienerberger received a 24.9% minority interest in the newly created Steinzeug GmbH and a 10% investment in Deutsche Steinzeug Cremer & Breuer AG.

The goals of this cooperation lie in a combination of the expertise of both companies, in a strengthening of customer trust in sewage networks made of glazed clay pipes, in the development of innovative product solutions, and in the use of synergies in logistics, production, and sales. Cost reduction programs are expected to improve the company's cost structure beginning in 1999.

Turnaround successful despite adverse market conditions

The European sewage pipe market saw no improvement in the extremely difficult business environment during 1998. Public investments, which are crucial for the clay pipe market, were postponed as a consequence of restrictive budget policies.

In spite of this situation, the company reached the turnaround point after three long years and recorded a profit for 1998. This improvement in 1998 resulted from a return of prices from the historic 1997 low to a level which now covers costs.

This significant improvement in prices was coupled with volume declines in Germany. During 1999 the company will therefore focus on better positioning its stoneware products against competing materials in the sewage pipe segment.

Both prices and quantities sold increased in the company's other markets. In Austria and France, sales volumes rose over the prior year. The goal for 1999 is to consolidate the company's position in these markets.

The joint venture in Malaysia was able to repeat the satisfactory level of earnings in spite of the crisis in Asia. A more difficult business environment is expected for 1999, however, due to the postponement of key infrastructure projects. The company plans to offset declining sales volumes in Malaysia by increasing exports to other Asian countries.

#### **Concrete Pavers**

#### Semmelrock

The development of business in the Semmelrock Group, a 75% subsidiary of Wienerberger, proceeded as planned. In addition to a distinct improvement in earnings, the company was able to increase its strategic potential for growth by entering new markets and developing new innovative product systems.

The civil engineering program, with its focus on pipes and shafts, was integrated in Wienerberger Alpha Umwelttechnik GmbH, an established sewage technology specialist.

A first expansion step into the neighboring countries of Eastern Europe was taken with the construction of a plant in Ócsa near Budapest. The start-up of operations was completed quickly, and the company was able to gain an important share of the high-value pavers market in Hungary within a few months.

New plant construction in Hungary

In 1999 Semmelrock will give priority to the development of new product surfaces and designs, and to on-going cost control.

The company's major strategic goals are to increase market share in Hungary, enter markets in other East-Central European countries, and strengthen market position in the civil engineering area.

#### Outlook

Continued growth in earnings is planned for the "Pipe Systems and Sewage Technology" business unit. In particular, our expectations are based on the implementation of planned rationalization measures, the development of high value products, and the acquisition and construction of new plants.



#### Treibacher Industrie AG

- Ferro-alloys
- Hard metal-based materials
- Rare earth compounds
- Rare earth alloys
- Peroxides

2 production sites in Austria and Slovenia

#### Other Investments

Wienerberger Immobilien GmbH (100%)

Wipark Garagen GmbH (100%)

Wienerberger Ofenkachel GmbH (100%)

"Alwa" Güter- und Vermögensverwaltungs-AG (35.5 % direct and 15.5 % indirect via Grundstücke- und Gebäudeverwaltungs-AG) Wienerberger Versicherungs-Service GmbH (60 %)

- Acquisition and management of real estate to safeguard supplies of raw materials and for investment purposes
- Development of projects on Company-owned land
- Construction and operation of parking garages
- Construction and operation of landfills
- Manufacture of stove tiles
- Investment and procurement of funds
- Insurance services

1 production site, real estate properties, project development, landfills, and parking garages

in ATS million	1997	1998	Change in %
Sales	2,852	3,361	+18
EBIT	68 1)	443	>100
EBIT-Margin	2.4	13.2	>100
Profit before tax	73	457	>100
ROCE in %	-5.2 (30.3) <sup>2)</sup>	39.8	+31
EVA <sup>3)</sup>	-123 (147) <sup>2)</sup>	217	+48
Cash Flow	322	391	+21
Capex	66	99	+50
Employees	581	592	+2

**Treibacher Industrie AG** 

- 1) incl. loss on deconsolidation of Treibacher Schleifmittel AG (TSV) ATS 270 million
- 2) excluding TSV
- 3) WACC = 11 %

in ATS million	1997	1998	Change in %
Sales	249	280	+12
EBIT	591 <sup>1)</sup>	2312)	-61
Profit before tax	732	422	-42
ROCE in %	56.0	18.3	-67
EVA	529	84	-84
Cash Flow	760	310	-59
Capex	151	112	-26
Employees	131	129	-2

Other **Investments** 

Note: all consolidation items and holding company costs are included here.

1) incl. ATS 581 million revenue from sale of "Business Park Vienna"

- 2) incl. partial sale of "Wienerberg City": ATS 182 million
- 3) WACC = 7 %

### Financial Investments

All activities of the Wienerberger Group which do not involve building materials have been combined and reorganized into the 'Financial Investments' business unit:

- Treibacher Industrie AG
- Other investments: real estate, treasury

The goals of this business unit are to optimize earnings and support the further expansion of our industrial core activities. With operating profit of ATS 673 million, the new Financial Investments business unit registered outstanding earnings in 1998 as a result of the excellent development of business at Treibacher Industrie AG.

#### Treibacher Industrie AG

### Record Earnings at Treibacher

Treibacher Industrie AG recorded an absolute record level of earnings in the 100-th year of its history – and this in spite of a rapidly changing business environment. During the first six months of 1998 the economic upturn led to a high volume of orders, but weakening industrial demand, primarily on the part of steel and hard metal producers, caused a severe drop in revenues beginning at mid-year.

Group sales rose by 18% from ATS 2,852 to 3,361 million. Operating profit showed an even greater increase, rising by 31% from ATS 338 to 443 million, even after inclusion of the book loss incurred on the sale of Treibacher Schleifmittel AG. Return on Capital Employed of 39.8% underscores this unique record, which is a consequence of favorable economic conditions, production at full capacity, and strong growth in sales of metal alloys.

Overall developments in the Alloymet business segment were excellent. The high level of orders recorded during the first half of the year and successful introduction of a new manufacturing process were more than able to offset the downturn in demand which suddenly appeared at mid-year. In the Recycling segment, the foundation was laid for major expansion with the identification of new secondary raw materials sources for vanadium and increased disposal capacity for special waste. In the Powdermet area production facilities operated at full capacity, wolfram refining was further modernized, and applications technology was increased to permit even closer teamwork with customers. Treibacher Auermet Produktions GmbH was able to offset the continuing decline in sales which has resulted from intensified competition with volume increases and expansion of the product line to include items with higher value added.

Capital expenditures totaled ATS 99 million. The most important projects focused on the modernization of wolfram production and process improvements.

The number of employees in the Treibacher Group rose slightly to a level of 592. Management, employees and representatives from business, politics and society joined together to celebrate the company's 100-th anniversary. Treibacher was honored on this occasion with a number of awards for its expertise and focus on quality and service. An anniversary gift in the form of a Wienerberger stock savings book turned employees into shareholders of their own company for the first time.

Key strategic projects scheduled for the current year include expansion of the market share of metal compounds, selection of a low-cost production process for ferro-alloys, further stabilization of secondary raw materials supplies, and preparatory work for new recycling processes. In the carbide sector, new sales opportunities on international markets will be identified and developed. The introduction of additional niche products is planned in the rare earth segment. Slowing economies in key markets have led to forecasts of satisfactory, but lower earnings for the Treibacher Group in 1999.

#### Other Investments

Wienerberger has an extensive real estate portfolio, which has its origins in the Group's brick production. In recent years, our holdings in Austria and other countries have continually increased in the aftermath of our industrial expansion. This real estate includes production sites, raw materials sites, agricultural land and forests, and property suitable for development.

The three main activities of the real estate sector are combined in the Wienerberger Immobilien GmbH:

- Waste treatment and landfill business
- Garages with Wipark Garagen GmbH
- Property development with the major project "Wienerberg City"

The landfills in Leopoldsdorf and Baden showed good development and recorded satisfactory profits. The new landfill in Hennersdorf, which opened in 1998, also registered satisfactory earnings.

Wipark Garagen GmbH is the owner or operator of 19 garages in Vienna, with total space for 7,399 cars. The company is also lessor of one garage in Graz, Austria. During the reporting year activities focused on the start of construction for the first garage in Budapest, which will open during the third quarter of 1999, and further preparations for the gradual development of a garage network and local organization in Hungary.

Extensive Real Estate Holdings

#### Major Project "Wienerberg City"

The "Business Park Vienna", which was sold in 1997, will be further developed into "Wienerberg City". The heart of this project is a double office tower, which will be realized as a joint venture with Immofinanz Immobilien Anlagen AG. The transfer of a 50% share in the construction company founded by Wienerberger to Immofinanz Immobilien Anlagen AG yielded a profit of ATS 182 million in 1998.

The "Vienna Twin Tower" is comprised of one 37 and one 35 story double high rise building, which will reach a height of 138 meters and thereby dominate the skyline in the south of Vienna. Usable space in the double tower will total 46.000 m². Together with the "Business Park Vienna", this complex will form the largest office site in Vienna with usable space of 110,000 m².

The ground floors are designed to add special character to this new local office and leisure time facility through an "Urban Entertainment Center", with a multiplex movie theater as key tenant and a wide variety of restaurants, a family entertainment center, shops and fitness center. Ten movie theaters with a total of 2,350 seats have already been leased by Kieft + Kieft Filmtheater GmbH, one of the leading movie theater operators in Germany with headquarters in Lübeck.

Construction on the "Vienna Twin Tower" began in Fall 1998, and completion is scheduled for November 2000. The total investment volume will approach ATS 1.5 billion, one-half of which will be financed by Wienerberger.

Construction sites for the 1,200 residential units in "Wienerberg City" will be sold in 1999 through a call for tender offers among building companies, which will be organized together with the City of Vienna.

#### Other activities

"Alwa" Güter- und Vermögensverwaltungs-AG is an agricultural and forestry company, whose holdings total approximately 24,000 ha in Austria and 1,000 ha in Hungary. Earnings remained at a satisfactory level in 1998.

Wienerberger Ofenkachel GmbH, which operates manufacturing facilities in Walbersdorf (Austria), has distinguished itself as a specialized company with strong earning power. Wienerberger Versicherungs-Service GmbH provides insurance services to the subsidiaries and other member companies of the Wienerberger Group. An international insurance program was concluded in 1998 with coverage extending to property, business interruption, and liability. As a result, insurance premiums declined by 42%.

Treasury activities in the Wienerberger Holding yielded high returns despite declining interest rates on financial and capital markets. On a relatively constant investment volume, the average yield on interest and exchange rate movements reached a level of 7.3 %. Planned streamlining of the balance sheet will shift the focus from external investment to financing within the Group in the future.

### Outlook

#### **Clear Strategy**

At Wienerberger we will continue to pursue our goals to optimize and expand the business. Our strategic priorities are clearly defined: the focal point of our continual growth will remain on the core brick business. Our four strategic building materials investments – plastic pipes, clay pipes, roofing systems, and concrete pavers – will also be increased and transformed into core businesses where possible. Earnings from our financial investments – Treibacher and real estate – will support the industrial expansion of Wienerberger to a leading international building materials group.

Core Business	Bricks	<ul><li>Majority investment</li><li>Leading position (Top 3)</li><li>National presence</li><li>Competence</li></ul>
Strategic	Plastic Pipes	- Requirements for
Investments	Clay Pipes	core business
in Building	Roofing Systems	not met in full
Materials	Concrete Pavers	<ul> <li>Goal is development to core business</li> </ul>
Financial	Treibacher	<ul> <li>Maximize earnings</li> </ul>
Investments	Real Estate	<ul> <li>Support expansion of</li> </ul>
	Wipark	building materials activit
	Other	

#### Powerful Organization

Our new Group organizational structure, which was created last year to eliminate interim holding companies, will increase the autonomy of the ten strategic business units. They will now be able to act with increased efficiency, higher flexibility, and closer proximity to their markets. Our new Group management and an effective communications network will create the necessary framework for the best use of synergies. Joint market actions, higher product quality, increased innovation, and improved technology as well as conscious leadership in production costs and business development will provide a distinct competitive advantage for the entire Group.

#### **Ambitious Goals**

Our targets for growth will be measured against clear and ambitious standards. Decisive are the value indicators introduced two years ago – Economic Value Added and Return on Capital Employed – as internal and external benchmarks.

These targets were adjusted as part of the conversion to International Accounting Standards. Compared to our previous accounting methods, the major differences lie in the capitalization of goodwill and treatment of extraordinary income and expense.

The minimum target equals the cost of capital, which has been set at 9% for the core business and strategic building materials investments.

Our mid-range goal for ROCE (IAS) is a minimum of 12% for each individual building materials activity, or one-third above the average cost of capital.

ROCE (IAS) goal: 12 %

At first this goal will be negatively affected by strategic expansion steps which are less profitable over the short-term – market consolidation in West Europe, successive expansion in East Europe. For this reason, ROCE in the brick segment declined to 10.1% in 1998 and equaled 10.7% in the less capital-intensive pipe area.

Implementation of the EVA and ROCE concept has reached an advanced stage. All forecast and controlling processes now include calculation of these new key indicators. Not only past years were analyzed, but special emphasis has been placed on value development over the next five years in over 150 business segments of the Group. All Wienerberger companies and their managers will be measured by ROCE and EVA in the future. The last and most important step in this implementation is planned for 1999, and involves the creation of a link between variable compensation for management and the value indicators as well as and the introduction of profit sharing for management. This "Wienerberger Performance Share Plan" will be presented to the Annual General Meeting in May 1999 for approval.

Wienerberger Performance Share Plan

#### 1999 Forecast

The country portfolio developed in recent years provides a balance for differing market trends. An increase in price levels in Germany is expected for 1999 as a result of the restructured brick market. In contrast, the situation in Austria will most likely deteriorate. Tougher market conditions are also anticipated in Holland, the Czech Republic, and Hungary. Forecasts remain unchanged, however, for growth in the new brick markets of Poland and Croatia.

In total, increased earnings are forecasted for the brick and pipes segments in 1999. In the Financial Investment business unit, higher additional income from real estate is expected to offset declining earnings at Treibacher, which are the result of an economic downturn in the company's markets.

1999 stands under the sign of a consequent implementation of our strategy and will bring us closer to our year-long vision: "Wienerberger – a leading international building materials group, ranking Nr. 1 in our markets".

# 1998 Consolidated Accounts according to IAS Wienerberger Group

Consolidated Profit and Loss Account for the 1998 Business Year

Cash flow Statement for the 1998 Business Year

Consolidated Balance Sheet as at December 31, 1998

Consolidated Statement of Shareholders' Equity

Changes in Fixed and Financial Asset for the 1998 Business Year



# Consolidated Profit and Loss Account for the 1998 Business Year

Notes		<b>1998</b> <i>in TATS</i>	<b>1997</b> <i>in TATS</i>
(7)	Sales	15,732,134	15,324,617
	Changes in stocks of finished goods and work in progress	150,458	3,782
(8)	Other operating income	1,043,381	1,249,938
		16,925,973	16,578,337
(9)	Cost of materials and services	-7,280,710	-7,163,062
(10)	Personnel expenses	-3,354,759	-3,294,237
(11)	Amortization of intangible assets and		
	depreciation of fixed assets	-1,315,612	-1,509,056
(12)	Other operating expenses	-2,738,132	-2,808,403
	Operating profit	2,236,760	1,803,579
	Income from equity accounting	32,966	17,021
	Income from other investments	7,308	2,750
	Net financing costs	-7,924	-171,386
	Other income from financing activities	-25,197	-35,502
(13)	Financial results	7,153	-187,117
	Profit before tax	2,243,913	1,616,462
(14)	Income taxes	-641,264	-221,235
	Net income	1,602,649	1,395,227
	Share of profit/loss due to minority interests	-37,654	-35,015
	Net income excluding minority interests	1,564,995	1,360,212
(29)	Earnings per share (in ATS)	180	157
	Expected or paid dividend per share (in ATS)	50	46

The following notes to the consolidated accounts form an integral part of this consolidated profit and loss account.

# Cash Flow Statement 1998

NI. 4		1998	1997
Notes		in TATS	in TATS
	Net income	1,602,649	1,395,227
	Depreciation of fixed and financial assets	1,316,037	1,551,799
	Write-ups of fixed and financial assets	-17,219	0
	Changes in provisions for severance payments and pensions	30,274	21,704
	Transfer of results from associated companies	-32,967	-17,021
	Gains on deconsolidations and other income from the		
	sale of fixed and financial assets	-485,154	-428,838
	Gross cash flow	2,413,620	2,522,871
	Increase in inventories	-264,887	-146,290
	Increase in receivables, deferred tax assets,		
	prepayments and deferred charges	61,656	-36,596
	Increase/decrease in short-term provisions	129,393	-89,734
	Increase/decrease in liabilities and deferred income	14,088	13,256
	Changes in non-cash items resulting from		
	foreign exchange translation	-5,063	-63,508
(25)	Cash flow from operating activities	2,348,807	2,199,999
	Payments received for asset disposals	478,452	544,223
	Payments made for investments in fixed and financial assets	-3,541,438	-1,822,326
	Cash flow arising from changes in the consolidation range	-592,710	1,045,984
(26)	Cash flow from investing activities	-3,655,696	-232,119
	Increase/decrease in current borrowings	-834,754	1,011,789
	Increase/decrease in loans and overdrafts with		
	financial institutions	5,108,441	-1,593,827
	Dividends paid by Wienerberger Baustoffindustrie AG	-399,368	-364,640
	Dividends paid to minority shareholders	-19,470	-9,223
	Payments made by associated companies	15,488	10,120
	Cash flow from financing activities	3,870,337	-945,781
	Change in cash and cash equivalents	2,563,448	1,022,099
	Changes resulting from exchange rate fluctuations	-1,342	-2,936
	Cash and cash equivalents at the beginning of the period	3,422,247	2,403,084
	Cash and cash equivalents at the end of the period	5,984,353	3,422,247
	Thereof short-term securities	4,118,300	2,374,502
	Thereof cash on hand and in financial institutions, checks	1,866,053	1,047,745

The following notes to the consolidated accounts form an integral part of this cash flow statement.

# Consolidated Balance Sheet as at December 31,1998

Notes	ASSETS	<b>31. 12. 1998</b> <i>in TATS</i>	<b>31. 12. 1997</b> <i>in TATS</i>
	Intangible assets	673,963	214,771
	Property, plant and equipment	12,679,162	10,646,657
	Investments in companies recorded at equity	437,904	270,096
	Other investments	935,954	431,053
	Other financial assets	704,350	719,926
(15)	Fixed and financial assets	15,431,333	12,282,503
(16)	Inventories	3,074,393	2,955,701
(17)	Accounts receivable – trade	1,550,866	1,643,573
(17)	Other receivables	1,277,336	1,291,765
(27)	Marketable securities	4,118,300	2,374,502
	Cash and cash equivalents	1,866,053	1,047,745
	Current assets	11,886,948	9,313,286
(21)	Deferred tax assets	576,922	570,886
(18)	Prepayments and deferred charges	74,045	60,910
	Total Assets	27,969,248	22,227,585
	LIABILITIES AND SHAREHOLDERS' EQUITY		
	Share capital	868,191	868,191
	Share premium account	3,087,592	3,087,592
	Retained earnings	7,424,860	6,269,911
	Currency translation adjustment	-173,640	-74,658
(19)	Equity	11,207,003	10,151,036
	Minority interests	325,379	263,633
(20)	Provisions for severance payments	335,858	296,138
(20)	Provisions for pensions	220,094	234,051
(21)	Provisions for deferred taxes	1,569,639	1,511,350
(20)	Provisions for current taxes	327,414	247,359
(20)	Other provisions	1,167,916	1,006,024
	Provisions	3,620,921	3,294,922
(22) (27)	Loans and overdrafts with financial institutions	9,817,342	5,678,635
(22)	Accounts payable – trade	1,173,406	1,297,972
(22)	Other liabilities	1,619,006	1,361,513
	Liabilities	12,609,754	8,338,120
(23)	Deferred income	206,191	179,874
	Total Liabilities and Shareholders' Equity	27,969,248	22,227,585

The following notes to the consolidated accounts form an integral part of this consolidated balance sheet.

# Consolidated Statement of Shareholders' Equity

in TATS	Share capital	Share premium	Retained earnings	Currency translation adjustments	Total
Status as at 1.1.1998	868,191	3,087,592	6,269,911	-74,658	10,151,036
Net income			1,564,995		1,564,995
Dividend payments			-399,368		-399,368
Currency translation adjustments				-98,982	-98,982
Other changes			-10,678		-10,678
Status as at 31.12.1998	868,191	3,087,592	7,424,860	-173,640	11,207,003
Status as at 1.1.1997	868,191	3,087,592	5,264,369	6,667	9,226,819
Net income			1,360,212		1,360,212
Dividend payments			-364,640		-364,640
Currency translation adjustments				-81,325	-81,325
Other changes			9,970		9,970
Status as at 31.12.1997	868,191	3,087,592	6,269,911	-74,658	10,151,036

The following notes to the consolidated accounts form an integral part of this schedule on the development of consolidated shareholders' equity.

# Changes in Fixed and Financial Assets in 1998

	Acquisition or Production Costs						
	Status as at 1.1.1998	Change in Consolidation range	Foreign Exchange Incr./Decr.	Additions	Disposals	Transfers	Status as at 31. 12. 1998
Goodwill	000 404	411 104	1 722	8,975	1 475	0	600.065
Other intangible assets	282,184 273,398	411,104 -6,832	-1,723 -3,709	50,500	1,475 11,604	0 118	699,065 301,871
Ö	•	404,272	,	59,475	13,079	118	1,000,936
Intangible assets	555,582	404,272	-5,432	39,473	13,079	118	1,000,936
Land, rights to land and buildings, including buildings on land owned by							
third parties	7,573,875	244,191	-39,543	702,768	167,926	395,599	8,708,964
Machinery and equipment	11,693,791	93,650	-72,363	1,313,073	290,416	283,957	13,021,692
Fixtures, fittings, tools and equipment	1,780,611	-56,207	-3,170	224,991	138,057	-228,756	1,579,412
Prepayments and assets under construction	429,043	-30,429	-17,783	973,248	24,758	-450,918	878,403
Property, plant and equipment	21,477,320	251,205	-132,859	3,214,080	621,157	-118	24,188,471
Investments in subsidiaries	46,496	-29,522	0	68,642	0	-5,429	80,187
Investments in associated companies	259,934	100,615	-1,896	13,572	0	25,081	397,306
Other investments	427,162	476,582	-748	120,492	108,853	-19,652	894,983
Securities	699,757	462	168	61,643	68,339	0	693,691
Loans granted	23,460	-3,420	-168	3,533	9,833	0	13,572
Financial assets	1,456,809	544,717	-2,644	267,882	187,025	0	2,079,739
	23,489,711	1,200,194	-140,935	3,541,437	821,261	0	27,269,146

Note: Rounding differences may arise from EDP processing.

The following notes to the consolidated accounts form an integral part of this schedule on changes in fixed and financial assets.

Depreciation	on								in TATS
Status as at 1.1.1998	Change in Consolidation Range	Foreign Exchange Incr./Decr.	Current Year	Additions	Disposals	Transfers	Status as at 31.12.1998	Net Book Value 31. 12. 1998	Net Book Value 31. 12. 1997
141,889	-68,419	-1,775	41,602	0	0	0	113,297	585,768	140,295
198,923	-528	-1,773	20,430	0	4,040	0	213,677	88,195	74,476
340,812	-68,947	-2,883	62,032	0	4,040	0	326,974	673,963	214,771
040,012	00,5 17	2,003	02,032	Ü	1,010	Ü	020,014	070,300	217,777
2,525,297	70,579	-10,022	263,647	7,955	97,796	119,572	2,863,322	5,845,642	5,048,578
7,061,110	-88,721	-31,980	813,599	3,347	234,046	10,696	7,527,311	5,494,381	4,632,681
1,244,022	-41,877	-1,705	176,333	5,799	122,029	-130,268	1,118,677	460,735	536,589
235	5	-29	0	0	211	0	0	878,403	428,808
10,830,663	-60,014	-43,736	1,253,579	17,101	454,082	0	11,509,309	12,679,162	10,646,657
4,852	-2,220	0	0	0	0	0	2,632	77,555	41,644
-10,162	137	0	0	46,061	-15,488	0	-40,598	437,904	270,096
37,753	-948	-234	19	0	5	0	36,585	858,399	389,409
3,251	26	18	407	118	671	0	2,913	690,778	696,506
40	0		0	0	40	0	0	13,572	23,420
35,734	-3,005	-216	426	46,179	-14,772	0	1,532	2,078,208	1,421,075
11,207,208	-131,966	-46,835	1,316,037	63,280	443,350	0	11,837,814	15,431,333	12,282,503

### Notes to the Consolidated Accounts

#### Reporting in accordance with International Accounting Standards

The consolidated accounts of the Wienerberger Baustoffindustrie Aktiengesellschaft were prepared in accordance with the principles set forth in International Accounting Standards (IAS). On December 31, 1998 a joint program was approved by the International Accounting Standards Committee (IASC) and the International Organization of Stock Commission Overseers (IOSCO) which is designed to lead to worldwide recognition of IAS as a prerequisite for registration on international financial markets. This development has also been recognized by Austrian legislators in the form of a law regulating consolidated financial statements, which grants recognition under Austrian Commercial Law to consolidated financial statements prepared in accordance with International Accounting Standards.

#### Major differences between Austrian and IAS accounting principles

Deferred taxes: The Austrian Commercial Code requires the creation of deferred tax provisions for temporary differences if a tax liability is expected to arise when these differences are reversed. IAS requires the creation of deferred taxes for all temporary differences which arise between financial statements prepared for tax purposes and IAS financial statements; in such cases, deferred taxes are to be calculated based on the current actual tax rate. Under IAS, deferred tax assets must also be recorded for loss carry-forwards which are expected to be offset against taxable profits in the future.

Miscellaneous provisions: In contrast to the Austrian Commercial Code, IAS applies a different interpretation to the principle of conservatism with respect to provisions. IAS tends to place more strict requirements on the probability of an event occurring and on estimating the amount of the provision.

*Provisions for pensions:* In keeping with the Austrian Commercial Code, provisions for pensions are calculated without incorporating the effect of future wage and salary increases, based on the Austrian method "Teilwertverfahren" and a discount rate which normally equals 6 %. Under IAS provisions for pensions are calculated using the projected unit credit method, based on a capital market interest rate of 7 % and an expected compensation increase of 3.5 %.

Short-term securities: Austrian accounting principles require securities to be recorded at the lower of acquisition cost or market value. Under IAS short-term securities held by the Wienerberger Group are valued at market prices, and the changes in these market prices are credited or charged directly to the profit and loss account. Securities classified under financial assets are recorded at the lower of cost or market price both under IAS and the Austrian Commercial Code.

Foreign exchange valuation: These two accounting systems require different treatments for unrealized profits arising from the valuation of foreign exchange items as of the balance sheet date. According to Austrian law, the principle of realizable value requires only unrealized losses to be recorded, where IAS also requires the recognition of unrealized profits.

Extraordinary income and expense: In contrast to Austrian accounting, IAS defines extraordinary income and expenses as items which are clearly independent of the ordinary business activities of a company and which are not expected to occur frequently or regularly.

#### I. General Information

#### 1. Basic Principles

Wienerberger is an internationally active industrial group, whose parent company is a public stock corporation headquartered in Vienna. The business activities of the Group can be classified in three segments: Wall, Ceiling and Roofing Systems, Pipe Systems and Sewage Technology, and Financial Investments.

The consolidated accounts of the Wienerberger Baustoffindustrie Aktiengesellschaft and its subsidiaries reflect those International Accounting Standards (IAS) valid for the 1998 business year. In contrast to IAS, goodwill arising from the acquisition of companies up to December 31, 1996 was charged to reserves in keeping with Art. 30 Par. 2 of the 7-th EU Directive (see Note 3.).

The following International Accounting Standards have already been applied in full, even though their use is not yet mandatory:

IAS 1 (revised), Presentation of Financial Statements

IAS 14 (revised), Segment Reporting

IAS 16 (revised 1998), Property, Plant and Equipment

IAS 17 (revised), Leases

IAS 22 (revised), Business Combinations

IAS 28 (revised 1998), Accounting for Investments in Associates

IAS 31 (revised 1998), Financial Reporting of Interests in Joint Ventures

IAS 33, Earnings Per Share

IAS 35, Discontinuing Operations

IAS 36, Impairment of Assets

IAS 37, Provisions, Contingent Liabilities and Contingent Assets

IAS 38, Intangible Assets.

Independent auditors have examined the annual accounts of all material companies and all national and international companies which require a statutory audit and which are included using the full consolidation method; all such audited accounts were awarded unqualified opinions. The reconciliation of various national accounts with IAS accounts prepared according to Group guidelines was also certified. The accounts of all fully consolidated group companies are based on historical acquisition and production costs, and were prepared as of the balance sheet date. To simplify presentation, certain items on the balance sheet and profit and loss account were grouped together. The notes provide detailed information on all such items. Figures are generally rounded to thousands (ATS 1,000).

#### 2. Consolidation Range

An overview of all companies included in the consolidation range (full, proportional, or using equity accounting), and other companies in which investments are held is provided in the List of Companies at the end of the Notes.

In addition to Wienerberger Baustoffindustrie AG, the consolidation includes 15 (1997: 16) Austrian subsidiaries and 86 (1997: 94) foreign subsidiaries in which Wienerberger Baustoffindustrie AG has management control, or directly or indirectly owns the majority of voting shares. Twenty-five (1997: 15) affiliated companies whose influence on the asset, financial and earnings position of the Group is immaterial were not included in the consolidation. The combined sales of these unconsolidated companies equals less than 2 % of Group sales.

Thirty-four (VJ: 31) joint ventures were consolidated proportionately. The equity method is used in cases where the Wienerberger Group holds between 20 and 50 % of the shares (associated companies) if these entities are considered significant for the preparation of a true and fair view of the Group's assets, financial and earnings position.

The range of companies included in the consolidation changed as follows during the 1998 reporting year:

Consolidation Range	Full consolidation	Proportional consolidation	Equity – accounting
Status as at 31.12.1997	111	31	9
Change in consolidation method	-5	-2	7
Included during reporting year for the first time	12	6	8
Merged/liquidated during reporting year	-5	0	0
Divested during reporting year	-11	-1	-2
Status as at 31.12.1998	102	34	22
Thereof foreign companies	86	25	15

Klein Agglomeres S.A., Etablissements Heinrich Bock et Cie S.A. and Tubagglo S.A. (concrete business of the Sturm Group) were sold as of January 1, 1998 and removed from the consolidation range as of this date.

The transfer of Keramo Wienerberger N.V. and its subsidiaries to the German Steinzeug GmbH resulted in the transitory consolidation of the former subsidiaries of Keramo Wienerberger Holding N.V. into a 24.9 % investment in Steinzeug GmbH, which was valued at equity.

Together with Koramic N.V., the companies Migeon S.A., Bisch S.N.C. and the Tondachziegelwerke Laufen GmbH and Tonwerke Kandern GmbH were acquired as of July 1, 1998. Their business activities were restructured retroactive to this date. French companies in the roofing segment acquired one subsidiary of Koramic N.V. All shares in the French hollow brick plants were purchased by a subsidiary of the Wienerberger Baustoffindustrie AG and were fully consolidated. The Tondachziegelwerke Laufen GmbH and Tonwerke Kandern GmbH were acquired by the 50 % subsidiary Koramic Wienerberger Dachprodukte Holding GmbH and were consolidated using the proportional method.

Fifty percent of the shares in "Wienerberg-City" Errichtungsges. m.b.H., which was fully consolidated in the past, were transferred as a contribution in kind to the publicly traded Immofinanz Immobilien Anlagen Aktiengesellschaft. This transfer resulted in an increase from 10.6 % to 20.7 % in the investment owned. In December 1998 0.8 % of Immofinanz Immobilien Anlagen Aktiengesellschaft were sold. The 19.9 % share was recorded as of December 31, 1998 under other investments.

On October 20, 1998 an investment of 29.8 % was acquired in Ibstock plc, a company traded on the London stock exchange, for 66 pence per share. On December 21, 1998 the Irish CRH Group placed an offer for Ibstock plc at 70 pence per share, which was also accepted by the Wienerberger Group in January 1999. The investment, which had already been sold by the time these financial statements were prepared, was recorded as of December 31, 1998 under short-term securities at 70 pence per share.

Due to a shortage of time since acquisition, it was not possible to integrate other companies purchased during 1998 (Balaton Teglaipari Kft, Cetera IGM d.d. Dakovo, Eichhorn GmbH & Co KG, Opekarna Ormoz d.d., V.W. Elektrorohre GmbH) in the Group reporting system. These firms were recorded at acquisition value in 1998, and will be fully consolidated or recorded at equity beginning in 1999.

Companies which were consolidated for the first time in 1998 are identified as such on the list of investments. These companies were consolidated for the first time as of the date of acquisition or as of the next possible balance sheet date.

The following major acquisitions and companies founded during 1998 are included in the consolidation for the first time:

	• • • • • • • • • • • • • • • • • • • •		
Name of Company	Share %	Name of Company	Share %
Brick Slovakia a.s.	100.0	Davinyl AB	50.0
Krauss Kaminwerke GmbH & Co. KG	100.0	Ziegelwerk B GmbH	100.0
Migeon S.A. (Briques)	100.0	W.B.D. Holding GmbH	100.0
Nova Steenfabrieken N.V.	100.0	Wienerberger Dach Beteiligungs GmbH	100.0
Wienerberger-Honoratka S.A.	77.8	Wienerberger Rohrsysteme Entwicklungs GmbH	
Wienerberger Karbud S.A.	65.0	Wipark Hungaria Garázs Kft.	
Tonwarenfabrik Laufen AG	50.0	Semmelrock Stein & Design Pflastersteine Kft.	
Tonwerke Kandern GmbH	50.0		

As of January 1, 1998 the effects of changes in the consolidation range on the consolidated accounts are as follows:

in TATS			
A. Fixed assets	1,332,162	A. Equity	369,123
B. Current assets	-802,256	B. Provisions	153,237
C. Prepayments and		C. Liabilities	9,630
deferred charges	2,631	D. Deferred income	547
	532,537		532,537

The deconsolidation of companies resulted in a decrease of TATS 980,678 in Group sales. Other operating income includes the TATS 186,785 deconsolidation gain on sale of the concrete business of the Sturm Group and TATS 182,340 in real estate revenue from the 50% contribution of the "Wienerberg-City" Errichtungsges.m.b.H.

Companies which were included for the first time during the 1998 business year through the full or proportional consolidation methods contributed TATS 452,526 to Group sales and TATS –4,260 to operating profit.

Following are the pro rata values used to consolidate all companies included in the Group accounts using the proportional consolidation method:

in TATS				31. 12. 1998	31. 12. 1997
Sales				4,032,375	3,825,784
Income from operating	activities			308,431	250,308
Income from financing	activities			-92,658	-50,541
Profit before tax				215,773	199,767
Net income				173,982	145,301
in TATS	31. 12. 1998	31. 12. 1997		31. 12. 1998	31. 12. 1997
A. Fixed assets	2,307,928	1,325,183	A. Equity	1,190,930	733,190
B. Current assets	1,751,040	1,523,388	B. Provisions	650,095	530,158
C. Prepayments and			C. Liabilities	2,272,837	1,645,244
deferred charges	78,578	74,549	D. Deferred income	23,684	14,528
	4,137,546	2,923,120		4,137,546	2,923,120

## 3. Consolidation Methods

For fully consolidated subsidiaries, the book value method is used for capital consolidation. Under this method, the book value of the investment is compared with the relevant shareholders equity on the date of initial consolidation. Any identifiable positive difference is added to fixed assets; any goodwill remaining after the initial application of IAS as of January 1, 1997 was capitalized (TATS 484,422 in the reporting year) and will be amortized over a period of 20 years.

IAS, European accounting practices, and Art. 30 Par. 2 of the 7-th EU Directive permitted goodwill to be directly offset against reserves up to January 1, 1995. IAS 22 and SIC 8.12 require the retroactive capitalization of goodwill arising from acquisitions made after January 1, 1995. The capitalization of goodwill from 1995 and 1996 would result in an increase of TATS 3.953.878 in tangible assets and Group equity as of December 31, 1998. Over an amortization period of 20 years, write-offs of goodwill would rise by TATS 238.107.

Negative differences arising from initial consolidations are included in the share premium account, unless negative expectations for the future development of business require the creation of an appropriate provision. In conjunction with initial consolidations made during the reporting year, a total of TATS 27,565 in negative differences was added to provisions. Joint ventures are consolidated on a proportional basis in keeping with the general principles described above.

As of December 31, 1998 differences resulting from the capital consolidation (full and proportional) are as follows:

in TATS	31. 12. 1998	31. 12. 1997
Capitalized difference between book value and fair value in land	202,255	270,905
Capitalized goodwill included in fixed assets	560,182	98,582
Positive differences charged to shareholders' equity (prior to 1.1.1997)	6,793,548	6,936,959
Negative differences included under shareholders' equity	97,599	97,599

For those associated companies consolidated at equity, the same basic methodology is used to consolidate shareholders' equity based on the most recent available annual accounts.

All receivables and liabilities, sales, and other income and expenses arising between fully and proportionately consolidated companies were eliminated. Foreign exchange gains and losses, discounts, and other unilateral transactions which affect profit and loss are charged to the consolidated profit and loss account.

Inter-company gains and losses, which arise from the sale of goods or services between Group companies and which affect fixed or current assets, are eliminated unless they are immaterial.

## 4. Foreign Currency Translation

The accounts of foreign companies are translated into Austrian Schillings based on the functional currency method. The relevant local currency is the functional currency in all cases, since these companies operate independently from a financial, economic and organizational standpoint. With the exception of the component parts of shareholders' equity, all items on the balance sheet are translated using the closing rate on 31.12.1998. The fixed EURO rates are used as the exchange rate for companies in the EURO zone. Expense and revenue items are translated using the average exchange rate for the year. Inflation adjustments were transferred to the consolidated accounts from the local financial statements of two Slovenian companies in which investments are held. In contrast to local Slovenian requirements, equity increases were credited to the profit and loss account.

Since 1.1.1998 currency translation differences arising from long-term shareholder loans have been offset with currency translation adjustments.

During the reporting year, translation gains of TATS 98,982 (1997: gains of TATS 81,325) were credited to equity with no effect on the profit and loss account. Translation gains and losses arising from the use of different exchange rates for the balance sheet (exchange rate on the balance sheet date) and the profit and loss account (average exchange rate for the year) are charged to equity.

## 5. Accounting and Valuation Principles

The annual accounts of all Group companies included in the consolidation are prepared in accordance with Group accounting and valuation principles. For companies consolidated using equity accounting, local valuation methods are maintained if the relevant amounts are immaterial.

Fixed and Financial Assets: Fixed assets and purchased intangible assets are reported at production or acquisition cost, less straight-line depreciation or usage-based depletion (clay pits). Production costs include direct expenses plus allocated material and production overhead. General administrative expenses are not capitalized. In certain cases, the cost of debt incurred during the construction of new plants is capitalized over the building period. Depreciation is based on the useful economic lives of the various asset groups. For the majority of assets, ordinary straight-line depreciation is calculated as follows:

Production plants (incl. warehouses)	25	years
Administrative buildings	40 - 50	years
Residential buildings	40 - 50	years
Kilns and dryers (hollow bricks)	8 - 15	years
Kilns and dryers (facing bricks)	10 - 20	years
Other machinery	5-15	years
Fittings, furniture and office equipment	3-10	years

Any significant and lasting decrease in value is reflected in special depreciation. Repairs which do not increase the presumed useful life of assets are charged to current expenses.

In the majority of cases, depreciation is taken in full for those assets added during the first half of the financial year; for assets added during the second six months, one-half of the annual depreciation is charged. Low-value assets are capitalized and fully written off in the year of acquisition.

In accordance with IAS 17 (Accounting for Leases) leased fixed assets, which economically represent purchases financed with long-term funds (financing leases), are recorded at that price which would have been incurred if the asset had been purchased. Depreciation is calculated over the useful life of the asset or – if shorter – over the term of the lease. Obligations arising from future lease payments are recorded as liabilities.

Subsidies and investment incentives (in particular German investment subsidies) are allocated to the related asset and recorded as liabilities.

Financial Assets: Investments in non-consolidated subsidiaries and investments in other companies are valued at acquisition cost. Any permanent impairment in value is reflected through a write-down. Securities classified under financial assets are recorded at acquisition cost or the relevant lower value.

*Inventories*: Inventories are valued based on the lower of production cost, acquisition cost, or net realizable value. This valuation is generally based on the moving average method. Production costs include only direct expenses and allocated overhead. Interest charges and selling and administrative expenses are not included in these production costs. Risks resulting from the length of storage or other impairments in value are reflected in appropriate write-downs.

Receivables: Receivables and other current assets are recorded at their nominal value. Individually identifiable risks are reflected in specific provisions; general credit risk is accounted for by a lump-sum valuation adjustment to receivables, which is calculated separately for each company. Non-interest bearing loans with a remaining term in excess of one year are recorded at their discounted present value. Foreign exchange receivables in the individual company accounts are translated at the average exchange rate on the balance sheet date.

Securities held as current assets are recorded at market value, based on stock exchange quotations on the balance sheet date. Emission premiums or discounts are recorded to the profit and loss account in the year of acquisition. Temporary fluctuations in market value are reflected in the profit and loss account.

Cash and loans or overdrafts held at the same financial institution are shown as a single net figure.

*Provisions*: Provisions for severance payments are calculated according to financial principles based on a retirement age of 60 (men) and 55 (women), using a discount rate of 4 %. The Austrian method "Teilwertverfahren" is used.

Projected unit credit methods are used to calculate the provisions for pension obligations. The valuation of these pension obligations incorporates wage and salary increases, as well as increases in contributions and performance-based commitments. Calculations are based on a 7 % discount rate, expected increase of 3.5 % in income, expected growth of 2.5 % in pensions, and average fluctuation of 2 %.

In agreement with IAS 12 (revised), the provision for deferred taxes includes all temporary valuation and accounting differences arising between the financial statements prepared for tax purposes and IAS financial statements. The provision is calculated at the tax rate expected when these differences reverse in the future, based on the local tax rate of the relevant Group company.

With the exception of provisions for re-cultivation and environmental issues, no provisions for expenses were made. Other provisions were made in accordance with general business judgment to cover the full amount of expected liabilities. The amounts of these individual provisions were determined after careful examination of the relevant situations, and are based on the highest probability of occurrence.

*Liabilities*: Liabilities are valued at the higher of repayment amount, nominal value, or value on the balance sheet date. Foreign currency liabilities arising from individual company accounts are translated at the average exchange rate on the balance sheet date.

Earnings per Share: Earnings per share are calculated based on Group earnings less an adjustment for minority interests, divided by the number of outstanding shares. There are no option rights for the emission of new shares.

*Estimates*: In preparing the Group financial statements, it is necessary to estimate certain figures and make assumptions which influence the recording of assets and liabilities, the declaration of other obligations as of the balance sheet date, and the recording of revenues and expenses during the reporting period. The actual figures, which become known at a later date, may differ from these estimates.

## **II. Segment Reporting**

The Wienerberger Group is active in the areas of Wall, Ceiling and Roofing Systems, Pipe Systems and Sewage Technology, and Financial Investments consisting of Treibacher and real estate.

## 6. Segment of Business Data

Strategic Business U	Inits		1998			
in TATS	Wall/Ceiling/ Roofing Systems	Pipe Systems and Sewage Technology	Treibacher	Real Estate/ Treasury	Group Eliminations	Wienerberger Group
Sales to third parties	8,825,931	3,189,253	3,315,016	275,981		15,606,181
Group sales	26,973	48,503	46,335	13,157	-9,016	125,953
Total sales	8,852,904	3,237,755	3,361,352	289,139	-9,016	15,732,134
Operating profit	1,382,582	181,358	443,305	231,055	-1,539	2,236,760
Cash flow	1,907,767	308,672	391,663	310,375	-216	2,918,261
Depreciation	1,015,299	169,408	83,271	47,634		1,315,612
Income from invest- ments in companies recorded at equity Assets	-8,689 16,879,757	35,068 3,617,585	1,742 2,070,292	4,845 5,883,541	-481,927	32,966 27,969,248
Investments in companies					101,327	
recorded at equity	41,644	183,210	10,488	202,562	401 711	437,904
Debt	11,235,866	2,113,694	982,138	2,586,878	-481,711	16,436,866
Investments Employees	2,834,691	228,067	98,681 592	112,117		3,273,556
Employees	5,973	1,294	392	129		7,988
Strategic Business U	Inits		1997			
Sales to third parties	8,590,456	3,626,131	2,851,705	256,325		15,324,617
Group sales	7,167			8,141	-15,308	0
Total sales	8,597,623	3,626,131	2,851,705	264,466	-15,308	15,324,617
Operating profit	1,055,640	88,567	68,002	590,023	1,347	1,803,579
Cash flow	1,872,808	218,918	321,722	760,667	8	3,174,123
Depreciation	1,129,708	228,333	87,674	63,341		1,509,056
Income from invest- ments in companies recorded at equity Assets	8,045 12,040,604	1,518 3,022,419	2,384 2,066,374	5,074 6,852,642	-1,754,454	17,021 22,227,585
Investments in companies recorded at equity	11,559	45,404	10,216	202,917		270,096
Debt	8,832,816	2,361,418	765,516	1,607,670	-1,754,504	11,812,916
Investments	921,458	302,948	65,715	151,202	,	1,441,323
Employees	5,154	1,708	581	131		7,574

Goodwill charged to equity before 1.1.1997 is related to the Wall, Ceiling and Roofing Systems business unit, TATS 5,454,121, and the Pipe Systems and Sewage Technology group, TATS 1,080,086.

Geographical Regions	1998			1997		
in TATS	Sales	Assets	Investments	Sales	Assets	Investments
Austria	2,771,214	7,748,303	423,922	2,902,085	7,633,877	342,718
Germany	4,051,467	5,466,323	1,227,344	3,477,046	3,984,841	128,130
Benelux	2,192,254	7,788,937	481,792	2,910,299	5,479,687	205,361
France	1,549,968	1,535,551	59,090	1,555,490	1,586,806	74,261
Other EU	1,648,612	1,155,439	61,620	1,661,173	962,178	109,519
East Europe	2,390,987	3,668,003	999,856	2,143,091	2,386,650	557,110
Asia	371,456	219,702	5,490	433,724	193,546	24,224
Other countries	756,176	386,990	14,441	241,708	0	0
Wienerberger Group	15,732,134	27,969,248	3,273,556	15,324,617	22,227,585	1,441,323

Sales are classified according to the location of customer or market. The classification of assets and capital expenditures is based on the geographical location of the relevant Group companies, and does not include investments in other companies or inter-Group accounts.

## III. Notes to the Profit and Loss Account

## 7. Sales

Consolidated sales grew from TATS 15,324,617 to TATS 15,732,134, whereby the 1997 figure includes sales of TATS 940,543 registered by the Sturm Group concrete business and Keramo Wienerberger N.V. with their respective subsidiaries. After the elimination of sales registered by deconsolidated subsidiaries and companies consolidated for the first time, the increase in sales totals 6.1 %.

## 8. Other Operating Income

in TATS	1998	1997
Own work capitalized	49,938	32,221
Income from the disposal and write-up of		
fixed assets excluding financial assets	116,029	123,242
Income from the reversal of provisions	142,427	80,049
Miscellaneous	734,987	1,014,426
	1,043,381	1,249,938

Other operating income includes a deconsolidation gain of TATS 186,785 from the sale of the Sturm Group concrete business and TATS 182,340 in real estate revenue from the  $50\,\%$  contribution of the "Wienerberg-City" Errichtungsges. m. b. H. In the prior year, other operating income included a gain of TATS 581,174 from the sale of the Business Park Vienna.

Miscellaneous other operating income also includes transportation and freight revenue of TATS 33,422 (1997: TATS 75,867), foreign exchange gains of TATS 50,022 (1997: TATS 44,002), leasing revenues of TATS 1,338 (1997: TATS 1,583), expenses charged to non-Group companies of TATS 9,968 (1997: TATS 8,961), and income from the reversal of valuation adjustments to receivables of TATS 12,174 (1997: TATS 11,340). Other items included under miscellaneous operating income reflect sales-like transactions which are not part of the direct business activities of the Wienerberger Group.

## 9. Cost of Materials and other Purchased Manufacturing Services

in TATS	1998	1997
Cost of materials	6,797,261	6,667,271
Cost of purchased services	483,449	495,791
	7,280,710	7,163,062

The cost of materials includes non-recurring expenses of ATS 0 (1997: 16,409).

## 10. Personnel Expenses

Personnel expenses are comprised of the following items:

in TATS	1998	1997
Wages	1,239,869	1,361,688
Salaries	1,243,360	1,102,932
Expenses for severance payments	67,309	42,830
Expenses for pensions	31,605	40,456
Expenses for mandatory social security and payroll-related taxes and contributions	709,461	687,361
Other employee benefits	63,155	58,970
	3,354,759	3,294,237

The average number of employees is as follows:

	1998		1997	
	Total	thereof joint ventures	Total	thereof joint ventures
Workers	5,441	1,239	5,240	1,068
Staff	2,547	733	2,334	636
	7,988	1,972	7,574	1,704

Deconsolidation of the Sturm Group concrete business and the transitory consolidation of the Keramo Group resulted in a decrease of 148 and 423 employees, respectively, in the Wienerberger Group. The employees of companies consolidated on a proportional basis are included in relation to the shares held in these companies.

Personnel expenses include TATS 1,895 of non-recurring severance payments and pension expenses (1997: TATS 12,094).

During the reporting year, members of the Managing Board received salaries and benefits totaling TATS 24,952 (1997: TATS 24,654). Payments amounting to TATS 2,589 (1997: TATS 2,548) were made to former members of the Managing Board and their surviving dependents. Members of the Supervisory Board received compensation of TATS 1,237 in 1998 (1997: TATS 1,031). There are no outstanding guarantees on behalf of or loans granted to members of the Managing or Supervisory Boards.

The members of the Managing Board and Supervisory Board are listed on page 12.

## 11. Depreciation

in TATS	1998	1997
Ordinary depreciation	1,265,603	1,273,364
Amortization of goodwill	41,602	27,417
Extraordinary depreciation	8,407	208,275
Amortization of intangible assets and depreciation of fixed assets	1,315,612	1,509,056

The ordinary amortization of goodwill arising from the consolidation of subsidiaries totaled TATS 22,873 (1997: TATS 5,189) during the reporting year.

## 12. Other Operating Expenses

in TATS	1998	1997
Other taxes	98,071	99,096
Miscellaneous	2,640,061	2,709,307
	2,738,132	2,808,403

Other operating expenses consist primarily of TATS 734,500 (1997: TATS 703,206) of freight and transportation expenses, TATS 425,898 (1997: TATS 438,298) of maintenance and repair expenses, TATS 247,021 (1997: TATS 215,012) of advertising expenses, TATS 102,185 (1997: 75,724) of legal and consulting fees, TATS 59,775 (1997: TATS 61,776) of insurance expenses, and TATS 82,314 (1997: TATS 41,856) of exchange rate losses.

Miscellaneous other operating expenses include non-recurring expenses of TATS 12,784 (1997: TATS 285,798). During the prior year miscellaneous other operating expenses included TATS 269,840 arising from the deconsolidation of Treibacher Schleifmittel AG, which had no effect on taxes.

## 13. Financial Results

in TATS	1998	1997
Income from investments in associated companies	32,966	17,021
Income from investments in subsidiaries	2,111	340
Income from investments in other companies	5,197	2,410
Total income from investments	40,274	19,771
Interest and similar income	427,012	211,141
Interest and similar expense	-434,936	-382,527
Net financing costs	-7,924	-171,386
Income from other securities and loans granted		
(financial assets)	29,278	57,006
Market valuation of short-term securities	-41,376	-53,635
Miscellaneous other income from financing activities	-13,099	-38,873
Other income from financing activities	-25,197	-35,502

## 14. Taxes on Income

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

in TATS	1998	1997
Income tax expenses	635,007	475,820
Provisions for deferred taxes	6,257	-254,585
	641,264	221,235

The Group tax rate equals the weighted average of the local income tax rates of all consolidated companies. The difference between the Austrian corporate tax rate of  $34\,\%$  and the Group tax rate shown in these statements is as follows:

in TATS	1998	1997
Income before tax	2,243,913	1,616,462
Tax expense at tax rate of 34 %	-762,930	-549,597
Other foreign tax rates	-42,070	-3,839
Non-temporary differences, and tax income and expense from prior periods	172,228	408,123
Change in the valuation adjustment of deferred tax assets and losses for which no deferred tax provisions were created	-14,842	-89,589
Changes in tax rates	6,350	13,667
Effective tax liability	-641,264	-221,235
Effective tax rate in %	28.6 %	13.7%

## IV. Notes to the Balance Sheet

## 15. Fixed and Financial Assets

The development of fixed and financial assets is shown on pages 64 and 65. The effects of changes in the consolidation range is shown in a separate column. The figures shown under exchange rate changes represent those amounts arising from the use of different exchange rates (beginning of the year and yearend) to translate the assets of foreign companies.

Goodwill resulting from individual company acquisitions is generally amortized over a period of five years. The balance sheet item "Land with Buildings" includes TATS 1,163,944 (1997: TATS 973,495) of land. Securities shown under fixed and financial assets consist primarily of shares in investment funds and fixed-interest securities. All loans granted have a remaining term of more than one year. A total of TATS 15,015 in interest expense which arose during the construction of new plants was capitalized during the 1998 business year.

In addition to operating leases, the Wienerberger Group also uses financing leases in a limited number of cases. Fixed assets include the following plant and equipment from financing leases:

in TATS	1998	1997
Acquisition costs	165,510	164,363
Depreciation (accumulated)	44,165	46,084
Book value	121,345	118,279

Obligations arising from leases, license agreements, and rental contracts for the use of fixed assets which are not shown on the balance sheet represent liabilities of:

in TATS	1998	1997
during the following year	89,502	57,924
during the next five years	346,486	266,954
more than five years	324,028	0

### 16. Inventories

in TATS	1998	1997
Raw materials and supplies	740,446	703,502
Work in progress	154,789	196,569
Finished goods	1,771,997	1,693,356
Merchandise	394,026	328,659
Prepayments	13,135	33,615
	3,074,393	2,955,701

#### 17. Receivables and other Assets

All necessary individual valuation adjustments were made to receivables and other assets. Lump-sum valuation adjustments totaling TATS 23,394 (1997: TATS 30,639) were made to accounts receivable – trade.

Development of receivables		1998			1997	
in TATS	Total	thereof remaining term under 1 year	thereof remaining term over 1 year	Total	thereof remaining term under 1 year	thereof remaining term over 1 year
1. Accounts receivable – trade	1,550,866	1,485,602	65,264	1,643,573	1,522,959	120,614
2. Receivables from subsidiaries	58,349	58,349	0	14,232	14,232	0
3. Receivables from affiliated						
companies	446,634	446,634	0	272,508	272,508	0
4. Other receivables and assets	772,353	569,161	203,192	1,005,025	853,272	151,753
	2,828,202	2,559,746	268,456	2,935,338	2,662,971	272,367

Receivables due from subsidiaries and affiliated companies are related primarily to loans or to the provision of goods and services. Other receivables and assets include revenues of TATS 82,470 (1997: TATS 85,054) which will only become due and payable after the balance sheet date. Total receivables include TATS 18,391 (1997: TATS 5,539) which are secured by bills of exchange.

## 18. Prepayments and Deferred Charges

This item includes TATS 606 (1997: TATS 625) of expenses related to the procurement of funds and discounts on loans received.

## 19. Consolidated Shareholders' Equity

The share capital of Wienerberger Baustoffindustrie AG totals ATS 868,191,400 and is divided into 5,850,674 ordinary shares with a nominal value of ATS 100 each and 283,124 ordinary shares with a nominal value of ATS 1,000 each. The share capital and its composition remained unchanged over the prior year.

The majority shareholder of the Wienerberger Group is the Wienerberger Holding GmbH, which owns 50% plus two shares of stock. This corporation is owned by the Austrian Creditanstalt AG and the Belgian Koramic Building Products N.V., which hold equal shares. The free float of nearly 50% is held by Austrian and international investors.

The Wienerberger share is traded on the Vienna Stock Exchange (future A Segment). In the USA, the share is traded in a "Sponsored level one ADR (American Depository Receipt) program". In connection with the introduction of the Euro as a depository currency on January 1, 1999, stock quotations will be provided in Euro beginning on this date.

Retained earnings totaling TATS 7,424,860 (1997 TATS 6,269,911) include the retained earnings of Wienerberger Baustoffindustrie AG, plus the retained earnings of subsidiaries which were not eliminated during the capital consolidation. Group profit for 1998, excluding the share of profit/loss due to minority interests, is shown under retained earnings.

#### 20. Provisions

in TATS	1.1.1998	Exchange rate changes	Change in consolid. range	Reversal	Use	Addition	31.12.1998
1. Provisions for severance payments	296,138	-196	-1,235	7,795	15,152	64,098	335,858
2. Provisions for pensions	234,051	-102	-13,098	1,658	13,741	14,642	220,094
3. Provisions for deferred taxes	1,511,350	-558	25,366	66,516	94,024	194,021	1,569,639
4. Provisions for current tax expense	247,359	-1,452	-4,576	4,204	278,399	368,686	327,414
5. Other provisions	1,006,024	386	80,951	132,232	314,713	527,500	1,167,916
Total provisions	3,294,922	-1,922	87,408	212,405	716,029	1,168,947	3,620,921
thereof longterm	957,450	1,049	-11,160	69,189	59,317	157,731	976,564

Other provisions include TATS 240,744 (1997: TATS 226,793) for guarantees, TATS 129,174 (1997: TATS 155,149) for environmental restoration, TATS 149,472 (1997: TATS 127,826) for holiday pay, and TATS 50,721 (1997: TATS 45,319) for service anniversary bonuses.

## 21. Provision for Deferred Taxes

Deferred tax assets and provisions for deferred taxes as of December 31, 1998 and December 31, 1997 result from the following temporary valuation and accounting differences between book values in the IAS consolidated financial statements and the relevant tax bases:

in TATS	1998		19	97
	Assets	Liabilities and Equity	Assets	Liabilities and Equity
Intangible assets	14,417	11,979	19,471	19,848
Property, plant and equipment	99,642	-1,163,279	97,701	-1,075,514
Financial assets	18,836	-2,405	16,072	0
Inventories	92	-15,742	4,178	-4,132
Receivables	13,475	-4,049	5,863	-18,669
Securities and shares	0	-27,962	0	-20,251
Cash, checks and deposits at financial institutions	0	-876	0	-39
Prepayments and deferred charges	1,215	-1,236	1,382	0
	147,677	-1,203,570	144,667	-1,098,757
Untaxed reserves	0	-696,659	0	-705,421
Provisions	149,710	-25,220	129,723	-19,082
Liabilities	7,097	-9,814	2,111	-1,536
Deferred income	43,252	-4,845	42,354	-4,048
	200,059	-736,538	174,188	-730,087
Tax loss carry-forwards	739,020		842,160	
Deferred tax assets/provisions	1,086,756	-1,940,108	1,161,015	-1,828,844
Valuation allowance for deferred tax assets	-139,365		-272,635	
Offset within legal tax units and jurisdictions	-370,469	370,469	-317,494	317,494
Net deferred tax assets and provisions	576,922	-1,569,639	570,886	-1,511,350

In the Group financial statements, book value differences and tax loss carry-forwards totaling TATS 139,365 (1997: TATS 272,635) are not reflected in deferred tax assets because their use as tax relief is not yet sufficiently certain.

In accordance with IAS 12.39, no provisions for deferred taxes were recorded for temporary differences related to shares owned in subsidiaries. The cumulative value of shares in subsidiaries exceeds the pro rata share of equity of these companies by TATS 2,738,079 (1997: TATS 3,388,667).

## 22. Liabilities

The remaining terms of the various categories of liabilities are shown below:

1998					
in TATS	Total	Thereof re- maining term under 1 year	Thereof re- maining term between 1 and 5 years	Thereof re- maining term over 5 years	Thereof re- maining term over 1 year and secured by collateral
1. Loans and overdrafts with financial institutions	9,817,342	8,451,527	1,245,702	120,113	294,591
2. Prepayments received on orders	23,718	17,334	2,856	3,528	1,088
3. Accounts payable – trade	1,173,406	1,172,205	1,201	0	194
4. Liabilities from the acceptance of bills of exchange	57,975	57,975	0	0	0
5. Amounts owed to subsidiaries	16,168	16,168	0	0	0
6. Amounts owed to affiliated companies	83,127	83,127	0	0	0
7. Other liabilities	1,438,018	1,138,546	183,925	115,547	49,434
Liabilities as per balance sheet	12,609,754	10,936,882	1,433,684	239,188	345,307

1997					
in TATS	Total	Thereof re- maining term under 1 year	Thereof re- maining term between 1 and 5 years	Thereof re- maining term over 5 years	Thereof re- maining term over 1 year and secured by collateral
1. Loans and overdrafts with financial institutions	5,678,635	3,478,066	1,857,345	343,224	723,650
2. Prepayments received on orders	40,275	39,680	595	0	0
3. Accounts payable – trade	1,297,972	1,276,669	21,303	0	0
4. Liabilities from the acceptance of bills of exchange	63,070	60,806	2,264	0	2,264
5. Amounts owed to subsidiaries	5,042	5,042	0	0	0
6. Amounts owed to affiliated companies	6,021	6,021	0	0	0
7. Other liabilities	1,247,105	891,681	263,459	91,965	132,899
Liabilities as per balance sheet	8,338,120	5,757,965	2,144,966	435,189	858,813

Amounts owed to subsidiaries and affiliated companies result primarily from settlement accounts and the delivery of goods and services. The above-mentioned collateral consists primarily of liens on land and surety assignments.

Other liabilities include TATS 150,257 (1997: TATS 285,998) due to fiscal authorities and TATS 127,247 (1997: TATS 163,026) due to social security providers. Other liabilities include TATS 52,860 (1997: TATS 20,316) which will only become due and payable after the balance sheet date.

### 23. Deferred income

This item includes TATS 176,294 (1997: TATS 165,421) of subsidies and investment allowances granted by third parties, which are reversed to the profit and loss account over the long-term during the useful life of the related asset.

## 24. Contingent Liabilities and Guarantees

Guarantees granted by Group companies can be classified as follows:

in TATS	31. 12. 1998	31. 12. 1997
Sureties	0	6,446
Guaranties	10,425	21,367
Obligations arising from bills of exchange	17,889	30,989
Other contractual obligations	108,489	22,604
	136,803	81,406

Long-term purchase contracts were concluded in the Metallurgy segment to secure the supply of raw materials. Among other points, these contracts include special procedures for determining raw materials purchase prices. No financial obligations exist other than those mentioned above.

## V. Notes to the Cash Flow Statement

The Cash Flow Statement of the Wienerberger Group shows the changes in cash and cash equivalents of the Wienerberger Group resulting from the inflow and outflow of funds during the reporting year. The effects of company acquisitions and divestitures were eliminated, and are shown separately under "change in liquid funds resulting from changes in the consolidation range". The Cash Flow Statement differentiates between payment flows arising from operating activities, investing activities, and financing activities. The liquidity shown in the Cash Flow Statement is comprised of cash on hand, checks, deposits at financial institutions, and short-term securities. Figures relating to foreign companies in which investments are held are generally translated at the average annual exchange rate. In contrast to this practice, cash and cash equivalents are valued at the exchange rate in effect on the balance sheet date.

## 25. Cash Flow from Operating Activities

The Cash Flow Statement begins with Group net income. Cash flow of TATS 2,413,620 from net income (1997: TATS 2,522,871) shows the excess of operating income over related expenses before any capital commitments. Cash flow of TATS 2,348,807 (1997: TATS 2,199,999) from operating activities also includes changes in working capital.

in TATS	31. 12. 1998	31. 12. 1997
Interest income	268,360	191,922
Interest expense	289,566	359,065

## 26. Cash flow from Investing Activities

The acquisition of tangible, intangible, and financial assets resulted in capital expenditures totaling TATS 3,541,438 (1997: TATS 1,822,326).

Changes in liquid funds resulting from changes in the consolidation range:

in TATS	1998	1997
Payments made for companies acquired	-879,277	-175,594
Cash flow from initial consolidations	31,976	91,689
Payments received for companies sold	317,409	370,563
Payment received for sale of Business Park Vienna	0	996,500
Cash flow from deconsolidations	-62,818	-237,174
Cash flow arising from changes in		
the consolidation range	-592,710	1,045,984

The deconsolidation of "Wienerberg-City" Errichtungsges. m. b. H. and transitory consolidation of Keramo Wienerberger N.V. were eliminated in preparing the Cash Flow Statement since these transfers did not lead to a flow of funds.

## VI. Financing Instruments

A distinction is made between primary and derivative financing instruments.

## 27. Primary Financing Instruments

The primary financing instruments held by the Group are shown on the balance sheet. The amounts recorded under assets represent both the maximum credit risk and risk of loss, since there are no general settlement agreements.

Credit risk associated with the investment of liquid funds and securities is limited by the fact that the Wienerberger Group portfolio is comprised almost entirely of securities issued by Austrian corporations. Furthermore, the Group works only with financing partners who can demonstrate sound creditworthiness.

In keeping with the decentralized European corporate structure of the Wienerberger Group, a large number of loans are held in the local currencies of individual companies. The exchange rate risk associated with this debt is extremely low, since invoices issued by foreign companies are denominated in local currency. Treibacher Industrie AG also issues invoices in USD. These transactions are hedged through forward contracts and options.

Coverage for interest rate risk is provided in individual cases through the use of forward rate agreements, interest caps, and swaps.

Short-term and long-term securities can be classified as follows:

Long-term securities		1998			1997		
in TATS	Book value	Market value	Average effective inter. rate	Book value	Market value	Average effective inter. rate	
Shares in fund	588,946	637,585	8.80%	575,300	653,392	8.85%	
Debt issued by corporations	58,623	60,404	5.22%	78,024	79,359	5.88%	
Debt issued by local public authorities	35,034	35,719	5.56%	24,907	24,920	5.69%	
Stock	5,936	5,998	3.85%	11,414	11,414	4.28%	
Other	2,239	2,708	0.00%	6,862	6,862	5.26%	
	690,778	742,414	8.26%	696,507	775,947	8.29%	

Short-term securities		1998			1997		
in TATS	Book value	Market value	Average effective inter. rate	Book value	Market value	Average effective inter. rate	
Debt issued by corporations	1,369,582	1,369,582	7.90%	1,351,336	1,351,336	4.24%	
Debt issued by local public authorities	336,185	336,185	8.36%	570,001	570,001	4.91%	
Debt issued by foreign countries	510,797	510,797	3.32%	446,242	446,242	3.20%	
Stock	1,894,061	1,894,061	3.99%	215	215	12.13%	
Other	7,670	7,670	4.32%	6,709	6,709	2.12%	
	4,118,295	4,118,295	5.56%	2,374,502	2,374,502	4.20%	

## Financial liabilities can be classified as follows:

Туре	Currency	Nominal Value in thous. local currency	Book Value	Effective interest rate
Loans	GBP	92,004	1,794,588	6.16%
	ATS	811,535	782,407	5.41%
	DEM	23,701	161,168	4.06%
	CHF	15,500	81,306	4.29%
	BEF	203,212	69,318	5.97%
	others		104,888	5.96%
			2,993,675	
Roll over	DEM	16,000	112,568	3.81%
	BEF	80,000	25,242	3.30%
	others		62,207	3.23%
			200,017	
Short term loans	DEM	220,980	1,554,803	3.44%
	ATS	1,435,089	1,435,133	3.76%
	FRF	453,361	951,035	3.44%
	BEF	1,614,316	550,658	3.65%
	CHF	62,363	537,637	1.70%
	others		91,224	14.87%
			5,120,490	
Others	misc.		63,716	
Fixed-interest financial due to financial instituti			8,377,898	

Туре	Currency	Nominal Value in thous. local currency	Book Value	Effective interest rate
Loans	DEM	12,500	87,944	3.99%
	ESP	1,000,000	82,701	4.60%
	NLG	13,100	81,799	3.59%
	others		112,580	4.18%
			365,024	
Roll over	BEF	346,664	118,250	5.01%
	others		114,035	5.83%
			232,285	
Short term loans	ATS	759,250	749,744	3.34%
	CZK	49,000	19,257	13.96%
			769,001	
Others	misc.		73,133	
Variable interest financia due to financial institution			1,439,444	

Туре	Currency	Nominal Value in thous. local currency	Book Value in TATS	Effective interest rate
Loans – fixed interest rates	others		43,973	3.15%
Loans – variable interest rates	CHF	12,455	106,913	1.60%
	DEM	10,738	75,544	7.89%
	ATS	70,583	70,583	0.93%
	others		50,094	4.59%
Financial liabilities due to non-banks			347,107	

## 28. Derivative Financing Instruments

In the Wienerberger Group, derivative instruments are used only to hedge risks associated with exchange rate and interest rate fluctuations. The interpretation of market information necessary for the estimation of market values also requires a certain degree of subjective judgment. This can result in a difference between the figures shown here and values subsequently realized on the marketplace.

	Currency	Nominal Value 31. 12. 1998 in thous. local currency	Market Value 31. 12. 1998 in TATS	Nominal Value 31.12.1997 in thous. local currency	Market Value 31. 12. 1997 in TATS
Forward exchange contracts Interest rate swaps	USD ATS FRF	19,451 220,000 180,000	118 -6,621 -11,751	20,200 160,000	-6,388 -1,500
CAP Forward rate agreements	DEM Bef	16,000	0	1,508,000	-67

### VII. Other Information

## 29. Earnings per share, Recommendation for the distribution of profits

The number of shares outstanding is 8,681,914. In computing this figure, each share with a nominal value of ATS 1.000 was converted into 10 shares with a nominal value of ATS 100. Based on consolidated net income of TATS 1,564,995 (1997: TATS 1,360,212), earnings per share equal ATS 180 (1997: ATS 157). In accordance with the provisions of the Austrian Stock Corporation Act, the individual financial statements of the Wienerberger Baustoffindustrie Aktiengesellschaft as at December 31, 1998 form the basis for the dividend payment. These financial statements, which were prepared according to Austrian accounting principles, show net income of ATS 434,609,603.37. Based on net income of ATS 434,609,603.37 the Managing Board recommends the Annual General Meeting approve a dividend payment of 50 % on Share Capital of ATS 868,191,400.00 or ATS 434,095,700 and carry forward of the remaining ATS 513,903.37.

## 30. Significant events occurring after the balance sheet date

Together with Solvay, Wienerberger acquired 100 % of the Mabo Group through Pipelife as of January 1, 1999. Mabo is one of the leading producers of plastic pipe systems in the Scandinavian countries. This purchase contract requires the approval of various trade authorities and will – after all necessary authorizations are granted – presumably take effect at the end of the first quarter of 1999.

## 31. Business activities with related companies

Together with Koramic Building Products N.V., which is an indirect shareholder of Wienerberger Baustoffindustrie AG through the Wienerberger Holding GmbH, each company owns 50 % of the shares in Koramic Wienerberger-Dachprodukte Holding GmbH and its subsidiaries. With Creditanstalt AG, which is also an indirect shareholder of Wienerberger Baustoffindustrie AG through the Wienerberger Holding GmbH, investment and financing transactions are conducted at arm's length.

Vienna, March 15, 1999

The Managing Board

Wolfgang Reithofer

Erhard Schaschl Chairman

Paul Tanos

# **Audit Report and Opinion**

We have audited the accompanying group financial statements of Wienerberger Baustoffindustrie AG ("Wienerberger Group") as of December 31, 1998 and 1997. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The audit of certain group subsidiaries was performed by other auditors. Our opinion insofar as it relates to the amounts included for those subsidiaries, is based solely on the report of the other auditors.

We conducted our audit in accordance with International Standards on Auditing issued by the International Federation of Accountants (IFAC). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the group financial statements present fairly, in all material respects, the financial position of Wienerberger Group as of December 31, 1998 and 1997, and the results of its operations and its cash flows for the years then ended in accordance with International Accounting Standards (IAS), except for the effect on the financial statements from offsetting goodwill acquired in 1995 and 1996 with Shareholder's Equity (Retained earnings) as disclosed in points 1 and 3 of the notes.

We certify that the legal requirements are met to exempt Wienerberger Group from the obligation of preparing group financial statements and a group management report in accordance with the Austrian commercial code. The accompanying group management report is in compliance with the group financial statements.

Vienna, March 18, 1999

KPMG Austria Wirtschaftsprüfungs-Gesellschaft m.b.H.

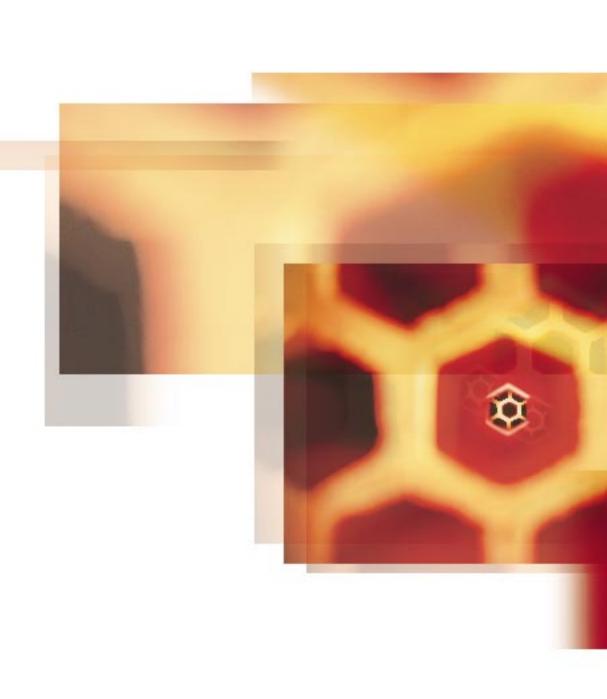
Elisabeth Broinger Hans Zöchling Certified Public Accountants

# List of Group Companies

	Headquarters	capital	Ś	t in %	Type of consolidatior	
Company	Headq	Share	Currency	Interest in %	Type of	Notes
Wienerberger Ziegelindustrie AG	Wien	300,000,000	ATS	100.00%	VK	2)
Balaton Teglaipari Kft Bataszeki Wienerberger Teglaipari Kft.	Balatonszentgyörgy Bataszek	2,243,360,000	HUF HUF	49.00% 100.00%	OK VK	3)
Brick Slovakia a.s. Cadorina Laterizi SpA	Zlate Moravce Belluno	45,000,000 563,000,000	SKK ITL	100.00% 100.00%	VKE VK	
Cetera IGM d.d. Dakovo Cihelna Kinsky spol. s r. o.	Dakovo Kostelec nad Orlici	67,143,600 99,031,000	HRK CZK	50.97% 40.00%	OK EQE	3)
Cihelna Repov a.s.	Repov	60,680,000	CZK PLN	74.13%	VK	1)
Glina Dobre Sp.z o.o. Glina Nowa Sp.z o.o.	Zielonka Zielonka	14,000 4,000	PLN	0.00% 0.00%	OK OK	1) 1)
Glina Sp.z o.o Laterizi Brunori Srl	Lebork Imola	4,000 5,300,000,000	PLN ITL	0.00% 79.97%	OK VK	1)
Opekarna Ormoz d.d.	Ormoz	228,130,000	SIT	49.88%	OK	3)
Poduzece za ucesce u ciglanama d.o.o.	Varazdin	20,000	HRK	100.00%	OK	1)
Steirische Ziegelwerke Gesellschaft m.b.H. Wienerberger Bohemia Cihelny spol.s r.o.	Bärnbach Teplice	500,000 31,550,000	ATS CZK	74.00% 100.00%	OK VK	1)
Wienerberger Cegielnie Lebork Sp.z o.o.	Lebork	11,014,500	PLN	100.00%	VK	
Wienerberger Ceramika Budowlana Sp.z o.o. Wienerberger Cesko moravsky cihlarsky prumysl spol.s r.o.	Warschau Prag	1,000,000 100,000	PLN CZK	100.00% 100.00%	OK OK	1) 1)
Wienerberger Cihlarsky Prumysl a.s.	Budweis	879,747,000	CZK	91.09%	VK	1)
Wienerberger Finanz-S.A.	Luxemburg	5,600,000	DEM	100.00%	VK	
Wienerberger Ilovac d.d. Wienerberger Karbud S.A.	Karlovac Zielonka	90,879,500 1,302,300	HRK PLN	79.05% 65.00%	VK VKE	
Wienerberger Laterizi SpA	Belluno	2,500,000,000	ITL	100.00%	VK	
Wienerberger Opecni Sistemi d.o.o. Wienerberger Sisteme de caramizi S.R.L.	Laibach Bukarest	1,500,000 2,000	SIT USD	100.00% 100.00%	OK OK	1) 1)
Wienerberger Slovenske Tehelne spol.s r.o.	Zlate Moravce	401,007,000	SKK	99.78%	VK	1)
Wienerberger Teglaipari Rt	Budapest	3,295,000,000	HUF	86.85%	VK	
Wienerberger-Honoratka S.A. Ceramika Budowlana WZI Netherlands B.V.	Honoratka Eersel	20,187,000 65,500	PLN NLG	77.79% 100.00%	VKE VK	
Ziegelwerk Hostomice – Beteiligungsgesellschaft m.b.H.	Wien	10,000,000	ATS	100.00%	VK	
Wienerberger Ziegelindustrie GmbH Eichhorn GmbH & Co KG	Hannover Spardorf	18,500,000 196,000	DEM DEM	100.00% 24.00%	VK OK	3)
Krauss Kaminwerke GmbH & Co. KG München-Geiselbullach	Geiselbullach	500,000		100.00%	VKE	1)
Krauss Kaminwerke Verwaltungs-GmbH Schlagmann Baustoffwerke GmbH & Co KG	Geiselbullach Lanhofen	50,000 15,000,000	DEM DEM	100.00% 50.00%	OK QU	1)
Schlagmann BeteiligungsgmbH	Lanhofen	50,000	DEM	50.00%	OK	1)
Tagebau Burgwall GmbH Tongruben Verwaltungs GmbH	Burgwall Hannover	252,000 50,000	DEM DEM	33.33% 100.00%	OK OK	1) 1)
Wienerberger Systemschornstein GmbH	Hannover	130,000	DEM	100.00%	VK	1)
Wienerberger Ziegelindustrie Südwest Verwaltungs GmbH	Speyer	50,000	DEM	100.00%	OK	1)
Wienerberger Ziegelindustrie Verwaltungs-GmbH Wienerberger Ziegelindustrie Vormauer GmbH	Hannover Hannover	50,000 50,000		100.00% 100.00%	OK OK	1) 1)
Ziegelwerk B GmbH	Hannover	50,000	DEM	100.00%	VKE	-,
Ziegelwerk S GmbH Ziegelwerk T VerwaltungsGmbH	Hannover Hannover	50,000 50,000	DEM DEM	100.00% 100.00%	OK OK	1) 1)
		1,450,000,000	BEF			1)
Terca Bricks N.V. "Waalsteen" Holland Klinker GmbH	Kortrijk Wegberg	137,500	DEM	100.00% 100.00%	VK VK	
B.V. Greswaren-Industrie Teeuwen	Tegelen	120,000	NLG	100.00%	VK	
Beheers- en Houdstermaatschappij Thorn B.V. Briqueterie de Ghlin S.A.	Tegelen Ghlin	3,100,000 25,200,000	NLG BEF	100.00% 97.33%	VK VK	
Briqueteries de Warneton S.A.	Warneton	150,000,000	BEF	100.00%	VK	
Brunssumse Kleicombinatie B.V. C & S Brunssum B.V.	Brunssum	36,000	NLG	100.00%	VK	
C & S Poriso B.V.	Brunssum Brunssum	1,000,000 25,000	NLG NLG	100.00% 100.00%	VK VK	
C & S Steenfabriek B.V.	Brunssum	25,000	NLG	100.00%	VK	
Delta Baksteen B.V. Kefimco N.V.	Tegelen Kortrijk	800,000 59,875,000	NLG BEF	100.00% 100.00%	VK VK	
Kijfwaard Wolfswaard Bemmel (KWB) Holding B.V.	Tegelen	945,700	NLG	100.00%	VK	
Koninklijke Steenfabrieken Van Lookeren Campagne B.V.	Tegelen	1,200,000	NLG	100.00%	VK	
Koramic Haalderen B.V. Koramic Haalderen Produktie B.V.	Halderen Halderen	400,000 35,000	NLG NLG	100.00% 100.00%	VK VK	
Koramic Kijfwaard Oost B.V.	Pannerden	35,000	NLG	100.00%	VK	
Koramic Kijfwaard West B.V. Koramic Pannerden Oost B.V.	Pannerden Tegelen	35,000 25,000	NLG NLG	100.00% 100.00%	VK VK	
Koramic Terca Brick Industries N.V.	Beerse	445,000,000	BEF	100.00%	VK	
Koramic Waalsteen B.V.	Tegelen	396,000	NLG	100.00%	VK	

					ion	
	Headquarters	Share capital	Currency	Interest in %	Type of consolidation	Notes
Company				_		z
Koramic Wolfswaard B.V. Nova Steenfabrieken N.V.	Opheusden Beerse	740,000	NLG BEF	100.00% 100.00%	VK VKE	
Paul Teeuwen B.V.	Tegelen	240,000,000 600,000	NLG	100.00%	VKE	
Poriso B.V.	Brunssum	101,000	NLG	100.00%	VK	
Poro+N.V.	Tessenderlo	133,000,000	BEF	100.00%	VK	
Ruga Beheer B.V. Ruga Gameren B.V.	Tegelen Tegelen	5,016,000 190,000	NLG NLG	100.00% 100.00%	VK VK	
Ruga Heteren B.V.	Tegelen	25,500	NLG	100.00%	VK	
Ruga Maren B.V.	Tegelen	102,000	NLG	100.00%	VK	
Ruga Tricht B.V. Ruga Udenhout B.V.	Tegelen Tegelen	200,000 2,500,000	NLG NLG	100.00% 100.00%	VK VK	
Steenbakkerij Ostyn N.V.	Meulebeke	16,000,000	BEF	100.00%	VK	
Steenbakkerijen van Zonnebeke N.V.	Zonnebeke	174,345,000	BEF	100.00%	VK	
Steenfabriek Corubona B.V. Steenfabriek Ten Cate B.V.	Tegelen Tegelen	150,000	NLG NLG	100.00% 100.00%	VK VK	
Steenfabriek Thorn B.V.	Tegelen	140,000 300,000	NLG	100.00%	VK	
Steenfabrieken Quirijnen N.V.	Malle	186,500,000	BEF	100.00%	VK	
Steenfabrieken S.F.B N.V.	Beerse	94,700,000	BEF	100.00%	VK	
Teewen B.V. Teewen Kunstoffen B.V.	Tegelen Tegelen	3,013,000 20,000	NLG NLG	100.00% 100.00%	VK VK	
Teewen N.V.	Maaseik	10,000,000	BEF	100.00%	VK	
Teewen Vuren B.V.	Tegelen	262,000	NLG	100.00%	VK	
Terca B.V.	Eersel	30,000	NLG	100.00%	VK	
Terca Baksteen B.V. Terca Backstein GmbH	Eersel Wegberg	56,100,000 100,000	NLG DEM	100.00% 100.00%	VK VK	
Van Hesteren & Janssens B.V.	Tegelen	800,000	NLG	100.00%	VK	
Zonnebeke Clay Products N.V.	Zonnebeke	150,000,000	BEF	100.00%	VK	
Wienerberger Briques SA	Wolfisheim	477,250,000	FRF	100.00%	VK	
Berpac Sarl	Bage le Chatel	200,000	FRF	50.00%	EQE	
Brique de Vaugirard S.A. Briqueterie d'Hulluch (NBH) S.A.S.	Limours Wingles	25,786,154 49,410,000	FRF FRF	99.94% 100.00%	VK VK	
Ferrari SA	Pontalier	700,000	FRF	49.00%	EQ	
FTS E.U.R.L.	Wolfisheim	1,000,000	FRF	100.00%	VK	
Migeon S.A. (Briques) Pacema S.A.S.	Schitligheim	60,000,000	FRF	0.00% 100.00%	VKE	4)
Société de Gestion Wienerberger Briques Sarl	Massy Wolfisheim	9,968,085 100,000	FRF FRF	100.00%	VK OK	1)
Société du Terril d'Hulluch (S.T.F.) S.N.C.	Douai	4,500,000	FRF	50.00%	OK	1)
Sturm S.A.	Wolfisheim	6,110,000	FRF	100.00%	VK	
Terca Briques S.A.S. Terres Cuites de l'AA S.A.	Massy Wizernes	190,995,000 380,000	FRF FRF	100.00% 100.00%	VK VK	
Tuileries Jean-Philippe Sturm SA	Wolfisheim	2,016,720	FRF	100.00%	VK	
Wienerberger Ziegelindustrie (Schweiz) GmbH	Basel	20,000	CHF	100.00%	OK	1)
W.B.D. Holding GmbH	Wien	1,000,000	ATS	100.00%	VKE	
Ang. Eustacchio KG	Graz	486,000	ATS	33.35%	OK	1)
Bramac Dachsteinproduktion und Baustoffindustrie d.o.o. Bramac Dachsteinproduktion und Baustoffindustrie Kft.	Skocjan Veszprém	381,816,847 1,831,880,000	SIT HUF	33.79% 32.86%	QU QU	
Bramac Dachsysteme International Gesellschaft m.b.H.	Pöchlarn	40,000,000	ATS	50.00%	QU	
Bramac Pokrovni Sistemi d.o.o.	Zagreb	7,778,000	HRK	50.00%	QU	
Bramac Sisteme de Invelitori s.r.l. Bramac spol.s r.o.	Brasov Chrudim	386,857,600	ROL CZK	50.00% 50.00%	QUE	
Bramac Stresne Systemy spol.s r.o.	Bratislava	628,431,000 173,835,000	SKK	50.00%	QU QU	
Dachziegel Beteiligungsgesellschaft m.b.H.	Wien	500,000	ATS	33.50%	OK	1)
DS-Dachkeramik AS	Aseri	100,000	EEK	50.00%	EQE	
Koramic-Wienerberger Dachprodukte Holding GmbH Lasbra Homok Kavics kitermelö Kft.	Langenzenn Budapest	10,000,000 251,480,000	DEM HUF	50.00% 25.00%	QU QU	
Tonwarenfabrik Laufen AG	Laufen	4,000,000	CHF	50.00%	QUE	
Tonwerke Kandern GmbH	Kandern	3,500,000	DEM	48.94%	EQE	
TOP DACH Marketing Gesellschaft m.b.H. Wibra Tondachziegel Beteiligungs-GmbH	Pöchlarn Wien	1,000,000 500,000	ATS ATS	50.00% 50.00%	QU QU	
Wiekor Dachprodukte GmbH	Langenzenn	200,000	DEM	50.00%	QU	
Wiekor Invest N.V.	Kortrijk	2,500,000	BEF	50.00%	QÜE	
Wiekor Prokrycia Dachowe Sp.z o.o. Wienerberger Dach Beteiligungs GmbH	Kunice Wien	11,953,500 500,000	PLN ATS	50.00%	QUE VKE	
Wienerberger Ziegelindustrie AG & Braas Austria GmbH OEG	Wien	7,000,000	ATS	100.00% 50.00%	QU	
Wienerberger Ziegelindustrie AG & Braas Austria GmbH OEG & Co KEG		10,500,000	ATS	33.35%	EQ	
Wienerberger Rohrsysteme und						
Abwassertechnik Gesellschaft m.b.H.	Wien	350,000,000	ATS	100.00%	VK	
Wienerberger Rohrsysteme Entwicklungs GmbH Wienerberger N.V.	Wien Hasselt	500,000 1,300,000,000	ATS BEF	100.00% 100.00%	VKE VK	
	1100010	1,500,000,000	DLI	100.0070	V IX	

Company	Headquarters	Share capital	Currency	Interest in %	Type of consolidation	Notes
Chuanwie Plastic Ltd.	Chengdu	4,000,000	USD	90.00%	VK	
Chuanlu Plastic Sales & Service Ltd.	Chengdu	500,000	USD	51.00%	VK	
Chuanxi Company Ltd. Credit Marks Ltd.	Chengdu Hongkong	2,500,000 1,000	USD HKD	51.00% 100.00%	VK OK	1)
HL-Wienerberger Holdings (S) Ltd.	Tortola	4,000,000	USD	100.00%	EQ	2)
HL-Wienerberger Plastic Pipe Manufacturing Ltd. Shanghai Wienerberger Plastic Pipe Co, Ltd.	Nansha Shanghai	4,000,000 1,000,000	USD USD	75.00% 100.00%	EQ EQE	2)
Keramo Wienerberger Holding N.V.	Hasselt	1,015,000,000	BEF	100.00%	VK	
Keramo Wienerberger Steinzeugwerk Zwickau GmbH Steinzeug GmbH	Zwickau Bad Schmiedeberg	4,000,000 g 30,000,000	DEM DEM	100.00% 24.90%	EQ EQE	2)
Semmelrock SB Baustoffindustrie GmbH	Klagenfurt	10,200,000	ATS	75.00%	VK	
Semmelrock Stein & Design Pflastersteine Kft. Wienerberger Alpha Umwelttechnik GmbH	Budapest Klagenfurt	983,000,000 600,000	HUF ATS	100.00% 100.00%	VKE VK	
Pipelife International Holding Gesellschaft m.b.H.	Wr.Neudorf	9,000,000	ATS	50.00%	QU	
Arili Plastik Sanayii A.S.	Istanbul	37,400,000,000	TRL	25.50%	ĚQ	
Davinyl AB Flexalen Fernwärmesysteme GmbH	Ölsremma Wien	100,000 500,000	SEK ATS	50.00% 50.00%	QUE EQ	2)
Flexalen Fernwärmesysteme GmbH & Co Nfg. KG	Wien	2,000,000	ATS	50.00%	QU	۷_
Maiaplas Lda	Maia	379,000,000	PTE	50.00%	EQ	2)
Pannonpipe Müanyagipari Kft. Pannonpipe Rom Com s.r.l. Kolozsvar (Cluj-Napoca) Romania	Budapest Clui	2,873,520,000 20,873,000,000	HUF ROL	25.00% 25.00%	QU OK	1)
Pipelife Cevni Sistemov (d.o.o.) Ljubljana	Ljubljana	13,000,000	SIT	50.00%	EQE	-,
Pipelife Cijevi sustavi d.o.o. Pipelife Elektrorohr GmbH	Karlovac Bad Zwischenahn	8,017,700 50,000	HRK DEM	50.00% 50.00%	EQE EQ	2)
Pipelife France S.A.	Gaillon	91,620,000	FRF	50.00%	QU	2)
Pipelife Hellas S.A.	Piraeus	3,174,417,000	GRD	50.00%	QU	
Pipelife Hispania S.A. Pipelife Rohrsysteme GmbH	Zaragoza Bad Zwischenahn	2,000,000,000 11,200,000	ESP DEM	50.00% 50.00%	QU QU	
Pipelife Rohrsysteme GesmbH	Wr.Neudorf	500,000	ATS	50.00%	QU	
Pipelife Rohrsysteme GesmbH & Co Nfg.KG	Wr.Neudorf	60,000,000	ATS	50.00%	QU	
Pipelife Rohrsysteme Gölzau GmbH Pipelife Sweden AB	Weißsandt-Gölzau Göteborg	u 500,000 50,000,000	DEM SEK	50.00% 50.00%	QU QUE	
Pipelife Systemy Rurowe Polska Sp.z o.o.	Warschau	7,151,000	PLN	50.00%	QU	
Pipelife-Fatra Slovakia s.r.o.	Piestany	200,000	SKK	33.34%	EQ	2)
Pipelife-Fatra spol.s r.o. Polva Pipelife BV	Otrokovice Enkhuizen	202,971,000 35,000,000	CZK NLG	33.34% 50.00%	QU QU	
Polva Pipelife S.A.	Kalmthout	19,500,000	BEF	50.00%	QU	
SCI Les Artaignes V.W. Elektrorohre GmbH	Gaillon Haltern	100,000 1,200,000	FRF Dem	50.00% 50.00%	OK OK	1) 3)
Treibacher Industrie AG	Treibach	100,000,000		100.00%	VK	3)
Aktivsauerstoff GmbH	Treibach	500,000	ATS ATS	49.00%	EQ	
Grondmet (U.K.) Ltd.	Keighley	100	GBP	100.00%	OK	1)
Intervan GmbH Vanadium-Recycling Prometheus Metallwerke GmbH	Nürnberg Selters-Eisenbach	100,000 1,300,000	DEM DEM	50.00% 100.00%	OK OK	1) 1)
Treibacher Auermet d.o.o. podjetje za proizvodnjo vakuumskih zlitin	Ravne	90,120,896	SIT	100.00%	VK	1)
Treibacher Auermet Produktionsges.m.b.H.	Treibach Treibach	5,000,000	ATS	100.00%	VK	
Gemeinützige Treibacher Siedlung GesmbH	певасп	1,001,000	ATS	1.10%	OK	
Wienerberger Immobilien GmbH	Wien	275,000,000	ATS	100.00%	VK	
"ALWA" Güter- und Vermögensverwaltungs-Aktiengesellschaft "Wienerberg-City" Errichtungsges.m.b.H.	Wien Wien	56,950,000 25,000,000	ATS ATS	35.47% 50.00%	EQ QU	
Garage am Beethovenplatz Gesellschaft m.b.H. & Co.KG	Wien	1,733,500	ATS	100.00%	VK	
Grundstücke- und Gebäudeverwaltungs-Aktiengesellschaft	Wien	215,000,000	ATS	25.01%	EQ	1)
Mineral Asvanyi Anyagokat Forgalmazo Kft. TGF-Tiefgarage Freyung Errichtungs- und Verwaltungsges. m.b.H.	Budapest Wien	6,300,000 500,000	HUF ATS	100.00% 100.00%	OK OK	1) 1)
TGF-Tiefgarage Freyung Errichtungs- u. Verwaltungsges.m.b.H.& CoKG	Wien	1,000,000	ATS	100.00%	VK	
Wienerberger Ofenkachel Gesellschaft m.b.H. Wienerberger Versicherungs-Service-Gesellschaft m.b.H.	Wien Wien	5,000,000 500,000	ATS ATS	100.00% 60.00%	VK EQ	2)
Wipark Garagen Gesellschaft m.b.H.	Wien	100,000,000	ATS	100.00%	VK	۷)
Wipark Garáze Slovensko s.r.o.	Bratislava	200,000	SKK	100.00%	OK	1)
Wipark Hungaria Garázs Kft.	Budapest	1,000,000	HUF	100.00%	VKE	
VK = Full consolidation EQ = Equity acco	ounting 1)	Immaterial				
VKE = First time full consolidation EQE = First time		Change to equity			mmateria	ality
QU = Proportional consolidation equity according QUE = First time proportional consolidation OK = No consolidation		Due to disproporti Control based on o	-	-	t	
Cit - 140 Conson	1)	oused off		-0. cemen		



# Financial Statements Wienerberger Baustoffindustrie AG

## Profit and Loss Account Wienerberger Baustoffindustrie AG

	31. 12. 1998	31. 12. 1997
	in TATS	in TATS
Income from Investments in other Companies	423,657	373,351
Net interest income/expense	165,157	163,341
Other financial income/expense	-32,749	-34,617
Income from financing activities	556,065	502,075
Sales	59,408	49,542
Other operating income	59,915	28,620
Personnel expenses	66,655	63,531
Depreciation	59,428	11,995
Other operating expenses	72,828	60,117
Profit on ordinary activities	476,477	444,594
Income taxes	2,153	16,261
Net income	474,324	428,333
Addition to untaxed reserves	39,561	8,068
Reversal to untaxed reserves	60,540	8,600
Addition to reserves	61,032	29,565
Profit carried forward	339	407
Net profit	434,610	399,707

The Financial Statements of Wienerberger Baustoffindustrie AG, which were prepared in accordance with Austrian generally accepted accounting principles, were audited by KPMG Austria Wirtschaftsprüfungs-Gesellschaft m.b.H. and awarded an unqualified opinion. These Financial Statements and all supplementary information have been filed with the Company Register of the Commercial Court in Vienna under Number 77676f. These Financial Statements can be ordered from Wienerberger Baustoffindustrie AG, A-1100 Vienna, free of charge and will also be available at the Annual General Meeting.

## Balance Sheet of the Wienerberger Baustoffindustrie AG

	31. 12. 1998	31. 12. 1997
ASSETS	in TATS	in TATS
Intangible assets	9,936	13,161
Tangible fixed assets	742,163	788,465
Financial assets	12,140,967	11,398,976
Fixed and financial assets	12,893,066	12,200,602
Accounts receivable – trade	15,363	888
Accounts receivable from subsidiaries	130,387	149,619
Accounts receivable from affiliated companies	391,448	0
Other receivables and assets	152,496	324,186
Securities and other investments	2,111,787	2,285,465
Cash on hand and in financial institutions, and checks	372,214	367,693
Current assets	3,173,695	3,127,851
Prepayments and deferred charges	3,856	1,721
	16,070,617	15,330,174
LIABILITIES AND SHAREHOLDERS' EQUITY  Share capital	868,191	868,191
Share premium account	10,312,965	10,312,965
Retained earnings	970,120	909,088
Profit and loss account	434,610	399,707
Shareholders' equity	12,585,886	12,489,951
Untaxed reserves	1,036,850	1,057,829
Provisions	212,890	205,036
Loans and overdrafts with financial institutions	1,227,697	500,000
Accounts payable – trade	4,494	4,871
Amounts owed to subsidiaries	811,947	1,019,625
Amounts owed to affiliated companies	156,839	18
Other liabilities	22,536	52,664
Liabilities	2,223,513	1,577,178
Deferred income	11,478	180
	16,070,617	15,330,174
	· · · · · · · · · · · · · · · · · · ·	

## **Recommendation for the Distribution of Profits**

We recommend that the Annual General Meeting approve the following proposal for the distribution of profits totaling ATS 434,609,603.37. Payment of a **50% dividend, or ATS 434,095,700.00** on Share Capital of ATS 868,191,400.00 and carry-forward of the remainder of ATS 513,903.37.

Vienna, April 1999

The Managing Board

## Report of the Supervisory Board

In addition to carrying out other activities, the Supervisory Board fulfilled those obligations required by law in its meetings.

The Managing Board provided regular reports on the development of business and position of the Company.

The Annual Accounts and Report of the Managing Board were audited by KPMG Austria Wirtschaftsprüfungs-Gesellschaft m.b.H., Vienna. The results of this audit provided no grounds for objections.

The auditor has therefore certified that the Annual Accounts and Report of the Managing Board comply with legal requirements. The Supervisory Board agrees with these results.

The Supervisory Board has examined the Report of the Managing Board which was provided in keeping with § 96 of the Austrian Stock Companies Act, as well as the Annual Accounts and recommendation for distribution of profits, and management of the Company. This review yielded no grounds for objection.

The Supervisory Board has therefore approved the Annual Accounts, which are hereby ratified in keeping with the provisions of § 125 Par. 2 of the Austrian Stock Companies Act.

Vienna, April 1999

Gerhard Randa Chairman

Thema

# Our Major Companies

Vienerberger Baustoffindustrie AG		
A-1100 Vienna	Tel.: ++43/1/60 192-0	info@wienerberger.com
Nienerbergstrasse 7	Fax: ++43/1/60 192-473	http://www.wienerberger.com
Vienerberger Ziegelindustrie AG		
A-1810 Vienna	Tel.: ++43/1/605 03-0	info@wzi.com
Triester Strasse 70	Fax: ++43/1/605 03-99	http://www.wzi.com
Nienerberger Ziegelindustrie GmbH		
D-30659 Hannover	Tel. ++49/511/610 70-0	info@wzi.com
Oldenburger Allee 26	Fax ++49/511/617 86	http://www.wienerberger.de
erca Bricks N.V.		
NL-5520 AA Eersel	Tel. ++31/497/531 900	info.nl@terca.com
Postbus 23	Fax ++31/497/531 929	http://www.terca.com
Vienerberger Briques S.A.		
3-67202 Wolfisheim	Tel. ++33/56/249 610	
0 Rue des Vignes	Fax ++33/56/259 296	
Vienerberger DachbeteiligungsGmbH		
A-1100 Vienna	Tel. ++43/1/601 92-740	mtoscani@wienerberger.com
Nienerbergstrasse 7	Fax ++43/1/601 92-473	- 0
Viekor Dachprodukte GmbH		
D-90579 Langenzenn	Tel. ++49/9101/607 55	piafuersich@wiekor.de
Ziegenberg 2	Fax ++49/9101/607 43	1
Bramac Dachsysteme International GmbH		
-3380 Pöchlarn	Tel. ++43/2757/4010-0	office@bramac.com
Bramacstrasse 9	Fax ++43/2757/4010-63	http://www.bramac.com
Ziegelwerke Gleinstätten ProduktionsGmbH		T
A-8443 Gleinstätten	Tel. ++43/3457/2218-0	office@tondach.at
To the Greinstatten	Fax ++43/3457/2218-22	http://www.tondach.at
Pipelife International Holding GmbH		T
A-2355 Wr. Neudorf	Tel. ++43/2236/6702-0	infomaster@pipelife.at
Z NÖ-Süd, Str. 1, Obj. 27	Fax ++43/2236/6702-264	http://www.pipelife.at
	1	p
steinzeug GmbH 0-50858 Köln	Tel. ++49/2234/507-0	steininfo@steinzeug.com
J-50050 Kom Jax-Planck-Strasse 6	Fax ++49/2234/507-206	http://www.steinzeug.com
	142 11 10/2207/00/-200	nesp.// w w w.stemzeug.com
Semmelrock SB Baustoffindustrie GmbH	Tal 11/42/462/20 20 0	affica@sammalaaalraaa
A-9020 Klagenfurt Stadlweg 30/Südring	Tel. ++43/463/38 38-0 Fax ++43/463/38 38-139	office@semmelrock.com http://www.semmelrock.com
	1 an TTT3/TU3/30 30-139	nttp.// www.semmenock.com
reibacher Industrie AG	To1 + 1/2///262/505 0	tio a@tmaile14
A-9330 Treibach Auer von Welsbachstr.1	Tel. ++43/4262/505-0	tiag@treibacher.at
	Fax ++43/4262/2005	http://www.treibacher.at
Vienerberger Immobilien GmbH	T 1 42 /1 /CO1 02 047	1
1-1100 Vienna	Tel. ++43/1/601 92-841	wig@wienerberger.com
Vienerbergstrasse 7	Fax ++43/1/601 92-843	
Vipark Garagen GmbH		
A-1100 Vienna	Tel. ++43/1/601 92-812	wipark@wienerberger.com
Vienerbergstrasse 7	Fax ++43/1/601 92-811	
Vienerhermen Ofenkaehel Cmhll		
Vienerberger Ofenkachel GmbH		
A-7210 Walbersdorf	Tel. ++43/2626/62234	office@wienerberger-ofenkachel



## 1999 Financial Calendar

**April 8, 1999** Press Conference on 1998 Results,

Analyst Meeting in Vienna

April 9, 1999 Analyst Meeting in London

May 7, 1999 130th Annual General Meeting, Palais Ferstel, Vienna

Press Release on First Quarter Results for 1999

May 12, 1999 Deduction of dividends (Ex-day)

Aug. 27, 1999 Press Release on 1999 Interim Financial Statements

(new date)

**Sept. 22, 1999** Wienerberger Shareholders' Day

Oct. 29, 1999 Press Release on Third Quarter Results for 1999

**Fall 1999** "Gewinn-Messe" in Vienna

International Analyst Meeting in Vienna

**February 2000** Preliminary figures for 1999

Actual dates are shown on the Wienerberger Homepage: www.wienerberger.com



## Wienerberger Mission Statement

## **Building Value**

We are a fast growing, international company group with a claim to leadership in the building materials industry. Our goal is to make residential housing and infrastructure better and less expensive. This belief in industrial leadership is developing more and more from a vision to reality.

## Wienerberger Value Management

Our goal is to create a long-term, balanced increase in value for all those involved with our Company: investors, customers, and employees. Our performance will be measured by Return on Capital Employed and Economic Value Added – the benchmarks for all regional units of the Wienerberger Group.

## C&C, Concentration and Consistency

Do few things well. We will concentrate on those areas where we are among the best in the world: on our core brick business and our strategic building materials investments – plastic pipes, clay pipes, concrete pavers, and roofing systems. Above-average growth is our target in these areas.

## **Quantity through Quality**

Continual improvement in quality is a requirement for expansion. Our motto: not only grow, but also optimize. We can only sustain long range growth with products and processes which form the basis for innovation and set new standards for customer value and social responsibility. In doing this we accept responsibility for the environment – because only a solid economy in a healthy environment can really increase value.

## **Entrepreneurs in Group Companies**

Act local – think global. We are fast because we manufacture on-site in all our markets. We are successful because our employees accept entrepreneurial responsibility. We are strong competitors because we rely on multi-cultural cooperation and optimize our expertise through a widespread network. Our guiding principle: Together we are simply better.

## Publisher:

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# Wienerberger Group Ten Year Review

Corporate Data		1989 1)	1990 ¹)	1991 1)
Sales	ATS mill.	4,685	9,257	10,528
Domestic	ATS mill.	3,900	5,363	5,818
Foreign	ATS mill.	785	3,894	4,710
EBIT 3)	ATS mill.	514	582	863
EBIT-Margin	%	11.0	6.3	8.2
Profit before tax	ATS mill.	472	640	800
Net income	ATS mill.	410	588	649
Cash flow 4)	ATS mill.	749	1,045	1,201
Capital expenditures 5)	ATS mill.	571	903	1,653
Employees		2,224	4,346	5,137
ROCE 6)	%	23.5	12.9	11.9
EVA 7)	%	270	165	169
Gearing	%	-39.2	-1.7	1.2
Interest coverage 9)		5.9	3.4	2.7
Asset coverage 10)	%	142.6	123.3	111.9
Return on equity 11)	%	11.1	11.6	10.2

Stock exchange data		1989 ¹)	1990 1)	1991 1)
Dividends	ATS mill.	73	88	105
Dividends per share	ATS	14	17	18
Earnings per share 12)	ATS	2)	2)	2)
Share price at year-end	ATS	3,283	2,722	2,208
Shares outstanding <sup>13)</sup>	in 1,000	5,046	5,266	5,744
Market capitalization at year-end	ATS mill.	16,568	14,334	12,685

Condensed Balance Sheet		1989¹) 198		1991 1)
Assets				
Fixed and financial assets	ATS mill.	2,594	4,105	5,714
Inventories	ATS mill.	759	1,408	1,649
Miscellaneous current assets	ATS mill.	2,920	4,563	4,735
Liabilities and Shareholders' Equity				
Equity	ATS mill.	3,698	5,060	6,392
Provisions	ATS mill.	558	1,031	1,255
Liabilities	ATS mill.	2,017	3,985	4,451
Total Balance Sheet	ATS mill.	6,273	10,076	12,098

## Explanatory Notes:

- 1) Incl. ÖAG Group (sold 1994)
- 2) ÖVFA calculations for the Group available beginning 1992
- 2) OVFA calculations for the Group available beg
  3) Operating profit
  4) Net income plus depreciation on tangible assets and amortization of intangible assets
  5) Additions to tangible and intangible assets
  6) Return on Capital Employed
  7) Economic Value Added

- 8) Including loss on deconsolidation of Treibacher Schleifmittel
- 9) EBIT: Interest expense
- 10) Equity: Fixed and financial assets

- 10) Equity: Fixed and financial assets
  11) Net income: Equity
  12) 1992–1996 according to ÖVFA
  13) Adjusted for 2:1 stock split in 1995 and 5:4 in 1992
  14) Equity plus minority interests

1998 in €	1998	1997	1996	1995	1994	1993 ¹)	1992 1)
1,143.3	15,732	15,325	15,061	12,855	10,553	12,120	11,711
71 201.4	2,771	3,091	2,954	2,845	2,590	5,946	6,022
941.9	12,961	12,234	12,107	10,010	7,963	6,174	5,689
	2,237	1,804	1,602	1,674	1,343	966	669
.2 14.2	14.2	11.8	10.6	13.0	12.7	8.0	5.7
163.1	2,244	1,616	1,198	1,393	1,548	834	556
116.5	1,603	1,395	801	1,116	1,213	582	378
.8 212.1	2,918	3,174 <sup>8)</sup>	2,266	2,102	2,048	1,411	1,147
74 237.9	3,274	1,441	2,278	2,492	2,043	1,804	2,071
7,988	7,988	7,574	8,229	6,418	4,803	5,629	5,596
.4 12.4	12.4	13.8	7.4	12.2	12.1	8.5	6.3
31.9	439	531	-221	348	283	-37	-189
.7 29.7	29.7	19.0	58.3	51.3	23.4	19.5	14.4
.1 5.1	5.1	4.7	2.9	4.1	5.7	3.3	2.0
.6 72.6	72.6	82.6	65.8	73.9	83.5	86.1	92.6
.3 14.3	14.3	13.7	8.1	13.7	15.2	8.1	5.5
1998 in €	1998	1997	1996	1995	1994	1993 1)	1992 1)
	434	399	365	292	177	146	133
31.5							
	50	46	42	42	28	25	23
3.6	50 180	46 157	42 104	42 168	28 157	25 122	23 99
3.6 30 13.1							
3.6       3.6       3.0       3.1       3.2       169	180	157	104	168	157	122	99
3.6       3.6       3.6       3.1       3.2       3.2       3.6       3.1       3.2       3.2       3.2       3.2       3.6       3.2       3.2       3.2       3.2       3.2       3.2       3.2       3.2       3.2       3.2       3.2       3.2       3.2       3.2       3.2       3.2       3.2       3.3       3.4       3.5       3.6       3.6       3.6       3.6       3.6       3.6       3.6       3.6       3.6       3.6       3.6       3.6       3.7       4.7       4.7       5.7       5.7       5.7       5.7       5.7       5.7       5.7       5.7       5.7       5.7       5.7       5.7       5.7       5.7       5.7       5.7 </td <td>180 2,332</td> <td>157 2,425</td> <td>104 2,100</td> <td>168 2,000</td> <td>157 2,580</td> <td>122 2,760</td> <td>99 2,067</td>	180 2,332	157 2,425	104 2,100	168 2,000	157 2,580	122 2,760	99 2,067
3.6       3.6       3.6       3.1       3.2       3.2       3.6       3.1       3.2       3.2       3.2       3.2       3.6       3.2       3.2       3.2       3.2       3.2       3.2       3.2       3.2       3.2       3.2       3.2       3.2       3.2       3.2       3.2       3.2       3.2       3.3       3.4       3.5       3.6       3.6       3.6       3.6       3.6       3.6       3.6       3.6       3.6       3.6       3.6       3.6       3.7       4.7       4.7       5.7       5.7       5.7       5.7       5.7       5.7       5.7       5.7       5.7       5.7       5.7       5.7       5.7       5.7       5.7       5.7 </th <th>180 2,332 8,682</th> <th>157 2,425 8,682</th> <th>104 2,100 8,682</th> <th>168 2,000 6,946</th> <th>157 2,580 6,331</th> <th>122 2,760 5,904</th> <th>99 2,067 5,856</th>	180 2,332 8,682	157 2,425 8,682	104 2,100 8,682	168 2,000 6,946	157 2,580 6,331	122 2,760 5,904	99 2,067 5,856
3.6       3.6       30     13.1       32     169       32     8,682       46     1,471	180 2,332 8,682	157 2,425 8,682	104 2,100 8,682	168 2,000 6,946	157 2,580 6,331	122 2,760 5,904	99 2,067 5,856
3.6 3.6 3.6 3.1 3.2 3.2 3.2 3.2 3.2 3.6 3.2 3.6 3.1 3.1 3.2 3.2 3.2 3.2 3.4 3.1 3.1 3.2 3.2 3.4 3.4 3.4 3.4 3.4 3.4 3.4 3.4	2,332 8,682 20,246	2,425 8,682 21,053	104 2,100 8,682 18,232	168 2,000 6,946 13,891	157 2,580 6,331 16,334	122 2,760 5,904 16,294	99 2,067 5,856 12,105
3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.7 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6 3.6	180 2,332 8,682 20,246	157 2,425 8,682 21,053	104 2,100 8,682 18,232	168 2,000 6,946 13,891	157 2,580 6,331 16,334	122 2,760 5,904 16,294	99 2,067 5,856 12,105

