WIENERBERGER

Building Value

Annual Report 1999

Wienerberger is the world's largest producer of bricks and is also a leader on European pipe, roofing and paver markets – with over 200 plants in 26 countries.

1999 was the year we became a global player.
Our entry into the US and Scandinavian markets and selective expansion in Poland represent key opportunities for the future.
In 2000 our focus will turn to optimization and integration, and we expect this to be a year of return.

Building Value

We are a fast growing, international group with a claim to leadership in the building materials industry.

We are dedicated to making residential housing and infrastructure better and less expensive.

Our primary goal is to create a long-term, balanced increase in value for all those involved with our Company: investors, customers, and employees.

We will concentrate our efforts on those areas where we are among the best in the world – on our core brick business and our strategic building materials investments. Here we want to grow and prosper.

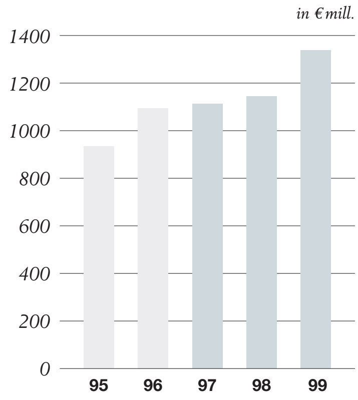
Continual improvement is a requirement for expansion. Our motto: grow, but also optimize.

We are successful because our employees act like entrepreneurs.

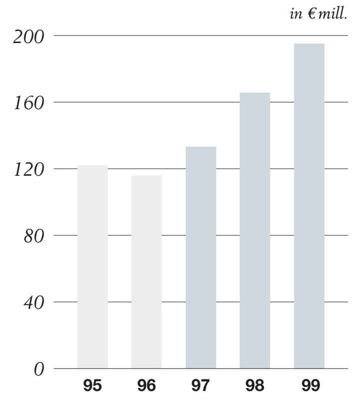
Our vision is built on value-based growth:
Wienerberger – a leading international building materials group, ranking Nr. 1 in our markets.

Key Data on the Wienerberger Group

Sales

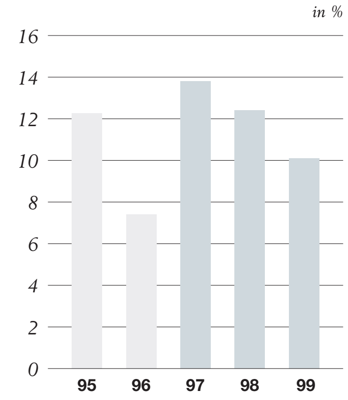


EBITA*

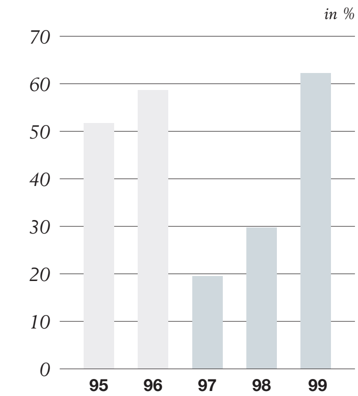


** Operating profit before amortization of goodwill*

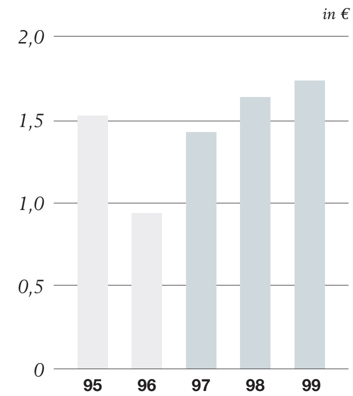
Return on Capital Employed



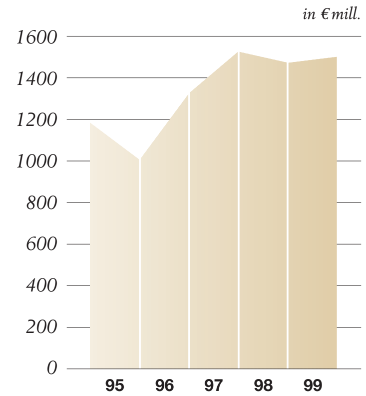
Gearing



Earnings per Share

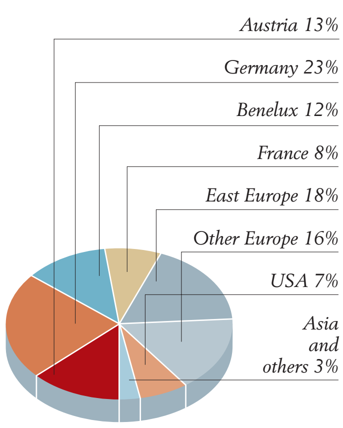


Market Capitalization

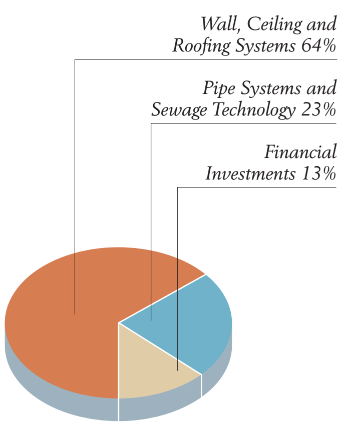


Austrian Commercial Code *IAS*

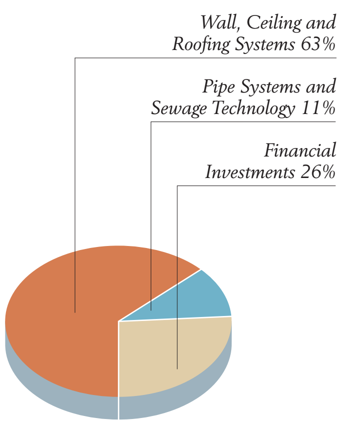
Sales by Region



Sales by Business Unit



EBITA by Business Unit



Corporate Data		1995	1996	1997	1998	1999
Sales	*in € mill.*	934.2	1,094.5	1,113.7	1,143.3	1.337.5
Domestic	*in € mill.*	206.8	214.7	224.6	201.4	176.8
Foreign	*in € mill.*	727.5	879.9	889.1	941.9	1.160.8
EBITDA [1]	*in € mill.*	193.4	217.1	240.7	258.2	308.9
EBITA [2]	*in € mill.*	121.7	116.4	133.1	165.6	195.2
EBITA-Margin	*in %*	13.0	10.6	11.9	14.5	14.6
EBIT [3]	*in € mill.*	121.7	116.4	131.1	162.6	187.8
Profit before tax	*in € mill.*	101.2	87.1	117.4	163.1	178.6
Net income	*in € mill.*	81.1	58.2	101.4	116.5	124.7
Cash flow [4]	*in € mill.*	152.8	164.7	230.7 [8]	212.1	245.7
Capital expenditures [5]	*in € mill.*	181.1	165.5	104.7	237.9	155.8
ROCE [6]	*in %*	12.2	7.4	13.8	12.4	10.1
EVA [7]	*in € mill.*	25.3	-16.1	38.6	31.9	27.0
Gearing	*in %*	51.3	58.3	19.0	29.7	62.2
Employees		6,418	8,229	7,574	7,988	10,374

Stock Exchange Data			1995	1996	1997	1998	1999
Dividend		*in € mill.*	21.2	26.5	29.0	31.5	34.7
Dividend per share		*in €*	0.38	0.38	0.42	0.45	0.50
Earnings per share [9]		*in €*	1.53	0.94	1.43	1.64	1.74
Equity per share [9]		*in €*	9.82	9.65	10.62	11.73	12.85
Share price	**High**	*in €*	24.41	21.80	25.13	29.80	26.20
	Low	*in €*	16.85	17.20	18.17	17.99	18.65
	At year-end	*in €*	18.17	19.08	22.03	21.18	21.59
P/E Ratio	**High**		16.0	23.1	17.6	18.2	15.1
	Low		11.0	18.2	12.7	11.0	10.7
	At year-end		11.9	20.2	15.4	13.0	12.4
Shares outstanding [10]		*in 1,000*	55,564	69,455	69,455	69,455	69,223
Market capitalization at year-end		*in € mill.*	1,009.5	1,325.0	1,530.0	1,471.3	1,499.5
Average stock exchange sales/day		*in € mill.*	5.6	3.8	4.6	5.7	3.7

Condensed Balance Sheet		1995	1996	1997	1998	1999
Fixed and financial assets	*in € mill.*	799.7	1.091.2	892.6	1.121.4	1,446.8
Inventories	*in € mill.*	164.7	233.0	214.8	223.4	265.4
Misc. current assets	*in € mill.*	441.3	370.7	507.9	687.8	631.6
Total Balance Sheet	*in € mill.*	**1,405.7**	**1,694.9**	**1,615.4**	**2,032.6**	**2,343.8**
Equity [11]	*in € mill.*	591.0	717.6	756.9	838.1	921.2
Provisions	*in € mill.*	131.7	187.4	239.5	263.1	311.9
Liabilities	*in € mill.*	683.0	789.9	619.0	931.4	1,110.7

Explanatory Notes:

1) Operating profit before depreciation and amortization
2) Operating profit before amortization of goodwill
3) Operating profit
4) Net income plus depreciation and amortization
5) Additions to tangible and intangible assets
6) Return on Capital Employed
7) Economic Value Added
8) Incl. loss on deconsolidation of Treibacher Schleifmittel
9) 1995–1996 according to ÖVFA
10) Weighted average number of shares outstanding adjusted for treasury stock, 1 : 8 stock split (1999) and 2 : 1 stock split (1995)
11) Equity plus minority interests

Austrian Commercial Code (1995–1996 columns)
IAS (1997–1999 columns)

Major Companies in the Wienerberger Group

Pipe Systems and Sewage Technology

PIPELIFE
Plastic Pipes
Europe, China

STEINZEUG
Europa steht drauf
Clay Pipes
Europe, Malaysia

SEMMELROCK
STEIN+DESIGN
Concrete Pavers
Central and Eastern Europe

WIENERBERGER

Wall, Ceiling and Roofing Systems

WIENERBERGER
Ziegelindustrie AG
Wall/Ceiling
Central, Southern and Eastern Europe

WIENERBERGER
Ziegelindustrie GmbH
Wall/Ceiling
Germany

TERCA
LEADER IN BRICKS
Wall
Belgium, Netherlands

WIENERBERGER
Briques SA
Wall/Ceiling
France

GENERAL SHALE BRICK
Building the American Dream®
Wall/Concrete Blocks
U.S.A.

WIENERBERGER
Dach Beteiligungs GmbH
Concrete Tiles
Clay Tiles
Bramac
Tondach Gleinstätten

Financial Investments

TREIBACHER INDUSTRIE AG
Metallurgy

Other Investments
Real Estate
Stove Tiles

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Chief Executive's Review

Dear Shareholders,

Wienerberger is a dynamic member of the international building materials industry with a great history and still greater future. Our motto is "Building Value".

During the past business year, we demonstrated this creation of value by continuing our industrial expansion. 1999 was also a year in which we increased our attention to "Wienerberger Value Management", which has become a fixed part of our corporate culture.

In addition to new markets in Switzerland, Scandinavia and Poland, entry into the American brick market represented our boldest move forward. With four strategic steps in only six months, we were able to gain a 17% share of the market with a capital investment of € 360 million and moved close to the market leader.

In keeping with our vision of industrial leadership, we were able to decisively strengthen our worldwide position as the foremost producer of bricks. This core business is rounded out by strategic investments in building materials – roofing systems, pipes and pavers – all with a high potential for future development. Since the beginning of 1999 we have acquired or built no less than 66 plants. During this same period we also took a few decisive steps backward and closed or sold 19 plants. At present we operate a total of 212 plants in Europe, the USA and China – and are the leader in each market or on a fast track to reach this position.

In order to achieve this goal, we implemented a record investment program in 1999. Capital expenditures and acquisitions nearly doubled to a level of € 501 million. 86% were concentrated in our capital-intensive core brick business, and underscore the heavy-side character of our industrial orientation. We were able to hold Gearing at the solid level of 62%. The share of building materials activities in Capital Employed increased from 88% to 96% over the prior year and reflects the increasing focus on our core business.

In the non-core business area, real estate revenues were able to offset the forecasted drop in prices of ferro alloys which led to expected declines in sales and earnings at Treibacher. Group sales therefore increased by only 17% to € 1,337.5 million. In keeping with our strategy, the rate of growth in building materials was far above average at 32%. EBIT rose by a total of 15% to € 187.8 million. At 20%, building materials activities also registered a significantly higher increase in this indicator. Organic growth in the building materials area was good reaching 5% in sales and 17% in EBIT.

This future-oriented expansion did, however, depress performance and value indicators temporarily. First, the construction of new plants is only reflected in earnings at a later date and, second, acquisitions made during the year are added in full to Capital Employed but compared to only a pro rata share of annual earnings. Return on Capital Employed (ROCE) therefore declined from 12.4 to 10.1% and Economic Value Added (EVA) from € 31.9 to 27.0 million. This newly acquired potential, which is connected with high fixed asset additions, should have a strong positive effect already this year.

Earnings per share rose from € 1.64 to € 1.74, developing better than expected during the reporting year. For 1999, the Managing Board recommends a dividend increase from € 0.45 to € 0.50 on capital stock, which was split 1 : 8 during the prior year. This represents a profit distribution of € 34.7 million.

1999, however, is now history. Decisive for Wienerberger and our shareholders is the future. In 2000 I will celebrate my 20-th anniversary as Chairman of the Board. According to my plans, the bold investments made in recent years should now bring first returns. These expectations are based primarily on seven success factors:

1. 72 top managers are fighting for personal success in our first Performance Share Plan: The last key building block in our Value Management program was linking compensation to the new benchmarks EVA and ROCE. In addition, the 1999 Annual General Meeting approved the first Wienerberger Performance Share Plan unanimously. The requirement for participation was a personal commitment by each manager in the form of an investment in Wienerberger shares. The subsequent realization of stock options is contingent on two factors: Economic Value Added (EVA) for bricks and pipes – excluding acquisitions and extraordinary income – must double in 1999 and 2000, and the price of our stock must exceed the € 30 hurdle between January and April next year.

Since Economic Value Added was not high enough to reach our Performance Share Plan criteria in the past year, this ambitious challenge will become even bolder in 2000. We must significantly increase earnings generated by existing activities and, at the same time, minimize capital employed and raise earnings per share decisively in order to meet the exercise requirements. Even if this extremely ambitious goal is not fully met, there will be a significant increase in value for both our Company and our shareholders – and that is what we managers are fighting for.

Erhard Schaschl,
Chief Executive Officer
Wienerberger Baustoffindustrie AG

2. Full concentration on building materials with investments of more than € 1 billion: Since the introduction of Wienerberger Value Management in 1997, we have invested over € 1 billion in building materials activities. This was financed primarily from cash flow, and from the sale of non-essential operations. Although Wienerberger has invested nearly an entire year's sales during these last three years, gearing has not increased – the Group has remained on solid financial ground.

Many of these measures, such as our expansion in Poland or the acquisition of ZZ and Keramik Laufen, will only generate higher yields at a later date and the benefits of synergy will appear gradually after integration is fully completed. Continual growth in earnings is therefore expected to begin in 2000. Our mid-term goal for Return on Capital Employed on building materials activities remains unchanged at 12%.

3. High potential in Eastern Europe: Euroconstruct continues to forecast above-average growth rates for housing construction in the Reform Countries. In this region, Poland has the highest potential. Beginning in 2000, six new plants will produce over 500 million brick units and initially supply 20% of the total market. Our mid-range goal is a share of 30%. The acquisition of the second largest brick producer in the Czech Republic is expected to improve the business situation in this country, which has recently shown temporary weakness. And I also see considerable potential in the Balkan region.

4. Continued earnings growth in Germany: More than one-fourth of our brick sales are generated in Germany. After a three-year dry spell and initial signs of recovery during 1999, we expect the upward trend to continue. Both prices and volumes are forecasted to rise, and will therefore play a key role in improving our overall performance.

5. US expansion continues with high synergy potential: After Terca in Belgium, General Shale was the second major step in our dynamic expansion program. Wienerberger has thereby positioned itself as the Number One producer of bricks in the world. General Shale was consolidated beginning in July 1999, and results exceeded expectations. The next step in realizing synergy potential is the construction of a new plant this year, which will replace four older factories. As expected, General Shale has also proven to be an excellent platform for further expansion in the USA. The recent acquisitions of Cherokee Sanford and Darlington are a perfect addition to the brick segment, and enabled us to gain a 17% share of the world's largest facing brick market in a very short time. Our regional portfolio has also been substantially improved by these activities. For optimal risk dispersion over the middle to long-term, I see 50% of sales in West Europe, 25% in East Europe, and 25% in the USA.

6. New dimensions in the pipe segment: The Pipelife joint venture has gained in independence after successful reorganization under a new CEO. The organizational integration of the Scandinavian Mabo Group and activities in China will improve earnings this year. Following a successful turnaround two years ago, Steinzeug Abwassersysteme GmbH will be consolidated for the first time at 50% and also make a satisfactory contribution to earnings.

7. Optimization and Free Cash Flow become a priority: In order to make 2000 a year of return, we must decisively shift our priorities to optimize existing business processes and thereby generate free cash flow. Economic indicators are favorable in key markets for building materials. We are in a position to continue our expansion program in keeping with our present strategy. High free cash flows from developed markets can be reinvested in new and developing markets. Bricks will still remain our Number One core business. Parallel to this, we will also use our good position in the marketplace to develop other building materials activities: roofing systems, pipes, and pavers. This expansion will be supported by our financial investments with solid earning power.

Together with my two colleagues on the Managing Board and our entire management team, I will do everything in my power to prepare your Company for a successful start in the Third Millenium.

At this time 150 meter high cranes, countless trucks, and hundreds of construction workers are building the new Vienna Twin Tower near Wienerberger headquarters – an ambitious and almost euphoric job which also symbolizes the dynamics of our Group. Wienerberger is moving and changing from a small local Austrian brick company to become a leading international building materials group. More than 10,000 people in 26 countries on three continents are already working towards this goal. I am extremely proud of our team in this international major league – and its dedication, which is demonstrated by our slogans "Together simply better" and "Building Value".

Together we are building a solid foundation for a good future. Your trust is our motivation. For this I owe you my thanks, and give you my promise to justify this confidence.

Yours

Corporate Profile

Wienerberger is a leading, fast growing company in the building materials industry with established operations in Europe and the USA, and a foothold in Asia.

Nr. 1 in bricks worldwide
Nr. 1 in roofing systems in the Danube Region
Nr. 3 in plastic pipes throughout Europe
Nr. 1 in clay pipes in Europe

Overview

181 Years of History

Founded in 1819 on Vienna's Wienerberg and traded on the Vienna Stock Exchange since 1869, Wienerberger is a company with a long – and in recent years, very successful – history.

1986: Start of Internationalization

Our expansion and internationalization in bricks and pipes began in 1986 and has proceeded with great success since that time: over the last 14 years, Wienerberger has developed from its beginnings as an Austrian brick company to become a global player and the world's largest producer of bricks.

At the same time our pipe business has also grown, and now holds a leading position on the European market. Financial investments such as metallurgy and real estate support our industrial expansion in the building materials sector.

Wienerberger Value Management

Today Wienerberger is comprised of more than 70 operating companies with 212 plants in 26 countries. This multicultural Group and its many independent businesses are guided by the principles of "Wienerberger Value Management", which was introduced in 1997.

This value-oriented management philosophy is based on our vision of an international building materials group with leading positions in its markets. The step-by-step realization of this vision is supported by a strong commitment to our core brick business and other building materials activities.

We plan to create above-average value for our investors, customers and employees by increasing Return on Capital Employed and Economic Value Added. An incentive will be provided by stock participation models for our management and employees, which will further the strong sense of entrepreneurship found in the Wienerberger Group.

Milestones in our Development

1819
Founding by Alois Miesbach on the Wienerberg in Vienna

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 figures transformed construction into an art form …

1980
New management and reorganization of this provincial brick manufacturer

Worldwide Nr. 1 in bricks and a European leader in pipes – with 212 plants in 26 countries on 3 continents!

1986
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 200 plants, expansion of leading position on the West European market, founding of Pipelife joint venture, development 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 focus on Poland, Slovenia and Croatia, …

1999/2000
Advance to global player …

… through purchase of General Shale and Cherokee Sanford, the second and sixth largest brick producers in the USA

Supervisory Board, Managing Board and Management

Supervisory Board

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

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

Josef Esterl
Delegated by the Employees' Council (up to July 9, 1999)

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 Directors of Creditanstalt AG

Gerhard Hampel
Delegated by the Employees' Council (up to July 9, 1999)

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 SA

Erich Pimmer
Director of Investments at Creditanstalt AG

Karl Sauer
Delegated by the Employees' Council

Martin Schandl
Delegated by the Employees' Council (as of July 9, 1999)

Georg Schwarz
Managing Director of Ludwig Engel KG

Jean Dominique Sturm
Entrepreneur

Augustin Tomala
Delegated by the Employees' Council (as of July 9, 1999)

Managing Board

Erhard Schaschl, Chief Executive
since July 1, 1980, 57 years old, responsible for strategy, finance and communications, as well as "Financial Investments"

Wolfgang Reithofer, Deputy Chief Executive
since February 1, 1981, 51 years old, responsible for the business unit "Wall, Ceiling and Roofing Systems" and for real estate

Paul Tanos
since January 1, 1988, 55 years old, responsible for the business unit "Pipe Systems and Sewage Technology"

Wienerberger Group Management

Managing Board

Erhard Schaschl

Wolfgang Reithofer

Paul Tanos

Key Executives

Joel Bodiou
Wienerberger Briques SA, France

Dick Green
General Shale Products LLC, USA

Robert Holzer
Semmelrock SB Baustoffindustrie GmbH

Klaus Hoppe
Wienerberger Ziegelindustrie GmbH, Germany

Reinhard Iro
Treibacher Industrie AG

Heimo Scheuch
Terca Bricks N.V., Belgium, Netherlands

Manfred Toscani
Wienerberger Dach Beteiligungs GmbH

Hans Tschuden
Wienerberger Rohrsysteme und Abwassertechnik GmbH

Johann Windisch
Wienerberger Ziegelindustrie AG, Central, South and East Europe

Corporate Services

Gerhard Bachmaier
Corporate Communications (up to Jan. 31, 2000)

Adolf Jessner, Thomas Leissing (Deputy)
Corporate Finance

Arno Langwieser
Corporate Development

(from left to right)
E. Schaschl, W. Reithofer, P. Tanos

Organization Chart

WIENERBERGER

Wall, Ceiling and Roofing Systems	100 % Wienerberger Ziegelindustrie AG (A)	91.1 % Wienerberger Cihlarsky Prumysl a. s. (CZ)	83.6 % Later Chrudim a.s. (CZ)
		100 % Wienerberger Cegielnie Lebork Sp.z o.o. (PL)	75 % Wienerberger Karbud S.A. (PL)
		100 % ZZ Wancor AG (CH)	100 % ZZ Ziegeleien AG (CH)
	100 % Wienerberger Ziegelindustrie GmbH (D)	50 % Schlagmann Baustoffwerke GmbH & Co KG (D)	
	100 % Terca Bricks N.V. (B)	100 % Terca Baksteen B.V. (NL)	
	100 % Wienerberger Briques SA (F)	100 % Sturm SAS (F)	100 % Terca Briques SAS (F)
	100 % General Shale Products LLC (USA)	100 % Cherokee Sanford Group LLC (USA)	100 % Darlington Brick and Clay Products Company (USA)
	100 % Wienerberger Dach Beteiligungs GmbH (A)	50 % Bramac Dachsysteme International GmbH (A)	65.7 % Bramac Dachstein-produktion und Baustoffindustrie Kft. (H)
		25 % Tondach Gleinstätten AG (A)	99.4 % Jamina Rt (H)
Pipe Systems and Sewage Technology	50 % Pipelife International GmbH (A)	100 % Pipelife Rohrsysteme GmbH & Co KG (A)	100 % Pipelife Rohrsysteme GmbH (D)
		100% Mabo Pipelife AS (N)	100% Pipelife Sverige AB (S)
		100 % Pipelife France S. A. (F)	100 % Pipelife Hispania S. A. (E)
		50 % Pannonpipe Müanyagipari Kft. (H)	66.7 % Pipelife-Fatra spol.s r.o. (CZ)
		51 % Chuanlu Plastic Sales & Service Ltd. (VRC)	90 % Chuanwie Plastic Ltd. (VRC)
	50 % Steinzeug Abwassersysteme GmbH (D)	100 % Keramo Steinzeug N.V. (B)	100 % Calofrig Keramo s.r.o. (CZ)
	75 % Semmelrock SB Baustoffindustrie GmbH (A)	100 % Wienerberger Alpha Umwelttechnik GmbH (A)	100 % Semmelrock Stein & Design Pflastersteine Kft. (H)
Financial Investments	100 % Treibacher Industrie AG (A)	100 % Treibacher Auermet ProduktionsgmbH (A)	100 % Treibacher Auermet d. o. o. (SLO)
	Other Investments	100 % Wienerberger Immobilien GmbH (A)	49 % Wipark Garagen AG (A)

99.9 % Wienerberger Slovenske Tehelne spol.s r.o. (SK)	86.9 % Wienerberger Téglaipari Rt (H)	100 % Balaton Téglaipari Kft. (H)	77.8 % Wienerberger Honoratka S.A. Ceramika Budowlana (PL)
94.4 % Wienerberger Ilovac d. d. (HR)	90.3 % Wienerberger Cetera IGM d.d. (HR)	49.9 % Wienerberger Opekarna Ormoz d. d. (SLO)	100 % Wienerberger Brunori SRL (I)
100 % Tonwarenfabrik Laufen AG (CH)			

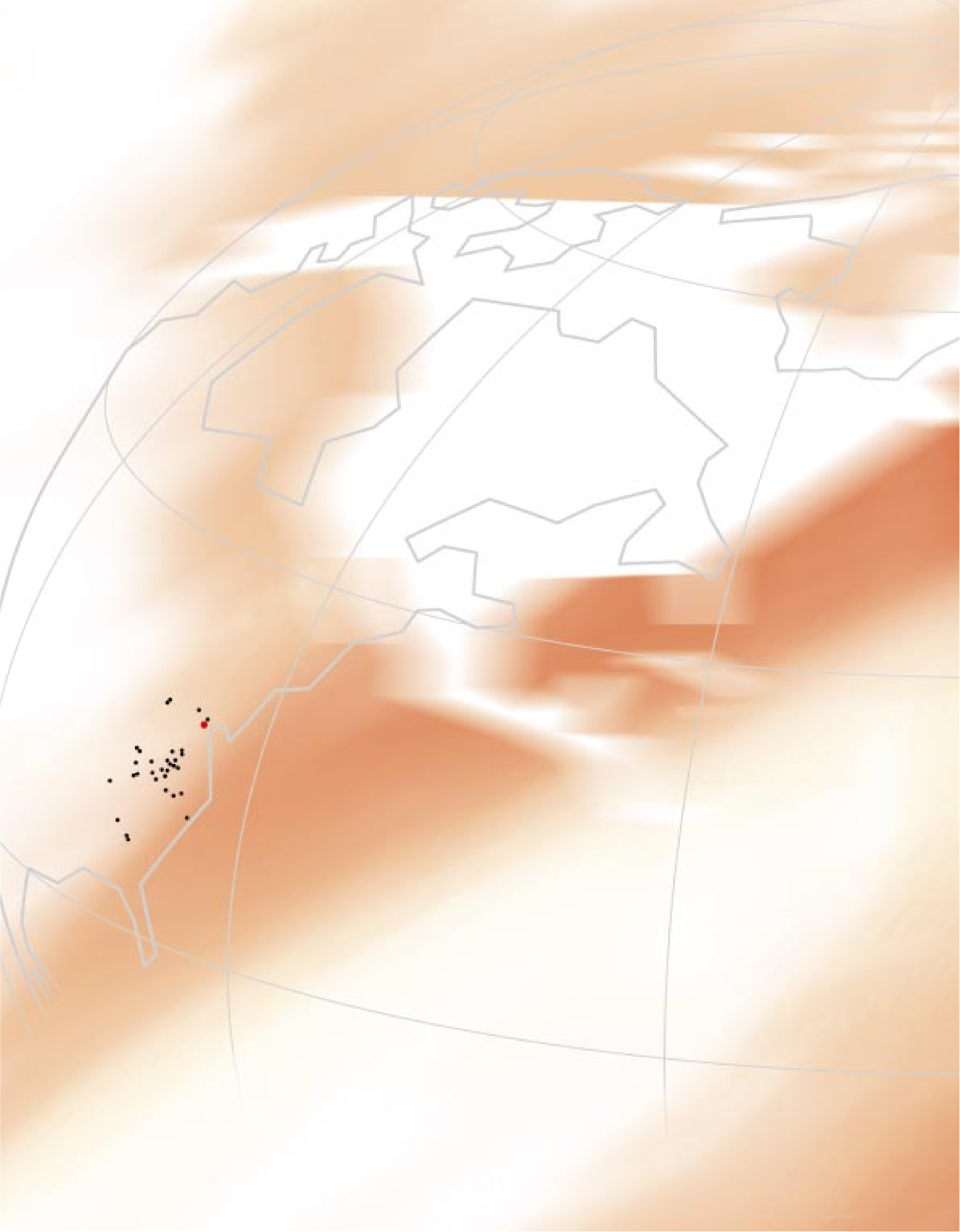
99.8 % Migeon Briques SAS (F)	

100 % Bramac spol.s r.o. (CZ)	100 % Bramac Stresne Systemy spol.s r.o. (SK)	67.6 % Bramac Dachstein-produktion und Baustoffindustrie d. o. o. (SLO)	100 % Bramac Pokrovni Sistemi d. o. o. (HR)
100 % Tondach Slovensko spol.s r.o. (SK)	92.7 % Tondach Ceska republika s.r.o. (CZ)	97.9 % Ziegelwerke Gleinstätten Ciglane-Bedekovcina d. d. (HR)	100 % Tondach Opekarna d. o. o. (SLO)
100 % Pipelife Elektro GmbH & Co KG (D)	100 % Polva Pipelife BV (NL)	100 % Polva Pipelife S. A. (B)	
100% Hafab AB (FIN)	84.4 % AS Mabo Aumek (EST)		
100 % Maiaplas Lda (P)	100 % Pipelife Hellas S. A. (GR)	88 % Arili Plastik Sanayii A. S. (TR)	
100 % Pipelife Polska Sp.z o.o. (PL)	100 % Pipelife Cevni Sistemov d. o. o. (SLO)	100 % Pipelife Romania s. r. l. (RO)	100 % Pipelife Hrvatska Cijevi sustavi d. o. o. (HR)
51 % Chuanxi Company Ltd. (VRC)			
28 % Sunway Keramo SDN BHD (MAL)			

49 % Aktivsauerstoff GmbH (A)		
35.5 % „Alwa“ Güter- und Vermögensverwaltungs-AG (A)	100 % Wienerberger Ofenkachel GmbH (A)	60 % Wienerberger Versicherungs-Service GmbH (A)

As of March 2000

Industrial Resources



Industrial Resources

212 Plants in 26 Countries

Production sites in Europe:

Belgium
Hollow bricks
Beerse
Tessenderlo
Zonnebeke
Facing bricks
Beerse
Ghlin
Maaseik
Malle
Rijkevorsel
Warneton
Zonnebeke
Plastic pipes
Kalmthout
Clay pipes
Hasselt

Bulgaria
Concrete tiles
Silistra

Germany
Hollow bricks
Bad Freienwalde
Bollstedt
Buldern
Eisenberg
Erfurt
Gransee
Hainichen
Jeddeloh
Königsaue
Lanhofen I & II
Lauterbach
Mühlacker
Reuden
Rietberg
Sittensen
Wefensleben
Zwickau
Facing bricks
Buchhorst
Hude
Malliss
Petershagen
Wegberg
Woldegk
Ceilings
Dollnstein
Lanhofen III & IV
Rosenau
Chimneys
Elze
Geiselbullach
Osterwald
Plastic pipes
Ekern
Gölzau
Haltern
Clay pipes
Bad Schmiedeberg
Frechen

Estonia
Plastic pipes
Kadrina

Finland
Plastic pipes
Kaavi
Utajarvi

France
Hollow bricks
Achenheim
Betschdorf I & II
Pont d'Aspach
Pont de Vaux
Rouffach
Facing bricks
Angervilliers
Hulluch
Ollainville
Wizernes
Ceilings
Achenheim
Concrete products
Achenheim
Clay tiles
Bouxwiller
Plastic pipes
Châteauroux
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
Bemmel
Haaften
Heteren
Kijfwaard I
Kijfwaard II
Ochten
Reuver
Thorn
Wolfswaard
Plastic pipes
Enkhuizen

Norway
Plastic pipes
Stathelle
Surnadal
Vanvikan

Austria
Hollow bricks
Bärnbach
Fürstenfeld
Göllersdorf
Haiding
Hennersdorf
Laa/Thaya
Uttendorf
Facing bricks
Rotenturm
Ceilings
Leopoldsdorf
Concrete tiles
Gaspoltshofen
Gleisdorf
Pöchlarn
Clay tiles
Gleinstätten*
Pinkafeld*
Unterpremstätten*
Plastic pipes
Wr. Neudorf
Concrete pavers
Klagenfurt
Leopoldsdorf
Civil engineering products
Leopoldsdorf
Metallurgy
Treibach
Stove tiles
Walbersdorf

Poland
Hollow bricks
Czestochowa
Dobre
Honoratka I
Honoratka II
Lebork
Zielonka
Plastic pipes
Radom
Zarnowiec

*) Minority Shares

As of March 2000

Production sites in North America:

Production sites in Asia:

Portugal
Plastic pipes
Porto

Rumania
Plastic pipes
Cluj Napoca

Sweden
Plastic pipes
Haparanda
Ljung
Ölsremma

Switzerland
Hollow bricks
Istighofen
Rafz
Concrete products
Istighofen
Tuggen
Clay tiles
Istighofen
Laufen

Slovakia
Hollow bricks
Boleraz
Zlaté Moravce
Concrete tiles
Ivanka pri Nitra
Clay tiles
Nitrianské Pravno*

Slovenia
Hollow bricks
Ormoz
Concrete tiles
Skocjan
Clay tiles
Križevci*
Metallurgy
Ravne

Spain
Plastic pipes
Zaragoza

Czech Republic
Hollow bricks
Cicenice
Holice
Hostomice
Kostelec n. Orl.
Lety
Lisov
Novosedly
Osik
Repov
Stare Misto
Tunechody
Tyn
Concrete tiles
Chrudim
Olbramovice
Protivin
Clay tiles
Hranice*
Jircany*
Slapanice*
Plastic pipes
Otrokovice

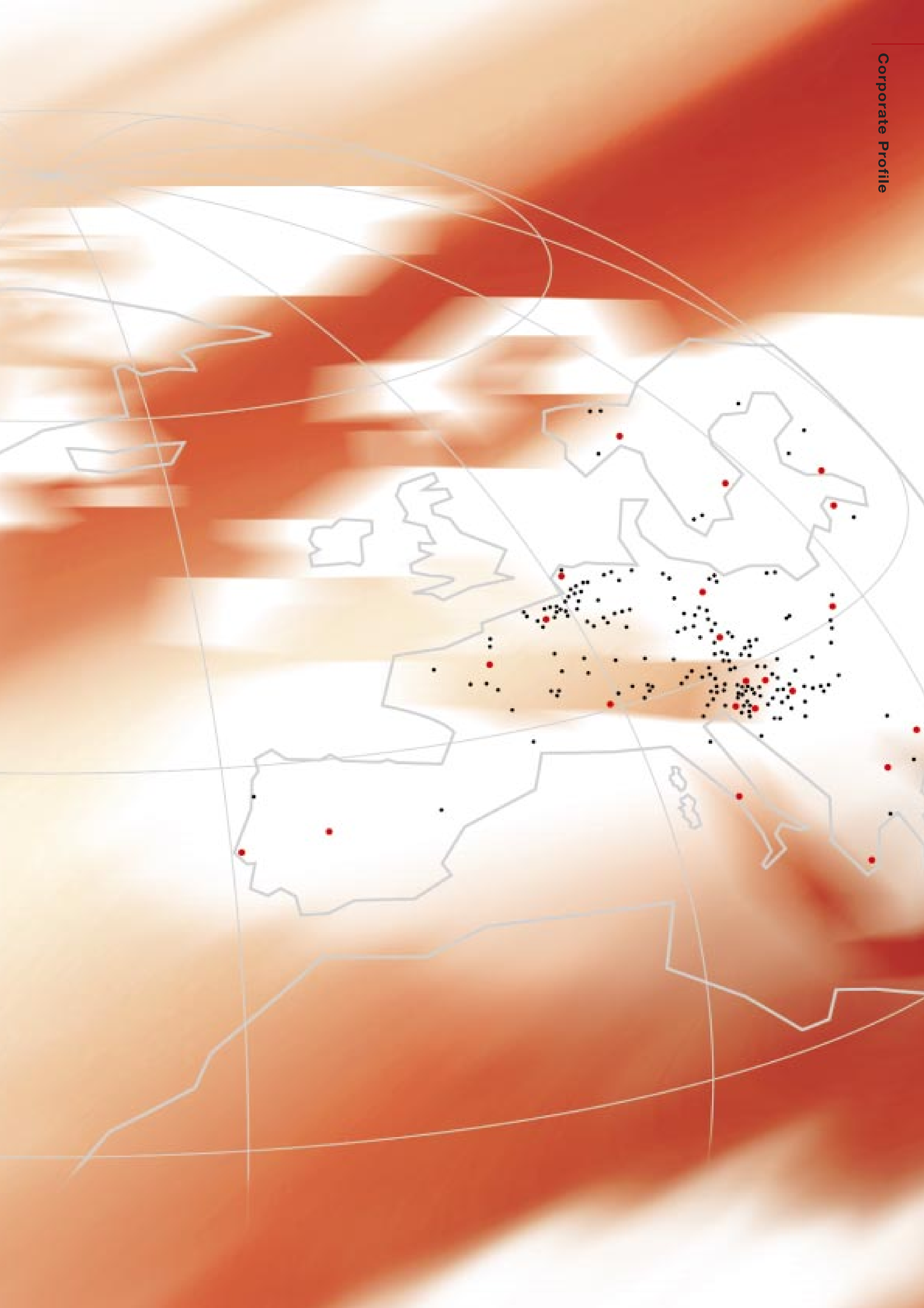
Turkey
Plastic pipes
Istanbul

Hungary
Hollow bricks
Abony
Balatonszentgyörgy
Bataszék
Békéscsaba III*
Köszeg
Mezötur
Örbottyán
Solymár I
Solymár II
Sopron
Ceilings
Köszeg
Concrete tiles
Kecskemet
Veszprém
Clay tiles
Békéscsaba I*
Békéscsaba II*
Csorna*
Plastic pipes
Csepel*
Debrezen*
Concrete pavers
Ócsa

USA
Facing bricks
Atlanta I, GA
Atlanta II, GA
Moncure I, NC
Moncure II, NC
Corbin, KY
Darlington, PN
Burlington, NC
Huntsville, AL
Johnson City, TN
Kingsport I, TN
Kingsport II, TN
Knoxville, TN
Beltsville, MD
Lee County, NC
Louisville I, KY
Louisville II, KY
Marion I, VA
Marion II, VA
Mooresville I, IN
Mooresville II, IN
Roanoke I, VA
Roanoke II, VA
Sanford, NC
Somerset, VA
Concrete products
Bristol, VA
Elizabethton, TN
Kingsport III, TN
McMinnville, TN
Kingsport IV, TN
Aggregates
West Memphis, AR
Sand
Hillsboro, TN

China
Plastic pipes
Chengdu I
Chengdu II
Nansha
Shanghai

Malaysia
Clay pipes
Kuala Lumpur*



Review of Operations

Performance above expectations

Above-average growth in building materials:
Sales +32% to € 1,162.5 million, EBIT +20% to € 136.5 million

€ 493.1 million invested in expansion of building materials activities

Number of plants increased from 178 to 212 in 26 countries

2000 – a year of return

The Economy in 1999

Global economy gains momentum

The worldwide economy was able to counteract the negative impact of financial and economic crises in the Emerging Markets during 1999.

With real growth of 4%, the USA again demonstrated its power as a motor for the global economy. Domestic demand was able to provide strong support for growth because of a stable employment market and general increase in wealth which followed rising stock prices. Inflation rose to 2.2% as a consequence of massive increases in the price of crude oil.

The Asian economy began to recover from its severe crisis, but a quick return to the high growth rates of the 1980's is not in sight. Expansive fiscal policies showed first positive results in Japan. A substantial increase in public expenditures pushed growth to nearly 1%, but structural problems continued to impede the recovery process.

The economy in the Euro Region also gained momentum during course of the year. Exports rose by 2% following an improvement in the international business climate, and unemployment declined slightly. The annual inflation rate remained low at 1.1%, but the higher cost of crude oil began to exert upward pressure on prices at year-end.

The economies of most Reform Countries were supported by economic developments in West Europe, whereby advanced countries such as Poland, the Czech Republic, Hungary and Slovenia profited most.

Construction supports economic growth

The European economy was also supported by the construction sector. Industry growth of nearly 3% exceeded the 2.1% rate for the economy as a whole. This upturn was triggered primarily by increases of 4.2% in commercial construction and 3.2% in civil engineering. At 2.8% housing starts lagged slightly below general developments in spite of high growth in France and Spain and a slowing of the downward trend in Germany. The renovation and modernization segment also remained below the industry norm at a level of 2.3%. Housing renovation – at 55%, the most important component – was stimulated by public subsidies in a number of regions.

The construction industry in East-Central Europe was unable to prolong recently dynamic developments. Significant declines were recorded in the civil engineering segment, but housing starts rose by a total of 9%. Positive developments were registered especially in Poland and the Czech Republic, but a decline was recorded in Hungary.

In the USA, the housing boom continued in spite of three separate increases in interest rates. Single family housing starts reached the highest level in 20 years, supported by strong demand which was generated by favorable stock market developments.

Construction Volume Western Europe

Western Europe	**1995**	**1996**	**1997**	**1998**	**1999e**
Austria	1.6	3.1	0.0	4.3	1.3
Belgium	1.4	-2.0	6.8	3.6	3.2
Finland	3.0	4.0	11.0	11.0	5.0
France	0.1	-3.8	-0.9	1.9	5.7
Germany	0.3	-2.9	-2.4	-4.1	-0.2
Great Britain	-0.6	2.3	3.0	1.7	2.0
Italy	1.0	2.0	0.7	2.9	5.3
Netherlands	1.8	2.4	2.9	2.1	4.6
Norway	-2.6	6.3	10.9	-4.9	-5.0
Portugal	5.8	3.9	12.4	6.0	4.6
Spain	5.0	-1.0	2.0	6.1	10.2
Sweden	-0.6	0.2	-8.8	5.2	4.8
Switzerland	-3.0	2.8	-1.6	-0.1	-2.9
Average	**0.9**	**-0.2**	**0.7**	**0.8**	**3.0**

Construction Volume East-Central Europe

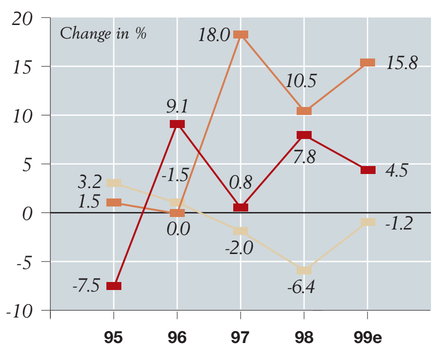
East-Central Europe	**1995**	**1996**	**1997**	**1998**	**1999e**
Czech Republic	8.5	5.7	-3.1	-9.5	-6.8
Hungary	3.0	1.1	6.0	4.0	7.0
Poland	5.6	3.0	12.2	9.0	5.6
Slovakia	2.5	8.7	9.9	-4.0	-27.3
Average	**5.6**	**3.6**	**7.8**	**3.9**	**1.9**

Construction Volume USA

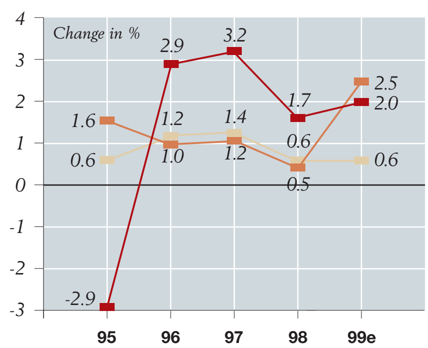
North America	**1995**	**1996**	**1997**	**1998**	**1999e**
USA	-0.7	6.1	2.7	7.8	4.5

New housing starts and renovation in Germany, Poland and USA

New housing starts



Renovation



Germany
Poland
USA

Sources: Euroconstruct, January 2000 and US Census Bureau, 1999; Real Change in %; e = estimated

1999 Highlights

During the reporting year we invested €493 million to enter the US market and further expand our building materials activities in Europe. More than 87% of these investments were made in the Wall, Ceiling and Roofing Systems business unit. Since early 1999 we have added 66 newly constructed or acquired plants to our industrial portfolio. A total of 19 plants were also sold or closed.

Wall, Ceiling and Roofing Systems

- Acquisition of General Shale, the second largest US brick producer, with 18 facing brick plants, 5 concrete block plants, and one plant each for sand and aggregates in 8 states
- Purchase of a 50% share in the building materials segment of ZZ Holding with 10 plants in Switzerland and Germany
- Acquisition of Later Chrudim with 4 hollow brick plants in the Czech Republic
- Purchase of the Czestochowa hollow brick plant and new construction of brick plants Dobre and Honoratka II in Poland
- Purchase of facing brick plant in Malliss, Germany
- 50% investment in hollow brick plant in Eisenberg, Germany
- Leasing of hollow brick plant in Lauterbach, Germany
- Acquisition of Balaton Téglaipari Kft. with 2 hollow brick plants in Abony and Balatonszentgyörgy, Hungary
- Majority investment in hollow brick plant in Ormoz, Slovenia
- Purchase of a majority share in the Dakovo brick and clay tile company in Croatia
- Closing of plants in Etzelkofen, Pieterlen and Tuggen in Switzerland, Mauthausen and Neckenmarkt in Austria, Ostyn and Sari in Belgium, and St. Sauveur in France

Pipe Systems and Sewage Technology

- Acquisition of the Mabo Group, one of the leading producers of plastic pipes in Scandinavia, with three plants in Norway, two each in Sweden and Finland, and one each in Poland and Estonia
- Integration of Wienerberger Far East activities in the Pipelife Group
- Purchase of V.W. Elektrorohre GmbH in Germany and development of a European electrical pipe division by Pipelife
- Acquisition of Calofrig Keramo and leasing of Borovany clay pipe plant in the Czech Republic by Steinzeug Abwassersysteme GmbH
- Start of construction on a pavers plant in Slovakia by Semmelrock
- Closing of plastic pipe plants at Compiegne in France, Granollers in Spain, and Krems in Austria

Financial Investments

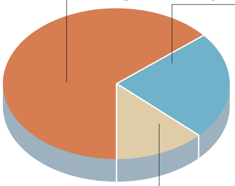
- Sale of 51% in Wipark Garagen GmbH to Immofinanz Immobilien Anlagen AG
- Start of construction for Vienna Twin Tower on the Wienerberg by the joint venture with Immofinanz Immobilien Anlagen AG

Our concentration strategy continued in 2000 with two key acquisitions in the USA, and a strengthening of our investments in Europe.

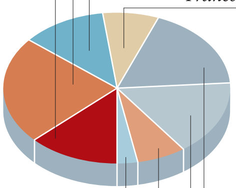
- Acquisition of Cherokee Sanford, the sixth largest brick producer in the USA, with 4 facing brick plants in North Carolina and one in Maryland
- Purchase of Darlington brick company with one facing brick plant in Pennsylvania
- Increase in share of Swiss ZZ building materials activities to 100% and parallel sale of 50% holding in the Wiekor Group to Koramic
- Increase of share in Steinzeug Abwassersysteme GmbH to 50% after approval by EU Commission
- Purchase of remaining 49% in Arili, a Turkish plastic pipe company, by the Pipelife Group

1999 Results Financial Analysis

Sales by Business Unit



Sales by Region



Reporting in EURO and according to IAS

In keeping with our standing as an international building materials group, Wienerberger uses International Accounting Standards (IAS) as the basis for accounting. This provides both shareholders and the public with reliable and internationally comparable data for evaluating our Company and its performance. IAS also form the basis for our implementation of Value Management. When the Euro was introduced we converted all reporting systems to this new currency, thereby making comparison easier.

1999 Results

Group sales rose by 17% to a level of € 1,337.5 million during the reporting year. The increase in the building materials segment was significantly higher at 32%, with 5% of this figure attributable to organic growth. Strong growth continued in Eastern Europe, with sales rising by 38% to € 239.2 million. After the initial consolidation of General Shale as of July 15, 1999 the share of sales recorded in the USA reached a level of 7%. In Western Europe, growth in Germany, Italy and the Benelux countries was partly offset by declines in Austria. We entered the pipe segment of the Scandinavian market by acquiring the Mabo Group, and proportional consolidation of this investment added € 67.1 million to sales.

A satisfactory increase was recorded in operating profit (EBIT) on building materials activities, which rose from € 113.7 million by 20% to € 136.5 million. This pushed EBIT to € 187.8 million despite strong declines in the metallurgy segment. Compared to the prior year, this represented growth of 15%. Operating profit recorded by the Wall, Ceiling and Roofing Systems and Pipe Systems and Sewage Technology business units rose from € 99.3 million (excluding income from the sale of the Sturm concrete business) by 35% to € 134.2 million. Organic growth represented 17% of this total. The improvement in earnings was generated by volume increases in Eastern Europe, initial earnings from new acquisitions, and a stable EBITA margin of 14.6%. In the Financial Investments business unit, operating profit of € 51.4 million exceeded the unusually high prior year results.

EBITA Development	1998	1999	Change
	in € mill.	*in € mill.*	*in %*
IAS-EBITA	**165.6**	**195.2**	**+18**
minus one-time real estate revenues	-13.2	-30.7	–
adjusted for gain on sale of companies	-13.6	-2.2	–
Adjusted EBITA	**138.8**	**162.3**	**+17**

EBITA by Business Unit	1998	1999	Change
	in € mill.	*in € mill.*	*in %*
Wall, Ceiling and Roofing Systems	101.9	122.4	+20
Pipe Systems and Sewage Technology	14.8	21.4	+45
Financial Investments	48.9	51.4	+5
Wienerberger Group	**165.6**	**195.2**	**+18**

Wall, Ceiling and Roofing Systems

The dynamic sales and earnings growth registered in our core business continued throughout 1999. Operating EBIT increased from € 86.9 million (excluding the gain on sale of the Sturm concrete business) to € 116.6 million. This 34% improvement was supported by a normalization of price levels in Germany and first results from the USA. Earnings in Eastern Europe remained stable, but a decline was recorded in the roofing segment. In total, the operating EBITA margin in our core business declined from 15.8 to 14.3%.

Pipe Systems and Sewage Technology

All segments of the Pipe Systems and Sewage Technology business unit contributed to sustained growth in EBIT, which rose from € 13.2 to 19.9 million. The acquisition of Mabo generated additional income, and the Pipelife division was able to increase earnings despite high one-time costs related to plant closures. The transfer of Far East activities to the Pipelife joint venture resulted in a one-time gain on sale of € 2.2 million. The clay pipe business, which is consolidated at equity, profited from the merger of Steinzeug Abwassersysteme GmbH with the Keramo Group. Earnings increased by 20% to € 4.3 million.

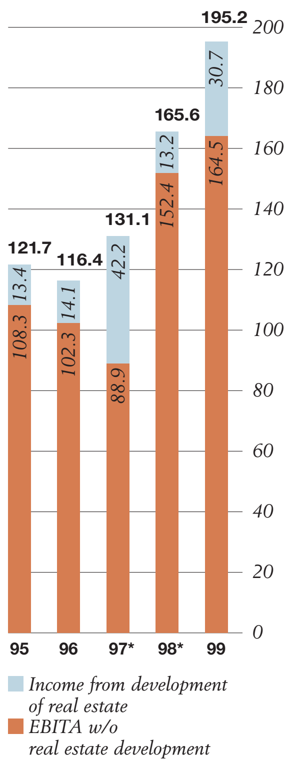
Financial Investments

The expected decline in metallurgy segment earnings, which resulted solely from falling prices, was heavier than forecasted at 54%. In spite of this negative impact, Treibacher made an important contribution of € 14.7 million to EBIT. The sale of a 51% share in Wipark Garagen GmbH at a profit of € 30.7 million confirmed our successful work in the other investments area during recent years, and demonstrates our strategic commitment to concentration.

The number of employees increased from 7,988 by 30% to 10,374 as the result of acquisition activity, and personnel expenses rose accordingly from € 243.8 to 309.4 million. Depreciation of operating assets (excluding the amortization of goodwill) rose from 8.1 to 8.5%. This figure, which is high in international comparison, resulted from extensive investment in recent years and indicates the considerable technical potential of our Group.

Development of EBITA

in € mill.



*according to IAS

EPS exceed prior year by 6%

Financial results declined to – € 9.3 million during the reporting year. The increase in debt as a result of acquisitions and planned reduction in cash and cash equivalents led to a decrease to -€ 17.6 million in net financial results. Associated companies valued at equity generated earnings of € 5.1 million in 1999, compared to € 2.4 million in the prior year. Taxes on income rose by 15.7% to € 53.9 million, and the tax rate equaled 30%. In spite of the decrease in financial results, Group net income rose by 7% over the prior year to € 124.7 million. Earnings per share increased by 6% over 1998, reaching a level of € 1.74.

Profit and Loss Account – Summary	1998	1999	Change
	in € mill.	*in € mill.*	*in %*
Sales	1,143.3	1,337.5	+17
Other income	86.8	110.7	+28
Total output	**1,230.1**	**1,448.2**	**+18**
Cost of materials	-529.1	-586.3	+11
Personnel expenses	-243.8	-309.4	+27
Depreciation	-92.6	-113.7	+23
Other operating expenses	-199.0	-243.6	+22
EBITA (Operating profit before amort. of goodwill)	**165.6**	**195.2**	**+18**
Amortization of goodwill	-3.0	-7.3	> 100
EBIT (Operating profit)	**162.6**	**187.8**	**+15**
Financial results	0.5	-9.3	> 100
Profit before tax	**163.1**	**178.6**	**+10**
Income taxes	-46.6	-53.9	+16
Net income	**116.5**	**124.7**	**+7**

Assets and Financing

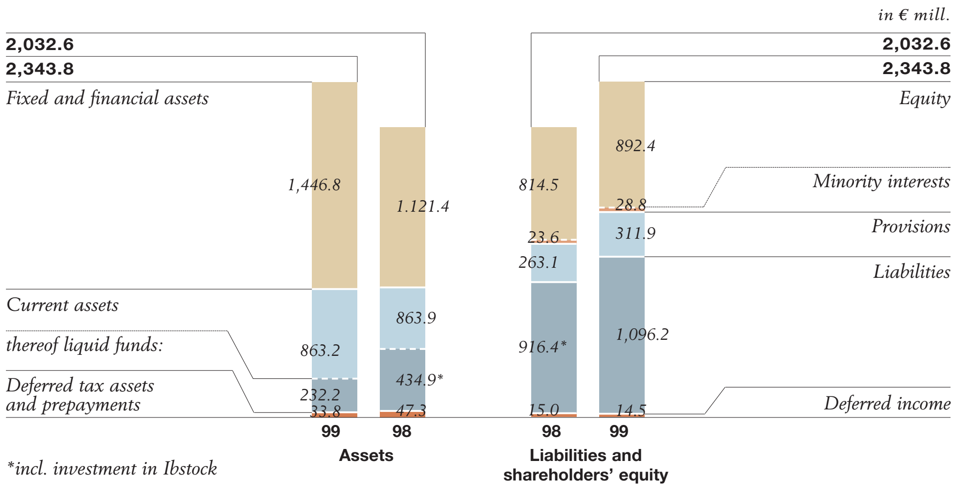
The balance sheet structure of the Wienerberger Group is characteristic for the building materials industry, and shows a high fixed asset component and above-average long-term financing. Fixed assets represent 81% of Capital Employed. Capital expenditures and investments in intangible assets resulted in an

Balance Sheet Development	1998	Purchase/Sale	Organic	1999
	in € mill.	*in € mill.*	*in € mill.*	*in € mill.*
Fixed and financial assets	1,121.4	307.2	18.2	1,446.8
Inventories	223.4	30.8	11.2	265.4
Other current assets	687.8	-225.0	168.8	631.6
Balance Sheet Total	**2,032.6**	**113.0**	**198.2**	**2,343.8**
Equity and minority interests	838.0	38.1	45.2	921.2
Provisions	263.2	49.5	-0.9	311.9
Liabilities	931.4	25.4	153.9	1,110.7

increase of 29% in fixed and financial assets to € 1,446.8 million. Additions exceeded depreciation by 28.5%.

Initial consolidations increased fixed and intangible assets by € 369.7 million. Goodwill of € 163.8 million resulted from acquisitions, with € 148.2 million coming from General Shale alone. Fixed and intangible assets declined by € 85.4 million following the sale of shares in Wipark and "Wienerberg City", and the transfer of plastic pipe activities in China to Pipelife. This figure was offset by new investments of € 28.2 million.

Development of the Balance Sheet Structure



*incl. investment in Ibstock

Excluding the effects of acquisitions, inventories remained relatively stable at € 265.4 million in contrast to the annual highs customary at year-end. The increase in receivables attributable to newly acquired subsidiaries was offset by price-related declines in sales and receivables at Treibacher. The initial equity valuation of Koramic-Wienerberger Dachprodukte Holding GmbH and "Wienerberg City" Errichtungsges. m. b. H. led to an increase of € 75.3 million in other receivables. Receivables remained relatively constant in all other operating segments.

Decrease in liquid funds to finance acquisitions

The development of liquid funds (cash, bank deposits, and marketable securities) reflected forecasted inflows from security redemptions. The decrease in liquidity was used primarily to finance new acquisitions.

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 of € 14.1 million are offset by provisions for deferred taxes of € 127.3 million.

Group equity rose by 10% from € 814.1 to 892.4 million during the reporting year, confirming the traditionally high degree of internal financing at Wienerberger. This increase of € 120.4 million from Group net income is offset by outflows of € 31.5 million resulting from higher dividends paid by Wienerberger Baustoffindustrie AG and a € 0.8 million change in the currency translation adjustment. The repurchase of Wienerberger shares decreased Group equity by € 11.6 million. The equity ratio remained stable at 38.1% in spite of the sizeable balance sheet increases brought about by new acquisitions. Equity covers 61.7% of fixed and financial assets.

The increase in provisions from € 263.1 to 312.0 million resulted solely from companies consolidated for the first time. In addition to deferred taxes, € 89.8 million of remaining provisions are long-term in nature.

Gearing 62.2%

High asset additions and acquisitions resulted in an increase of 22% in financial liabilities to € 901.8 million. Net debt, or financial liabilities less liquid funds, rose from € 249.1 to 573.1 million. Gearing, the ratio of net debt to equity, increased to 62.2% as expected. This financial structure optimization led to a reduction in the weighted average cost of capital (WACC) from 9 to 8%. Long-term financing (equity, long-term provisions, and long-term liabilities) covered 107.9% of fixed and financial assets.

Balance Sheet – Summary	31.12.1998	31.12.1999	Change
	in € mill.	*in € mill.*	*in %*
Tangible and intangible assets	970.4	1,249.6	+29
Financial assets	151.0	197.2	+31
Fixed and financial assets	**1,121.4**	**1,446.8**	**+29**
Inventories	223.4	265.4	+19
Receivables	205.6	365.6	+78
Liquid funds	434.9	232.2	-47
Current assets	**863.9**	**863.2**	**–**
Deferred tax assets and prepayments	47.3	33.8	-29
Total assets	**2,032.6**	**2,343.8**	**+15**
Equity	814.4	892.4	+10
Minority interests	23.6	28.8	+22
Provisions	263.2	311.9	+19
Liabilities	916.4	1,096.2	+20
Deferred income	15.0	14.5	-3
Total liabilities and shareholders' equity	**2,032.6**	**2,343.8**	**+15**

Balance Sheet Indicators		1998	1999
Equity ratio	*in %*	40.1	38.1
Gearing	*in %*	29.7	62.2
Net debt	*in € mill.*	249.1	573.1
Asset coverage	*in %*	72.6	61.7

Cash Flow

Cash flow from operating activities – excluding changes in the consolidation range and currency translation adjustments – decreased by 23% to € 132.1 million during the reporting year. This was due primarily to a reduced inflow of funds from Treibacher and loans granted to associated companies consolidated at equity. Higher earnings from the real estate segment will first affect cash flow this year.

€ 344.9 million for business acquisitions

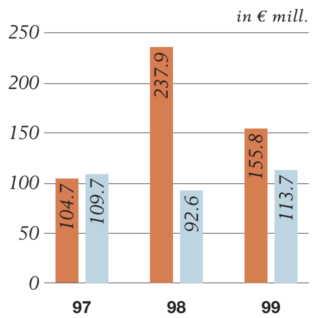
Cash flow of - € 455.1 million from investing activities was marked by a high volume of investments. Additions to tangible and intangible assets totaled € 155.8 million. Nearly 72% of this amount, or € 112.2 million, was invested in the core Wall, Ceiling and Roofing Systems business unit. A total of €344.9 was also spent to acquire new companies. Due to the unusually high amount of funds spent on acquisitions, cash flow from operating activities was able to offset only 29% of cash outflows from investing activities.

Cash flow from financing activities decreased, since prior year data includes outside financing for the Ibstock shares which were held for a short period of time. After the deduction of € 31.5 million in dividends, cash and cash equivalents declined by € 202.6 to a total of 232.2 million.

Cash Flow Statement – Summary	1998	1999
	in € mill.	*in € mill.*
Cash flow from operating activities	170.7	132.1
Cash flow from investing activities	-265.7	-455.1
Cash flow from financing activities	281.3	120.4
Change in cash and cash equivalents	**186.3**	**-202.6**
Cash and cash equivalents at end of period	**434.9**	**232.2**
Free cash flow	**-95.5**	**-313.7**

Capital Expenditures and Acquisitions

Capital Expenditures and Depreciation

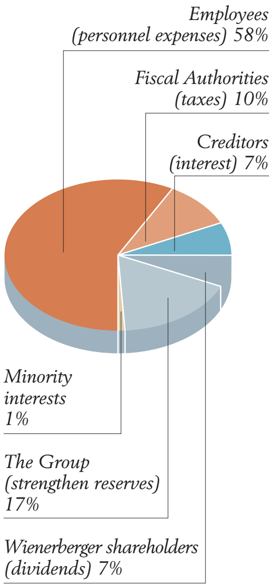


A total of €155.8 million was invested in tangible and intangible assets during the reporting year. New acquisitions totaled €344.9 million, and centered primarily on General Shale and Mabo. The majority of asset additions, or 72%, were made in the Wall, Ceiling and Roofing Systems business unit. The sale of investments in other companies generated proceeds of €41.5 million for the Financial Investments business unit, but the greater part will only affect cash flow this year. On a regional basis, 51% of asset additions was made in the USA followed by 16% in East Europe, 15% in North Europe and 6% in West Europe. Investment activity in Germany slowed as planned.

Capex by Business Unit	**1998**	**1999**	**Change**
	in € mill.	*in € mill.*	*in € mill.*
Wall, Ceiling and Roofing Systems	206.0	112.2	-46
Pipe Systems and Sewage Technology	16.6	36.0	> 100
Financial Investments	15.3	7.6	-50
Wienerberger Group	**237.9**	**155.8**	**-35**

Net Value Added

Distribution of Value Added



Net value added is the difference between realized sales and the cost of goods and services. This indicator rose by 22% during the reporting year to €528.6 million and is distributed among our shareholders, creditors, public authorities, and our employees.

Net Value Added	**1998**	**1999**	**Change**
	in € mill.	*in € mill.*	*in %*
Employees (Personnel expenses)	243.8	309.4	+27
thereof Wages and salaries	180.5	231.9	+29
Severance payments and pensions	7.2	10.5	+46
Employee-related expenses	56.2	67.1	+19
Fiscal authorities (Taxes)	46.6	53.9	+16
Creditors (Interest)	31.6	36.7	+16
Wienerberger shareholders (Dividend)	31.5	34.7	+10
The Group (Increase in reserves)	76.7	89.6	+17
minority shareholders	2.8	4.3	+56
Total Value Added	**433.1**	**528.6**	**+22**

Wienerberger Value Management

Value Figures		1998	1999
ROCE [1]	*in %*	12.4	10.1
EVA [2]	*in € mill.*	31.9	27.0
Earnings per share	*in €*	1.64	1.74
Gearing	*in %*	29.7	62.2
Free cash flow	*in € mill.*	-95.5	-313.7

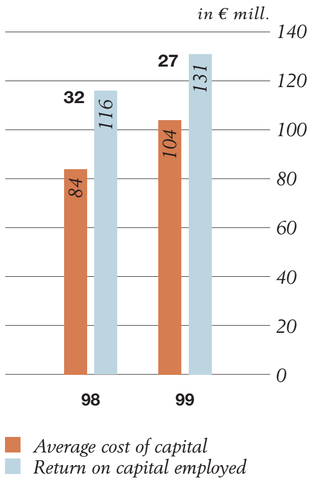
[1] Return on Capital Employed = NOPAT : Capital Employed
NOPAT = Net Operating Profit after Tax = EBIT - taxes - adjusted taxes
CAPITAL EMPLOYED = Equity + interest-bearing debt (incl. net intercompany balance) - liquid funds - financial assets
[2] Economic Value Added = CAPITAL EMPLOYED x (ROCE – WACC); WACC = 8% in 1999, 9% in 1998

During the reporting year, we continued to expand Wienerberger Value Management to include our entire management system. Our key benchmarks are ROCE and EVA.

EVA reached €27.0 million in 1999, with both positive and negative factors influencing this outcome. Heavy investment and expansion activity exerted downward pressure on this indicator. In addition, consolidated results include total capital employed but only five and one-half months of earnings from General Shale. Excluding these factors would increase EVA by €18.5 million. Earnings from the Wipark sale and the Group's improved financing structure were positive factors. The weighted average cost of capital (WACC) decreased from 9 to 8%.

ROCE declined temporarily from 12.4% to 10.1%, but continued to exceed the cost of capital by a sizeable margin. Our mid-range goal for ROCE remains 12% for all building materials activities.

Economic Value Added (EVA)



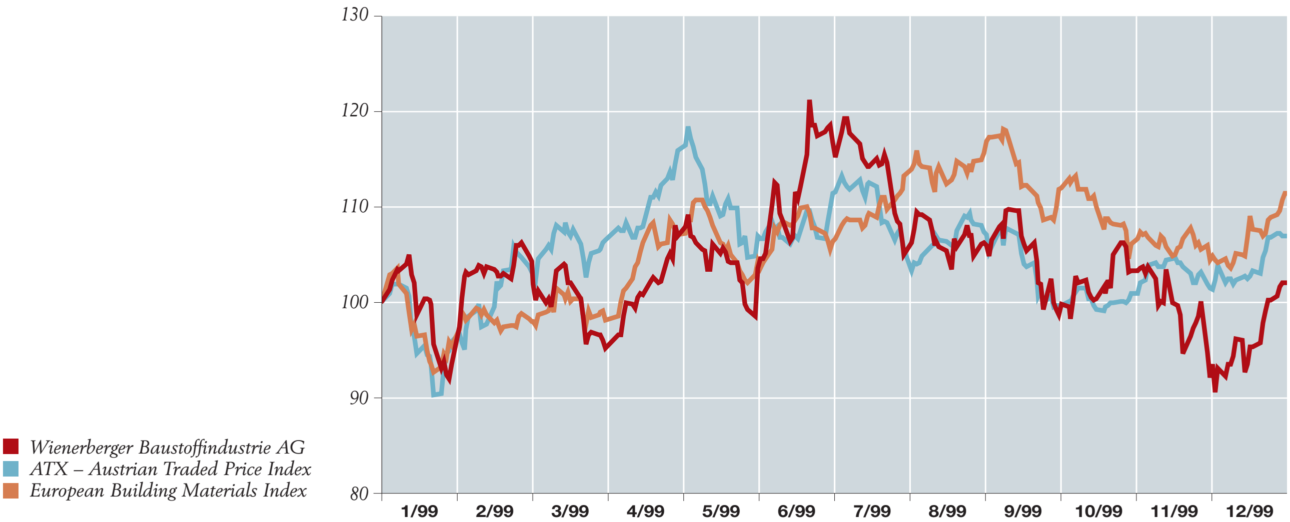
Calculation of Return on Capital Employed		1998	1999
EBIT (Operating profit)	*in € mill.*	162.6	187.8
Taxes	*in € mill.*	-46.6	-53.9
Adjusted taxes	*in € mill.*	+0.1	-3.1
NOPAT	*in € mill.*	**116.1**	**130.8**
Shareholders' equity and Minority interests	*in € mill.*	838.1	921.2
Interest-bearing debt (incl. intercompany balance)	*in € mill.*	684.0	805.3
Liquid funds and Financial assets	*in € mill.*	-586.0	-429.4
Capital Employed	*in € mill.*	**936.1**	**1.297.1**
ROCE	*in %*	**12.4**	**10.1**

The Wienerberger Share

The Vienna Stock Market (ATX) registered only a modest gain of 6.9% for 1999. This development was all the more disappointing in international comparison, since a number of leading exchanges celebrated record growth. The ATX was not even in a position to offset the 13.5% decline recorded in 1998. In comparison, the DJ Industrial rose by 25.2%, the DAX by 39.1%, the FT-SE 100 by 17.8% and the SMI by 5.7%[1].

Mixed developments in share price

The price of the Wienerberger share fluctuated considerably during 1999. By mid-June the stock had risen to its 1999 high of €26.2, outperforming both the ATX and European Building Materials Index. During the second half of the year, the Wienerberger Share was pressured by fears of a presumed decline in earnings, on-going weakness in the ATX, and corrections throughout the sector. Our Share closed the year at €21.6, or 1.9% above the prior year level.



The performance of the Wienerberger Share remained below expectations in 1999. This under-valuation combined with the Company's satisfactory development and positive earnings forecasts for 2000 translates into potential for future share price increases. Our evaluation has also been confirmed by recent "buy" recommendations from a number of well-known securities analysts.

Dividend policy at Wienerberger is based on steady growth. The Managing Board therefore recommends an increase in the dividend by 11% from €0.45 to 0.50 per share for the 1999 business year. Total dividends paid will therefore increase to over €34.7 million, for a pay-out ratio of 29%.

1) Values adjusted for currency fluctuations

With turnover of €925.4 million or an average of 88,206 shares per day, Wienerberger remained among the 10 most popular stocks on the Vienna Exchange during 1999. On the Austrian Futures and Options Exchange (ÖTOB), 43,794 options contracts for Wienerberger stock were traded with a total value of €334 million.

Shareholder Structure

With market capitalization of over €1.4 billion and approximately 7% of the ATX volume, Wienerberger is one of the largest public companies in Austria. Majority shareholder is the Wienerberger Holding GmbH, which owns 50% plus 24 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 2000 placed the Austrian component of free float at 53%. The largest contingent of foreign investors is still represented by the USA at 11%. Substantial investments are also held in Switzerland, Great Britain, Belgium, Germany, Luxembourg and France. Wienerberger stock is owned 71% by institutional investors and 20% by private shareholders.

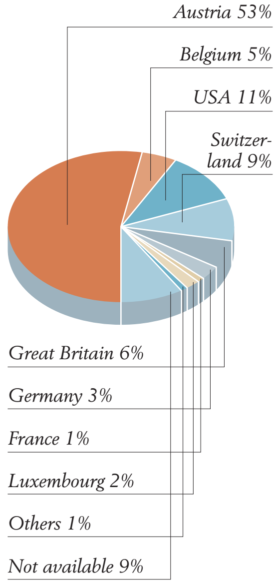
Investor Relations

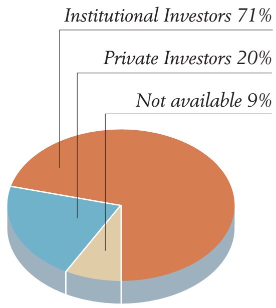
Numerous meetings with investors and analysts in Austria and other countries – including an analysts meeting in Warsaw which provided wide-ranging information on our activities in Eastern Europe – formed the basis of our investor relations work in 1999. To make the Wienerberger Share more attractive for individual shareholders, the stock was split at 1:8 in June 1999 in combination with the conversion of share capital from nominal value to Euro shares. Neither the ownership structure nor the distribution of voting rights was changed by these measures. Our continuous and transparent information policies led to initial coverage by leading international investment houses such as Merrill Lynch and HSBC. In addition, Wienerberger is also covered by Salomon Smith Barney, CS First Boston, Schroders and the Austrian CA-IB, Erste Bank and RZB.

Informations on the Wienerberger Share:

Telephone: +43 (1) 60192-463	Vienna Stock Exchange: WIE	Datastream: O: WNBA
E-mail: investor@wienerberger.com	Reuters: WBSV.VI	ADR Level 1: WBRBY
Internet: www.wienerberger.com	Bloomberg: WBST AV	Stock number: 083170

Shareholder structure/ 50% Free float





world of WIENERBERGER

Research and Development, the Environment

New generation of bricks for low-energy houses

In the brick segment, we are working to increase the thermal insulation of monolithic (single layer) brick walls. The newest generation of Wienerberger bricks reduces thermal conductivity by up to one-third and meets the standards for low-energy houses, even those with single brick walls and no additional insulation. The "V-Plus System" was successful in trials and has been introduced on the market. Housing construction with the plane brick system was made better and more economical by increasing strength and acoustic insulation through the addition of glass fibre fleece to the thin layer mortar.

Special application bricks

Milestones in the development of specialized brick systems are our "earthquake bricks", large format facing bricks and modular facing bricks. Our new generation of bricks for earthquake zones adds increased stability to the well-known benefits of modern bricks – greater thermal and acoustic insulation, lower use of materials and short construction time. Our new large format facing bricks for non-plastered industrial, commercial and agricultural buildings represent an optimal combination of economy, thermal insulation and attractive appearance. These benefits can also be found in our new modular facing bricks, which are designed to meet the demands of modern industrial facades.

Work proceeded on further refinements to our proven fast dry, quick burning process for bricks. The expansion of external regenerating after-burning systems improved environmental compatibility and further reduced energy and production costs.

Successful developments in pipe segment

At Pipelife research centers in the Netherlands and Norway, we joined together with suppliers and customers to develop new solutions and processes. Results include a low cost process for the production of multi-layer pipes and corrosion-proof pipes for the oil industry.

Steinzeug Abwassersysteme GmbH completed development work on a quick burning method for clay pipes in 1999. Beginning in 2001 this new technology will reduce the cost of manufacturing clay pipes, and make an active contribution to the more efficient use of resources by reducing the amount of energy required for production.

Award for Treibacher

The Treibacher Industries' production process for high-quality metal compounds was awarded the Research and Development Prize of the Province of Carinthia as well as special recognition by the Austrian Society for Environmental Protection and Technology.

Employees

Our industrial expansion in recent years has been the result of directed efforts and high personal engagement by all our employees. Their actions are focused by our fundamental guidelines "Concentration and Consistency" and "Entrepreneurs in Group Companies" in many decentralized units with clearly defined responsibilities, which provide the necessary freedom for entrepreneurial development.

Entrepreneurs are characterized by an emotional attachment to their companies and financial involvement in the results of their work. Our Wienerberger Value Management was recently further strengthened by the implementation of a first Performance Share Plan. Seventy-two top executives made an individual investment in Wienerberger shares to demonstrate their personal commitment. After meeting this requirement they were given stock options. The requirements, names of participants, and an interim report audited by KPMG is included in the Notes on pages 95 to 97.

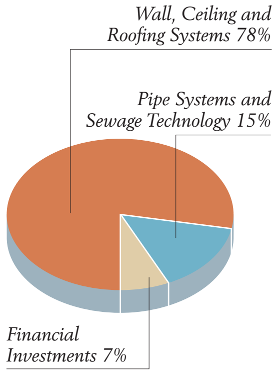
In addition to the Performance Share Plan for management, a stock participation plan for all employees is under development. We will support the purchase of Wienerberger stock in the form of 25% free shares on all Wienerberger shares purchased within a period of one year. The upper limit for this bonus is €725 per employee and year. This stock participation model will be introduced on a country to country basis in keeping with local tax regulations. In Austria, the program is scheduled for implementation this year.

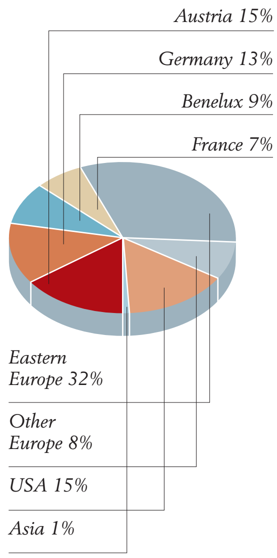
In order to improve internal communications, we plan to further expand the Intranet. Our goal is to create a future-oriented information platform and promote the exchange of know-how between employees and external partners.

In addition to individual programs, increased emphasis was placed on management training. Selected employees attended international top executive programs as part of our mid-range personnel planning.

At Wienerberger, our personnel policy will continue to focus on decentralization and multi-cultural diversity. All our efforts are based on the principle "Together simply better".

10,374 employees worldwide





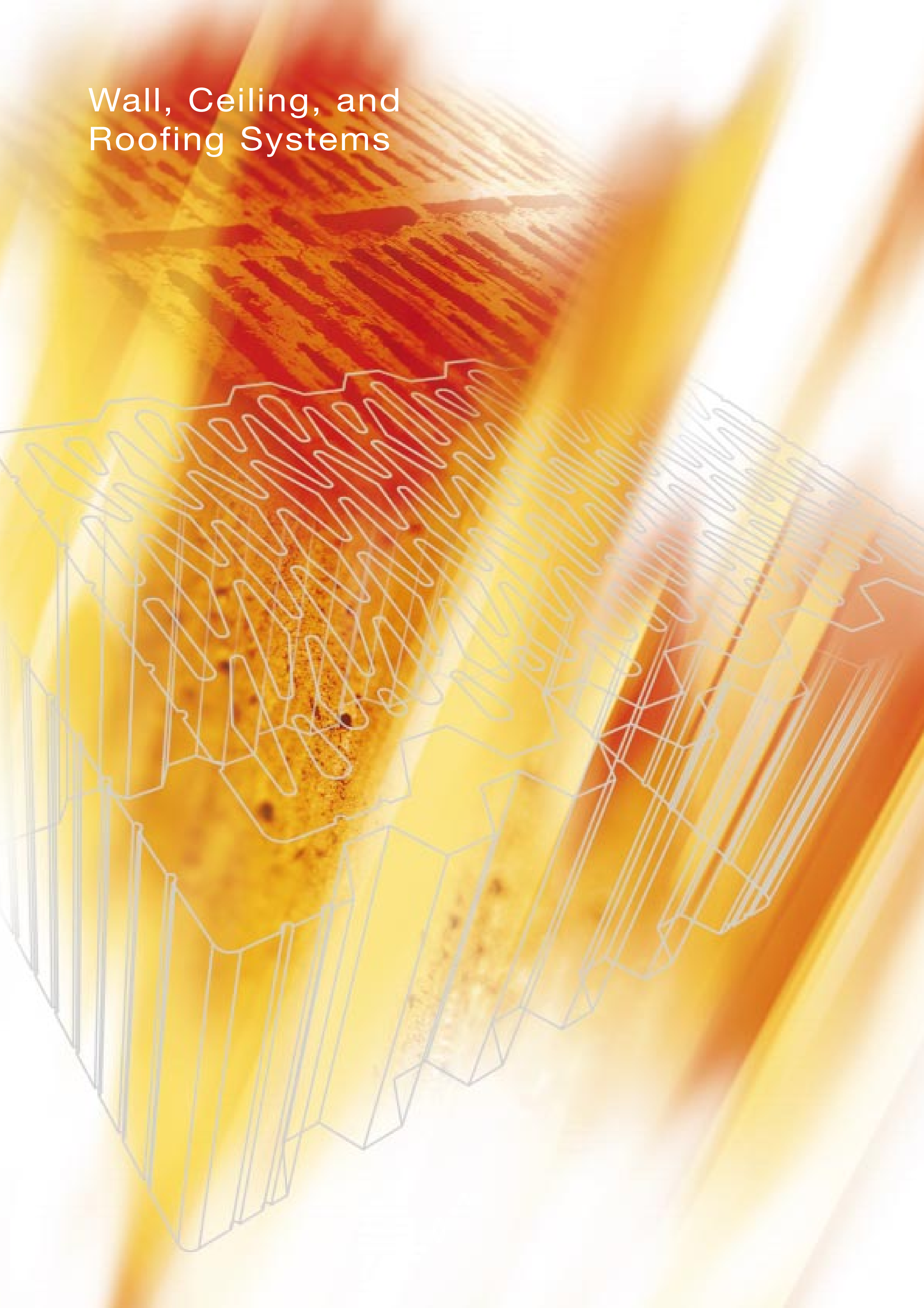
Performance of Strategic Business Units

Entry into US market and good results in brick segment

Entry into Scandinavian market and continued growth in pipe business

Stable performance by financial investments

Wall, Ceiling, and Roofing Systems



Our Products

Wall Systems:
Hollow bricks
Facing bricks
Ceiling Systems:
Brick-based ceilings
Concrete girders
Ceiling elements
Chimney systems
Paving bricks
Roofing Systems:
Clay tiles
Concrete tiles

Our Companies

Wienerberger Ziegelindustrie AG (100%)
Wienerberger Ziegelindustrie GmbH (100%)
Terca Bricks N. V. (100%)
Wienerberger Briques SA (100%)
General Shale Products, LLC (100%)

Wienerberger Dach Beteiligungs GmbH (100%)
Bramac Dachsysteme International GmbH (50%)
Tondach Gleinstätten AG (25%)

Plants

168 Production sites:
in Austria, Belgium, Bulgaria, Croatia, Czech Republic, France, Germany, Hungary, Italy, Netherlands, Poland, Slovakia, Slovenia, Switzerland, and the USA

in € mill.		1998	1999	Change
				in %
Sales		643.4	857.8	+33 [1]
EBITDA		174.3	214.9	+23
EBITA		101.9	122.4	+20
EBITA margin	*in %*	15.8	14.3	-10
EBIT		100.5 [2]	116.6	+16 [3]
Profit before tax		88.3	100.0	+13
ROCE	*in %*	10.1	6.6	-35 [5]
EVA [4]		8.2	-15.1	> 100
Cash Flow		138.6	159.3	+15
Capex		206.0	112.2	-46
Employees		5,973	8,129	+36

1) organic growth 4 %
2) incl. gain on sale of Sturm concrete business: €13.6 million
3) organic growth excl. gain on sale of Sturm concrete business in 1998 = 18 %
4) WACC = 8% in '99, 9% in '98
5) mainly due to total Capital employed of General Shale but only 5.5 months NOPAT contribution

Wall, Ceiling, and Roofing Systems

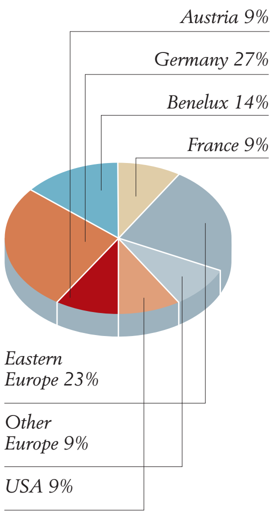
World's largest brick producer

The traditional core business of the Wienerberger Group "Wall, Ceiling, and Roofing Systems" has developed since 1986 from a local Austrian brick company into the largest manufacturer of bricks in the world. Investments in leading roofing companies throughout Central and Eastern Europe complement our brick portfolio. This business unit currently operates 140 plants for bricks, concrete products and chimney systems and 28 plants for clay tiles and concrete tiles in a total of 15 countries.

High rates of growth

The 1999 business year was characterized by high growth. Sales rose by 33% from € 643.4 to 857.8 million, and operating EBIT (excl. gain on sale of Sturm concrete business) by 34% from € 86.9 to 116.6 million. The organic growth components of these two rates equaled 4 and 18%, respectively. € 430.5 million or 86% of total investments made by the Wienerberger Group in 1999 were directed towards expansion of the brick and roofing businesses.

Sales by Region



The most outstanding event of the reporting year was our entry into the US market in July through the acquisition of General Shale for USD 260 million from the Etex/Marley Group. General Shale is the second largest producer of bricks in the United States, with plants in the Southeast and Midwest. These two regions account for 75% of brick sales in the USA. They are considered core markets for bricks, and are characterized by high demand and population growth. This company leads the market in nearly all states in which it operates production facilities.

After successful development of our leading position on the European market, the USA was a logical next step in the worldwide expansion of our core brick business. General Shale represented a unique opportunity for Wienerberger to enter the world's largest facing brick market and, at the same time, establish an ideal base for further growth in the USA.

Wienerberger Ziegelindustrie AG Central, South and East Europe

In Austria the decline in new housing starts continued at a rate of -7.2%, leading to a significant drop in both prices and volume. Countermeasures focused on cost reduction, capacity adjustment, and greater emphasis on product development. Together with partners in the construction industry, we increased marketing activities for pre-fabricated all-brick houses through our "Massivwerthaus" platform. These measures were unable to prevent another sizable decline in earnings, however.

Reorganization of activities in Switzerland

In Switzerland Wienerberger and Koramic purchased the building materials segment of Zürcher Ziegeleien during the first half of 1999. This business was then merged from an organizational standpoint with the Keramik Laufen clay tile plant acquired in the prior year. At the beginning of 2000, we increased all holdings in Switzerland to 100%. Activities during the reporting year focused on reorganizing the company to optimize synergies. The reporting year was negatively affected by difficult conditions on the hollow brick market and resulting structural corrections. For 2000 we expect this stronger and restructured base to generate a significant improvement in performance.

Earnings growth in Italy

In Italy the year-long decline in housing construction has reached its low point. Economic adjustments have forced less efficient competitors and excess capacity from the market, and prices have shown first signs of recovery. Systematic cost reduction in our plants and better use of capacity resulted in a noticeable improvement in results.

Expansion of market leadership in Czech Republic

Construction volume in the Czech Republic registered a severe drop to -6.8%. This problematic business environment was used as an opportunity to acquire the second largest brick company, Later Chrudim a.s., and considerably increase market share. All brick plants operated at full capacity as the result of increased exports to Poland. Sizable declines in margins on both domestic sales and exports forced earnings below the 1998 record, but performance still remained high. In Slovakia the Boleraz brick plant was reconstructed and reopened successfully. Due to difficult business conditions, results fell below the high prior year level.

A difficult period in Hungary during the first half of 1999 was used as an opportunity to acquire the second largest brick company, Balaton Téglaipari Kft., and further increase market share. After slow development during the first six months, the construction industry gained momentum during the second half of the year. As a result, sales and earnings registered another significant increase. In Croatia the Karlovac brick plant operated at full capacity and we started to reorganize the newly acquired Cetera Dakovo brick company. In Slovenia the Opekarna Ormoz brick company was integrated into our organization, and was able to increase market share following an optimization of production and introduction of new brick products.

Focus on investments in Poland

In 1999 our investment activity in Eastern Europe focused on Poland. Production was optimized at the newly renovated plants in Honoratka und Zielonka. The construction of plants in Honoratka and Dobre was completed, and operations began after weather-related delays. A sizeable increase in brick imports from our plants in the Czech Republic helped increase market share quickly to 20%. As expected, earnings were negatively affected by the investment phase and extensive start-up costs. In spite of these factors, results for the year were clearly positive.

Positive developments in Germany

Wienerberger Ziegelindustrie GmbH / Germany

In contrast to the negative trend registered by the German construction industry, our brick activities showed excellent development in 1999. An increase in new construction of single and two family houses had a positive effect on bricks, which are the dominant product in this segment. In addition, the market accepted price increases for the first time since 1995. Structural adjustments to the market and better use of plant capacity led to significant earnings growth in the Poroton brick segment. For this year, we also expect a slight increase in sales volumes and prices in this key brick market.

The regional additions of manufacturing equipment and production sites for both hollow bricks (Poroton) and facing bricks will have a positive impact in the future. State-of-the-art plants with related cost advantages provided the basis for development and production of innovative products with improved technical qualities, which complement our existing product lines. New production equipment for brick wall elements, story-high chimneys, hollow concrete walls for basements, and new facing bricks for commercial construction will open new future-oriented market segments.

A product mix coordinated with Schlagmann, our holding in Southern Bavaria, will strengthen our extensive coverage of the German market and safeguard our clear leadership position.

Terca Bricks N.V. / Belgium, Netherlands

The business activities of the Terca Group are concentrated on core markets in Belgium and the Netherlands, and on exports to England. The German marketing company has since been merged with the facing brick segment of Wienerberger Ziegelindustrie in Germany. During the reporting year, Terca was able to slightly increase its share of the stable Dutch brick market. Product innovation and successful entry into the paving brick segment supported this positive development. In Belgium economic factors triggered a decrease in new housing starts. Terca was able to counteract this trend in the hollow brick segment, and increase earnings as a result of a superior cost structure. Declining sales of facing bricks in Belgium were offset by higher exports.

Optimization of costs in Belgium and Holland

Following the start-up of operations at the Zonnebeke hollow brick plant, two small older plants were closed. The investment program provided considerable support for product development and cost reductions, and SAP was successfully implemented in all areas of the company.

Extensive cost reduction and optimization measures stabilized earnings in spite of rising excess capacity in the company's home markets of Belgium and the Netherlands, which are showing stable to declining development.

Wienerberger Briques SA / France

Integration of French activities

Over the last two years, Wienerberger Briques SA has been successfully developed as a French company within the Wienerberger Group. The hollow brick segment of Sturm SA was merged with the French facing brick unit of Terca Briques SA. During the reporting year, activities focused on the integration of two plants acquired from Keramik Laufen. These steps will lead to a significant reduction in fixed costs this year.

The French economy demonstrated excellent growth in 1999, and new housing starts increased at a considerable rate. The development of new hollow brick markets outside the Alsace region began to show positive results, and helped offset declining exports. We were able to strengthen our good market position in the facing brick segment. The closing of the St. Sauveur plant and adjustment of capacity in other plants had a positive effect on earnings.

Positive outlook for 2000

We expect growth in the housing market to continue throughout 2000. Better use of production capacity, a leaner product line, and successful implementation of SAP will provide the basis to further reduce costs and increase earnings.

General Shale Products LLC / USA

Plant operations at full capacity

1999 was an excellent year for the US building materials industry. New housing starts and the demand for bricks remained extremely high, and General Shale recorded the best year in its history. Single family housing construction registered the highest growth in 21 years. General Shale plants operated at 95% capacity and were unable to keep pace with demand during the second half of the year.

General Shale is an ideal platform for further growth in the USA, and the company has already taken additional expansion steps which have only a slight regional overlap. The acquisitions of the Cherokee Sanford Group in North Carolina and Darlington Brick Company in Pennsylvania represent excellent additions to market share and profitability. Total capacity has already reached a level of 1.5 billion US brick units. As a first step to optimize US activities, construction was started on a concrete block plant. The subsequent relocation of production and closing of four smaller plants will considerable increase economies of scale.

Despite an expected decline in new housing starts this year, we expect improved performance based on the use of synergy potential in our US companies and higher consumer demand for bricks.

Wienerberger Dach Beteiligungs GmbH Central-East Europe

Reorganization of roofing activities

Wienerberger Dach Beteiligungs GmbH coordinates the roofing activities of the Wienerberger Group. During the prior year, Wienerberger and Koramic restructured their 50/50 joint ventures Wiekor and ZZ/Laufen to reflect their respective core businesses. As of January 2000, Koramic assumed 100% ownership of Koramic-Wienerberger Dachprodukte Holding with Wiekor roofing activities in Germany, Poland and Estonia. In exchange, Wienerberger acquired 100% of ZZ Wancor and the Laufen clay products company (roofing tiles, hollow bricks and related products) in Switzerland. These steps will enable Wienerberger to focus more on the wall segment, and still provide further opportunities for growth in the roofing area.

Bramac Dachsysteme International GmbH

Bramac was able to maintain its leading position on the concrete tile market in Central and East Europe in spite of a poor business climate. After years of rapid expansion, the company increased efforts to optimize the use of existing resources. A reduction in fixed costs counteracted the negative impact of stagnating, and in Austria declining, roofing markets. In Slovenia Bramac closed the older plant in Dravograd. Production was concentrated in Skocjan, significantly improving both cost structure and product quality. Sales were slightly lower, but earnings exceeded the prior year level.

Tondach Gleinstätten AG

The Tondach Gleinstätten Group, in which Wienerberger holds an investment of 25%, was able to maintain its leading position in Central and Eastern Europe during the 1999 business year in the face of increasing pressure from competitors. Key factors in this success were customer-oriented problem solutions, efficient cost management, and high-quality products. The shareholder structure of the Tondach Austria Group was simplified, and merged with Tondach Gleinstätten AG. In the Czech Republic, three companies were also merged with Tondach Ceska Republika s.r.o.

Outlook

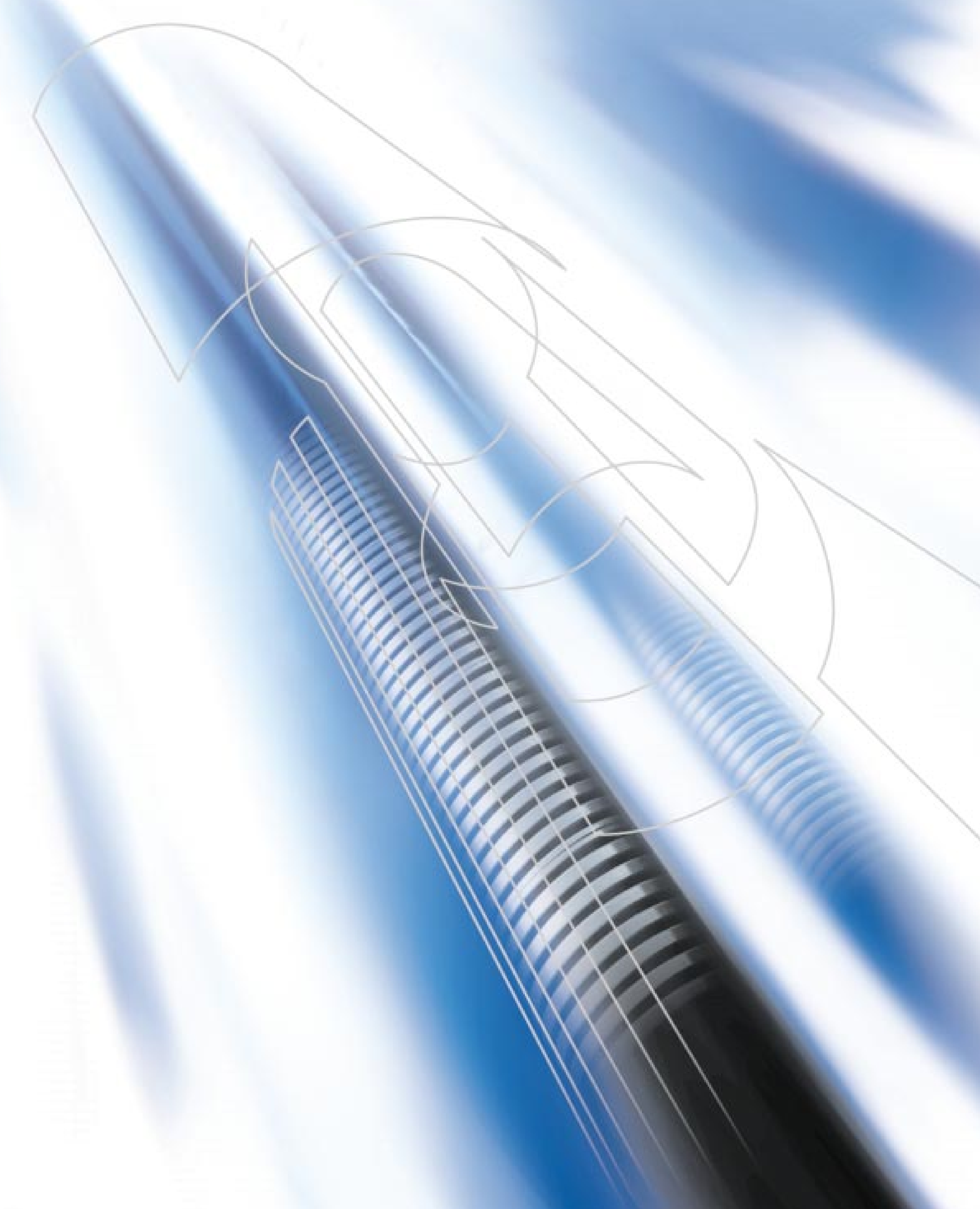
During 2000, we expect positive developments in all Wienerberger West European brick markets with the exception of Austria. A slowdown is forecasted for the USA during the second half of the year, but demand should remain high. The use of synergies from the integration of Cherokee Sanford in the General Shale organization, consolidation of the concrete business, and increasing preference of US consumers for bricks are expected to lead to higher earnings in the USA. Slight increases in both volume and prices are forecasted for Germany, and should lead to a further improvement in margins.

Profitable growth from Eastern Europe

As in recent years, profitable growth in the brick segment will come primarily from Eastern Europe in 2000. After high investments and nine new start-ups in this region during 1999, we expect significantly higher earnings this year, especially from our business in Poland. In addition, strong growth in market shares in the Czech Republic and Hungary should also contribute to improved performance.

We expect a decisive overall improvement in sales and earnings in our core brick business during 2000, and plan to continue our concentration and expansion strategy.

Pipe Systems and Sewage Technology



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 %)
Steinzeug Abwassersysteme GmbH (50 % seit 1. 1. 2000)
Semmelrock SB Baustoffindustrie GmbH (75 %)

Plants

41 Production sites:
in Austria, Belgium, China, Croatia, Czech Republic, Estonia, Finland, France, Germany, Greece, Hungary, Malaysia, Netherlands, Norway, Poland, Portugal, Rumania, Spain, Sweden, and Turkey

in € mill.		1998	1999	Change
				in %
Sales		235.3	304.7	+29 [1]
EBITDA		25.5	34.6	+36
EBITA		14.8	21.4	+45
EBITA margin	*in %*	6.3	7.0	+12
EBIT		13.2	19.9	+51 [2]
Profit before tax [3]		10.9	17.0	+56
ROCE	*in %*	10.7	9.8	-8
EVA [4]		1.9	2.8	+50
Cash Flow		22.4	27.9	+25
Capex		16.6	36.0	> 100
Employees		1,294	1,570	+21

1) organic growth 5%
2) organic growth 6%
3) incl. earnings from investment in Steinzeug Abwassersysteme GmbH
4) WACC = 8% in '99, 9% in '98

Pipe Systems and Sewage Technology

The "Pipe Systems and Sewage Technology" business unit is comprised of our plastic pipe, clay pipe, and concrete paver activities. This group currently operates 41 plants in 20 countries throughout Europe and Asia.

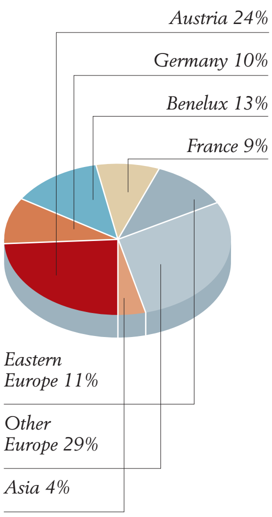
The acquisition of Mabo and optimization measures started in the previous year resulted in a significant increase in earnings and improved performance in all segments of the business.

Sales rose by 29% to €304.7 million, and operating profit by 51% from €13.2 to 19.9 million. Organic growth represents 5% in sales and 6% in EBIT.

Plastic Pipe Systems

The Pipelife Group

Sales by Region



1999 was a year of decisive changes for the Pipelife Group. The legal structure of the Group was modified under a new CEO to better meet the challenges of growth and related demands on management. In addition, the acquisition and successful integration of the Mabo Group significantly increased our market presence in Scandinavia, the Baltic States and Poland and enlarged the product line for polypropylene pipes and dies. The development of sales and earnings in the Mabo Group exceeded expectations and made an important contribution to the overall profitability of the Pipelife Group.

The electrical pipe division, which was created through the acquisition of V.W. Elektrorohre GmbH, was able to establish a key position on the German market. Our plastic pipe business in China was transferred to the Pipelife Group at mid-year to better utilize existing products and technologies as a base for expanding our position on the local market.

Earnings in the Pipelife Group rose over the prior year level, but this growth was generated mainly by the above-mentioned acquisitions. In our core business, a sizeable increase in raw materials prices led to higher pressure on margins. The price of PVC rose from a low in May 1999 by nearly 90% within a period of six months, and this upsurge could not be incorporated into selling prices over the short-run.

Satisfactory results were recorded, in particular, by companies in the Netherlands, Sweden and Finland. A decisive improvement in earnings was also noted in Spain and Greece. Profitability in Austria was unsatisfactory as a result of intensified competition for market share and plant closings. Reorganization measures characterized the merger of the Polish segments of Pipelife and Mabo. Our plastic pipe business in China recorded its best year to date, supported by highly efficient production technology and extension of the Chuanlu marketing company's successful sales program to major regions in China.

Success in China

Economic growth forecasted for 2000 will also have a positive effect on the construction industry, but competition is expected to intensify. We anticipate first contributions to earnings from the new product development programs introduced by Pipelife.

Clay Pipe Systems

Steinzeug Abwassersysteme GmbH

In September 1999, the Cartel Office in Brussels approved an application by Wienerberger to increase its holding in Steinzeug Abwassersysteme GmbH to 50%. This transaction took effect on January 1, 2000, and the planned ownership structure was realized.

Extremely difficult business conditions on the European sewage pipe market showed no signs of improvement in 1999. Public investments, which are crucial for the clay pipe segment, were slowed by restrictive budget policies.

In spite of this situation, the turnaround reached in 1998 was confirmed by a significant increase in earnings during the prior year. This improvement was supported by a major increase in quantities sold combined with cost reductions.

Growth in sales volume

In Germany, sales remained constant in spite of a decline in market volume which approached 10%. This helped us improve our position over competing materials in the sewage pipe segment. In all other markets with the exception of France, we were able to maintain or raise price levels and increase quantities sold.

In the Czech Republic we increased our holding in Calofrig Keramo s.r.o., a marketing company, from 50% to 100% and also assumed industrial responsibility for local production. This will enable us to increase the efficiency of market coverage in the Czech Republic and Poland.

Our joint venture in Malaysia was again able to increase earnings over the prior year despite the economic crisis in Asia.

Beginning in 2001 new technology will lower the cost of producing clay pipes by a significant margin and thereby improve our competitive position. Our goal for 2000 is to further consolidate our positions on clay pipe markets.

Concrete Pavers

Semmelrock

The Semmelrock Group, a 75% subsidiary of Wienerberger, recorded a very successful year in 1999.

An offensive marketing strategy led to a major improvement in results, and above-average growth in the pavers segment in Austria. This significant increase was supported by our “Stein+Design” products, which are specially designed to meet the needs of the market.

Development of growth potential

We also worked to develop new opportunities which will make a lasting contribution to earnings in the coming years. Capacity was reduced during 1999, the use of existing equipment was increased, and machinery was purchased for the production of innovative pavers. In addition, our line of exclusive products was increased to incorporate the results of a market analysis which examined applications in exterior design. New products include, for example, a fencing sysem.

The civil engineering program, with its special pipe and shaft products, was optimized in Wienerberger Alpha-Umwelttechnik to further strengthen the market position of this company as a sewage technology specialist.

Expansion phase

The Semmelrock Group is currently in an expansion phase. Business in Hungary has developed much better than expected, supported by both a positive local environment and increasing market share.

After rapid completion of planning, construction was started on a new plant in Slovakia and start-up is scheduled for mid-2000.

In addition to increasing market presence in Austria, Hungary and Slovakia, entry into the Polish market has a special strategic priority for the future.

Outlook

During 1999 key steps were taken to secure additional earnings growth in the "Pipe Systems and Sewage Technology" business unit. This improvement will be supported by continued rationalization measures, complete integration of the Mabo Group, development of high-value products, and economic growth in our most important markets. The proportional consolidation of the clay pipe segment will also lead to an increase in earnings.

Financial Investments

Metallurgy
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 (49 %)
Wienerberger Ofenkachel GmbH (100 %)
"Alwa" Güter- und Vermögensverwaltungs-AG (35.5 %)
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 for stove tiles

in € mill.		1998	1999	Change
				in %
Sales		264.6	175.0	-34 [1]
EBITDA		58.5 [2]	59.4 [3]	+2
EBIT		48.9	51.4	+5
Profit before tax		63.9	61.6	-4
ROCE	*in %*	29.1	77.4	> 100
EVA [4]		21.7	38.3	+77
Cash Flow		51.1	58.8	+15
Capex		15.3	7.5	-51
Employees		721	675	-6

Note:
Financial Investments includes metallurgy, other investments, holding company costs and consolidation items.

1) caused by a 33% price-related decline in metallurgy sales
2) incl. partial sale of "Wienerberg City" for € 13.2 million
3) incl. sale of 51% in Wipark Garagen GmbH for € 30.7 million
4) WACC = 6% for Other Investments, resp. 10% for Metallurgy in '99, 7 resp. 11% in '98

Financial Investments

All business activities of the Wienerberger Group which do not involve building materials – Metallurgy and Other Investments – have been combined into the "Financial Investments" division. These ventures support the continued expansion of building materials activities by generating high earnings, and have no inherent strategic priority. Their share of Capital Employed has therefore declined continually from 37% to 4% since the implementation of Wienerberger Value Management in 1997.

Metallurgy / Treibacher Industrie AG

Cyclical drop in prices for main product

The cyclical nature of the metallurgy business is demonstrated by the expected rapid drop of up to 75% in prices for ferro-vanadium, the key product, which followed record levels in 1998. This situation depressed earnings at the Auermet subsidiary from € 32.2 to 14.7 million, despite a 16% increase in sales and excellent development of business. Sales fell by 33% to € 164.3. If sales of vanadium had remained at the record 1998 level during the reporting year, earnings would have increased by 15%. Performance can therefore be termed satisfactory in the face of these adverse conditions. The 18% return on capital employed is still one of the highest in the Wienerberger Group. Capital expenditures totaled € 6.5 million.

During the reporting year, the Alloymet division was able to successfully counteract a cyclical decline in demand from the steel industry. Excess supplies of ferro-vanadium led to a drop in sales of nearly 50%. Intensified marketing efforts helped increase our market share, however, and the volume of production rose. In the Recycling segment, the conclusion of long-term supply contracts improved the complicated planning for secondary raw materials. In the Powdermet division, the first six months of 1999 were characterized by sharply falling demand in all product areas. This negative trend was halted during the fourth quarter, however, by the acquisition of new customers. Treibacher Auermet Produktionsges.m.b.H. registered further business growth based on sales of rare earth salts, which are used for new technologies, and input materials for special ceramics.

Treibacher Industrie AG has set ambitious production, sales and cost reduction goals for 2000. Increased competition and continuing pressure on prices are expected in the vanadium segment, however, and earnings are not forecasted to improve during 2000.

Other Investments

Wienerberger holds an extensive real estate portfolio, which has its origins in the Group's brick production. Our key company, Wienerberger Immobilien GmbH, has three main functions: real estate development and the key "Wienerberg City" project, waste treatment and landfill business, and garages with Wipark Garagen AG.

Further development of Business Park Vienna to Wienerberg City

The most important "Wienerberg City" development project is the "Vienna Twin Tower", a double office tower which is being realized together with Immofinanz Immobilien Anlagen AG. Together with the "Business Park Vienna", this area will become the largest office site in Vienna with more than 115,000 m^2 of usable space. Completion is scheduled for November 2000. The sale of an additional 5% in the construction company founded by Wienerberger to Immofinanz generated income of € 1.5 million in 1999. The development of seven adjoining construction sites for 1,300 housing units began with the sale of two lots to housing developers.

The landfills in Leopoldsdorf and Hennersdorf continued to record good development and satisfactory earnings. In addition an increase in deposit volume was approved.

Sale of Wipark

Wipark Garagen GmbH was transformed into a stock corporation in April, and 51% of the shares were sold to Immofinanz Immobilien AG. The buyer also received an option to purchase the remaining 49%.

Wienerberger Versicherungs-Service GmbH provides insurance services to the subsidiaries and other member companies of the Group.

Treasury activities in the Wienerberger Holding reduced investments in securities and time deposits by over 30% to strengthen financing within the Group. This restructuring reflects the on-going decline in securities yields and streamlining of the balance sheet. In 1999 the securities portfolio again recorded an above-average return of 5.7%. During the reporting year, Holding liabilities to financial institutions rose by a significant € 376.6 million due to the financing of large projects. In spite of rising interest rates, the average cost of bank credits almost remained at the prior year level of 3.9%.

Strategy and Outlook

Clear strategy

Concentration and higher value are our priorities for the future. We will continue to grow in the building materials area. At the same time, we will increase our efforts to optimize and integrate existing and new businesses in order to make this growth even more profitable. The introduction of Wienerberger Value Management clearly defined our strategy. Growth is supported primarily by our brick activities. This traditional core business is flanked by four strategic building materials investments – plastic pipes, clay pipes, roofing systems and pavers – which we expect to develop into core businesses over the long-term. By providing high earnings, our financial investments support the continued development of Wienerberger into a leading international building materials group.

Core Business	Bricks	– Majority holding – Leadership position – Global presence – Know-how advantage
Strategic Investments in Building Materials	Plastic Pipes Clay Pipes Roofing Systems Concrete Pavers	– Requirements for core business not met – Develop into core business
Financial Investments	Metallurgy Other Investments	– No strategic priority – Optimize earnings – Support growth in building materials – Low management involvement

Since 1997 we have invested over one billion Euro in the expansion of our core business. At the same time Capital Employed in the building materials area has risen from 63% to 96% in keeping with our strategy, and will increase again this year. Gearing has remained at approximately 60% during this time. Our expansion has been financed mainly from cash flow and from the sale of non-core businesses.

Balanced regional portfolio

After securing a leadership position on European markets, the USA was the next logical step in the worldwide expansion of our core brick business. Our goal is a balanced regional portfolio and even better dispersion of risk. Our mid-range goal for the distribution of sales is 50% West Europe, 25% East Europe, and 25% USA.

In addition to our strong position on international markets, we view technology and innovation as great opportunities for the future. We will therefore intensify our efforts in these areas, making increased use of economies of scale.

The profitability of growth and optimization of existing activities are measured against clearly defined, highly ambitious goals. Our internal and external benchmarks are the value-based indicators Economic Value Added (EVA) and Return on Capital Employed (ROCE). We will continue the implementation of Value Management throughout the Group. All planning and reporting processes for local business units – including monthly reporting – now include calculation of these indicators and their components.

Performance Share Plan

A decisive step was taken last year with the introduction of the first Performance Share Plan for management and linking of variable compensation to our value indicators. This year we plan to introduce an employee stock participation model in Austria and, in coming years, in other countries as well. These measures will strengthen entrepreneurship throughout the Wienerberger Group and support optimization processes which will help us succeed in international competition.

Mid-term ROCE goal: 12%

Our mid-term ROCE goal remains unchanged at a minimum of 12% for all building materials activities, and thereby exceeds the 8% minimum return by one-half. Extensive investments, nine plant start-ups in Eastern Europe, and the acquisition of General Shale during the year led to a short-term decline in the brick segment ROCE to 6.6% in 1999. The less capital-intensive pipe segment reached a level of 9.8%. For this year, the potential we have created must lead to a significant improvement in our value indicators. The realization of our Performance Share Plan goals is our first priority: a doubling of EVA in the core business (excluding large acquisitions) and stock price of €30 during the first four months of 2001.

Optimistic market forecasts

Developments are expected to be positive in major West European markets during 2000 – especially for new housing starts, our most important segment. For the coming years, Euroconstruct also forecasts above-average growth in the largest East European markets of Poland, the Czech Republic and Hungary. The USA, in contrast, is expected to suffer a slight decline from current high levels during the second half of this year, which should be offset by increasing demand for bricks.

The potential we have created with a high level of investment activity in recent years is expected to generate a strong increase in sales and earnings already during 2000. Substantial earnings growth is expected to come from new markets in the USA and Poland. In addition, increasing liberalization of the energy market is expected to create a high potential for cost savings.

Above-average growth in earnings

Group sales are forecasted to exceed €1.6 billion, with over 65% generated by the brick segment. Operating profit and earnings per share are expected to register above-average growth. This improvement will come exclusively from the building materials area, with stable results expected in the Financial Investments business unit.

Our efforts will be focused on the optimization of existing activities and profitable growth in the building materials business. In this way we plan to move a large step closer to our long-standing vision – “Wienerberger, a leading international building materials group, ranking Nr. 1 in its markets” – and make 2000 a year of return.

Wienerberger Value Management

Vision

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

Strategy

- Focus on core brick business
- Continue to 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

Wienerberger Value Management

"Building Value" for our investors, customers and employees

Management and Employees

- Compensation linked to success
- Performance Share Plan
- Employee stock ownership program
- Information and communication
- Management development

Corporate Culture

- Entrepreneurs in Group companies
- C & C – Concentration and consistency
- Speed and harmony
- Focus on our customers, quality, and the environment
- Multicultural management style

1999 Consolidated Accounts according to IAS Wienerberger Group

Profit and Loss Account

Cash Flow Statement

Balance Sheet

Statement of Shareholders' Equity

Changes in Fixed and Financial Assets

Segment Reporting

Notes to the Accounts

Group Companies

Consolidated Profit and Loss Account

Notes		1999 in TEUR	1998 in TEUR
(7)	Sales	1,337,543	1,143,299
	Changes in stocks of finished goods and work in progress	5,128	10,934
(8)	Other operating income	105,499	75,825
		1,448,170	**1,230,058**
(9)	Cost of materials	-586,262	-529,110
(10)	Personnel expenses	-309,411	-243,800
(11)	Depreciation	-113,730	-92,586
(12)	Other operating expenses	-243,613	-198,988
	Operating profit before amortization of goodwill (EBITA)	**195,154**	**165,575**
	Amortization of goodwill	-7,314	-3,023
	Operating profit after amortization of goodwill (EBIT)	**187,840**	**162,552**
	Income from equity accounting	5,051	2,396
	Income from other investments	1,650	531
	Net financing costs	-17,559	-576
	Other income from financing activities	1,601	-1,831
(13)	**Financial results**	**-9,257**	**520**
	Profit before tax	**178,583**	**163,072**
(14)	Income taxes	-53,911	-46,602
	Net income	**124,672**	**116,469**
	Share of profit/loss due to minority interests	-4,304	-2,736
	Net income excluding minority interests	**120,368**	**113,733**
(29)	**Earnings per share (in EUR)**	**1.74**	**1.64**
	Expected or paid dividend per share (in EUR)	**0.50**	**0.45**

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

Consolidated Cash Flow Statement

Notes		1999 in TEUR	1998 in TEUR
	Net income	124,672	116,469
	Depreciation of fixed and financial assets	121,228	95,640
	Write-ups of fixed and financial assets	-1,457	-1,251
	Increase/decrease in long-term provisions	-874	2,200
	Transfer of results from associated companies	-4,714	-2,396
	Gains from deconsolidations and other income from the sale of fixed and financial assets	-51,406	-35,258
	Gross cash flow	**187,449**	**175,405**
	Increase/decrease in inventories	-11,127	-19,250
	Increase/decrease in receivables, deferred tax assets, prepayments and deferred charges	-34,306	4,481
	Increase/decrease in short-term provisions	168	9,403
	Increase/decrease in liabilities and deferred income	-10,032	1,024
	Changes in non-cash items resulting from foreign exchange translation	-67	-368
(25)	**Cash flow from operating activities**	**132,085**	**170,694**
	Payments received for asset disposals	90,202	34,770
	Payments made for investments in tangible and intangible assets	-155,813	-237,899
	Payments made for investments in financial assets	-52,218	-19,468
	Cash flow arising from changes in the consolidation range	-337,307	-43,074
(26)	**Cash flow from investing activities**	**-455,136**	**-265,670**
	Increase/decrease in long-term borrowings	-142,168	-60,664
	Increase/decrease in short-term borrowings	306,028	371,245
	Dividends paid by Wienerberger Baustoffindustrie AG	-31,547	-29,023
	Dividends paid to minority shareholders	-1,987	-1,415
	Payments made by associated companies	1,680	1,126
	Purchase of treasury stock	-11,591	0
	Cash flow from financing activities	**120,415**	**281,268**
	Change in cash and cash equivalents	**-202,636**	**186,293**
	Changes resulting from exchange rate fluctuations	-93	-98
	Cash and cash equivalents at the beginning of the period	434,900	248,704
	Cash and cash equivalents at the end of the period	**232,171**	**434,900**
	Thereof short-term securities	113,300	299,289
	Thereof cash on hand and in financial institutions, checks	118,871	135,611

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

Consolidated Balance Sheet

Notes	ASSETS	31. 12. 1999 *in TEUR*	31. 12. 1998 *in TEUR*
	Intangible assets	199,089	48,979
	Property, plant and equipment	1,050,479	921,431
	Financial assets	197,213	151,029
(15)	**Fixed and financial assets**	**1,446,781**	**1,121,439**
(16)	Inventories	265,372	223,425
(17)	Accounts receivable – trade	153,817	112,706
(17)	Other receivables	211,840	92,828
(27)	Marketable securities	113,300	299,289
	Cash and cash equivalents	118,871	135,611
	Current assets	**863,200**	**863,858**
(21)	**Deferred tax assets**	**14,114**	**41,927**
(18)	**Prepayments and deferred charges**	**19,732**	**5,381**
	Total Assets	**2,343,827**	**2,032,605**
	LIABILITIES AND SHAREHOLDERS' EQUITY		
	Share capital	69,455	63,094
	Share premium account	224,384	224,384
	Retained earnings	621,968	539,586
	Treasury stock	-11,591	0
	Currency translation adjustment	-11,788	-12,619
(19)	**Equity**	**892,428**	**814,445**
	Minority interests	**28,801**	**23,646**
(20)	Provisions for severance payments	23,744	24,408
(20)	Provisions for pensions	32,426	15,995
(21)	Provisions for deferred taxes	127,269	114,070
(20)	Provisions for current taxes	28,921	23,794
(20)	Other provisions	99,595	84,876
	Provisions	**311,955**	**263,143**
(22)(27)	Loans and overdrafts with financial institutions	901,789	738,679
(22)	Accounts payable – trade	110,797	85,275
(22)	Other liabilities	83,570	92,433
	Liabilities	**1,096,156**	**916,387**
(23)	**Deferred income**	**14,487**	**14,984**
	Total Liabilities and Shareholders' Equity	**2,343,827**	**2,032,605**

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

Consolidated Statement of Shareholders' Equity

in TEUR	Share capital	Share premium	Retained earnings	Treasury stock	Currency translation adjustments	Total
Status as at 1.1.1998	**63,094**	**224,384**	**455,652**	**0**	**-5,426**	**737,705**
Net income			113,733			113,733
Dividend payments			-29,023			-29,023
Currency translation adjustments					-7,193	-7,193
Other changes			-776			-776
Status as at 31.12.1998	**63,094**	**224,384**	**539,586**	**0**	**-12,619**	**814,445**
EURO Conversion	6,361		-6,361			0
Net income			120,368			120,368
Dividend payments			-31,547			-31,547
Currency translation adjustments					831	831
Purchase of treasury stock				-11,591		-11,591
Other changes			-78			-78
Status as at 31.12.1999	**69,455**	**224,384**	**621,968**	**-11,591**	**-11,788**	**892,428**

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

	Acquisition or Production Costs						
	Status as at 1. 1. 1999	Change in Consolidation range	Foreign Exchange Incr./Decr.	Additions	Disposals	Transfers	Status as at 31. 12. 1999
Goodwill	**50,803**	154,661	2,170	3,738	4,747	1,151	**207,776**
Other intangible assets	**21,938**	-1,783	-24	3,066	1,218	9	**21,988**
Intangible assets	**72,741**	152,878	2,147	6,804	5,965	1,159	**229,764**
Land, rights to land and buildings, including buildings on land owned by third parties	**632,905**	32,992	-1,374	23,055	26,016	38,804	**700,366**
Machinery and equipment	**946,323**	252,025	1,065	63,947	43,635	28,034	**1,247,760**
Fixtures, fittings, tools and equipment	**114,780**	3,006	-231	13,976	18,536	-1,218	**111,777**
Prepayments and assets under construction	**63,836**	-3,474	-793	48,030	465	-66,262	**40,872**
Property, plant and equipment	**1,757,845**	284,548	-1,333	149,009	88,652	-641	**2,100,775**
Investments in subsidiaries	**5,827**	-4,854	0	15,473	662	4,840	**20,624**
Investments in associated companies	**28,873**	26,320	0	19,619	1,096	-42	**73,675**
Other investments	**65,041**	-652	-143	1,713	18,002	-4,798	**43,160**
Securities	**50,412**	637	67	14,101	11,340	-244	**53,634**
Loans granted	**986**	1,294	15	1,312	1,131	-274	**2,202**
Financial assets	**151,141**	22,745	-61	52,218	32,231	-518	**193,294**
	1,981,726	**460,171**	**753**	**208,031**	**126,848**	**0**	**2,523,833**

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

in TEUR

Status as at 1. 1. 1999	Change in Consolidation Range	Foreign Exchange Incr./Decr.	Current Year	Additions	Disposals	Transfers	Status as at 31. 12. 1999	Net Book Value 31. 12. 1999	Net Book Value 31. 12. 1998
8,234	-160	557	7,314	0	282	0	**15,662**	**192,113**	**42,569**
15,529	-1,603	-48	1,928	0	795	2	**15,012**	**6,976**	**6,409**
23,762	-1,763	509	9,242	0	1,078	2	**30,674**	**199,089**	**48,979**
208,086	1,936	-793	20,126	1,332	4,981	11,759	**234,801**	**465,565**	**424,819**
547,031	150,615	1,026	79,930	99	30,829	-8,817	**738,858**	**508,902**	**399,292**
81,297	2,412	-78	11,718	26	15,771	-2,938	**76,616**	**35,161**	**33,483**
0	0	0	28	0	0	-7	**22**	**40,851**	**63,836**
836,414	154,963	157	111,802	1,457	51,581	-2	**1,050,297**	**1,050,479**	**921,431**
191	0	0	0	0	118	0	**74**	**20,550**	**5,636**
-2,950	-202	0	0	4,714	-1,680	0	**-6,186**	**79,861**	**31,824**
2,659	0	0	38	0	741	0	**1,956**	**41,205**	**62,382**
212	-4	0	145	0	114	0	**239**	**53,395**	**50,201**
0	0	0	0	0	0	0	**0**	**2,202**	**986**
111	-206	0	183	4,714	-708	0	**-3,918**	**197,213**	**151,029**
860,288	**152,994**	**666**	**121,228**	**6,171**	**51,950**	**0**	**1,077,054**	**1,446,781**	**1,121,439**

Segment Reporting

Strategic Business Units			1999			
in TEUR	Wall/Ceiling/ Roofing Systems	Pipe Systems and Sewage Technology	Metallurgy	Other Investments	Group Eliminations	Wienerberger Group
Sales to third parties	854,385	301,450	160,326	10,523		**1,326,684**
Group sales	3,406	3,252	4,010	1,167	-976	**10,859**
Total sales	857,791	304,701	164,336	11,690	-976	**1,337,543**
Operating profit	116,576	19,871	14,749	36,883	-239	**187,840**
Cash flow	159,278	27,898	16,815	41,965	-239	**245,716**
Depreciation	98,288	14,729	6,236	1,792		**121,044**
Income from inv. in companies recorded at equity	312	4,159	149	430		**5,051**
Assets	1,542,685	300,637	143,616	725,404	-368,515	**2,343,827**
Investments in companies recorded at equity	11,659	35,600	911	31,690		**79,861**
Debt	968,087	197,658	68,669	556,699	-368,515	**1,422,598**
Investments	112,222	36,007	6,549	1,035		**155,813**
Employees	8,129	1,570	590	85		**10,374**

Strategic Business Units			1998			
Sales to third parties	641,405	231,772	240,912	20,056		**1,134,145**
Group sales	1,960	3,525	3,367	956	-655	**9,153**
Total sales	643,366	235,297	244,279	21,013	-655	**1,143,299**
Operating profit	100,476	13,180	32,216	16,791	-112	**162,552**
Cash flow	138,643	22,432	28,463	22,556	-16	**212,078**
Depreciation	73,785	12,311	6,052	3,462		**95,609**
Income from inv. in companies recorded at equity	-631	2,548	127	352		**2,396**
Assets	1,226,700	262,900	150,454	427,574	-35,022	**2,032,605**
Investments in companies recorded at equity	3,026	13,314	762	14,721		**31,824**
Debt	816,542	153,608	71,375	187,996	-35,007	**1,194,514**
Investments	206,005	16,574	7,171	8,148		**237,899**
Employees	5,973	1,294	592	129		**7,988**

Geographic Regions		1999			1998	
in TEUR	EBITA	Assets	Investments	EBITA	Assets	Investments
Austria	60,119	456,116	17,896	63,283	563,091	30,808
Germany	26,987	395,527	36,968	16,720	397,253	89,195
Benelux	33,728	436,540	16,178	30,853	566,044	35,013
France	7,979	146,555	4,286	18,500	111,593	4,294
East Europe	38,575	367,571	52,958	31,832	266,564	72,662
Other Europe	10,465	214,015	17,573	1,817	112,093	5,528
USA	14,301	317,975	9,219	0	0	0
Asia and others	3,267	9,528	735	1,774	15,966	399
Consolidation	-267			797		
Wienerberger Group	**195,154**	**2,343,827**	**155,813**	**165,575**	**2,032,605**	**237,899**

Sales by Strategic Business Unit and Region

in TEUR	Wall/Ceiling/ Roofing Systems	Pipe Systems and Sewage Technology	Metallurgy	Other Investments	Wienerberger Group
1999					
Austria	73,966	74,375	17,558	10,880	176,779
Germany	236,414	28,827	36,815		302,056
France	75,375	27,592	8,579		111,545
Belgium	54,616	7,659	237		62,512
Holland	68,621	33,144	1,189		102,954
Switzerland	48,540	0	888		49,428
Italy	25,764	0	22,157		47,921
Spain	0	22,166	6,505		28,671
Scandinavia	0	55,227	11,839		67,065
Other EU	0	10,558	10,092		20,650
Czech Republic	55,469	7,194	748		63,411
Hungary	42,978	10,718	26		53,723
Poland	43,043	14,304	803		58,150
Other East Europe	58,317	2,102	3,497		63,917
USA	74,553	0	13,269		87,822
China	0	10,806	1,045		11,851
Asia excl. China	0	0	16,174		16,174
Other countries	0	0	12,914		12,914
Wienerberger Goup	**857,655**	**304,672**	**164,336**	**10,880**	**1,337,543**
1998					
Austria	84,121	73,760	23,088	20,423	201,392
Germany	209,018	21,053	64,361		294,432
France	64,253	27,814	20,574		112,641
Belgium	51,077	7,663	2,781		61,521
Holland	63,205	32,302	2,289		97,796
Switzerland	3,697	0	1,370		5,067
Italy	22,462	0	28,829		51,292
Spain	0	20,651	9,583		30,234
Scandinavia	0	9,601	19,987		29,588
Other EU	0	8,651	15,957		24,608
Czech Republic	54,470	5,816	2,198		62,484
Hungary	30,971	9,032	39		40,042
Poland	11,265	4,087	841		16,192
Other East Europe	48,769	0	6,272		55,041
USA	0	0	13,593		13,593
China	0	14,859	248		15,107
Asien excl. China	0	0	11,888		11,888
Other countries	0	0	20,382		20,382
Wienerberger Group	**643,307**	**235,290**	**244,279**	**20,423**	**1,143,299**

Notes to the Consolidated Accounts

Reporting in accordance with International Accounting Standards (IAS) and in EURO

The consolidated accounts of Wienerberger Baustoffindustrie Aktiengesellschaft were prepared in accordance with the principles set forth in International Accounting Standards (IAS) and interpretations issued by the Standing Interpretations Committee (SIC) (see note 1). In keeping with § 245a of the Consolidated Financial Statements Act, these financial statements prepared in accordance with IAS are also recognized under the Austrian Commercial Code.

Following the introduction of the EURO as of January 1, 1999, Wienerberger converted its entire reporting system (including comparative prior year data) to thousand EURO (TEUR) based on the exchange rate of ATS/EUR 13.7603.

Major differences between Austrian and IAS accounting principles

Goodwill arising from capital consolidation: In accordance with IAS 22, goodwill is capitalized and amortized over the useful life. The Austrian Commercial Code allows a credit to reserves, with no effect on the profit and loss account.

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 should 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 interprets the principle of conservatism differently with respect to provisions. IAS tends to place stricter 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.

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. In keeping with IAS, unrealized exchange rate gains or losses arising from inter-company loans are included under equity with no effect on the profit and loss account.

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 domiciled 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 (comprised of Metallurgy and Other Investments).

The consolidated accounts of the Wienerberger Baustoffindustrie Aktiengesellschaft and its subsidiaries reflect those International Accounting Standards (IAS) valid for the 1999 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 4).

In addition to those Standards in effect as of the balance sheet date, additional International Accounting Standards were applied voluntarily. These Standards have been passed but are not yet in force, and are listed below:

IAS 16 (revised 1998), Property, Plant and Equipment;
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 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 apart from immaterial exemptions. The reconciliation of various national accounts with IAS accounts prepared according to Group guidelines was also certified. The accounts of all companies included using the full and proportional consolidation methods 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.

2. Consolidation Range

An overview of the companies included in the consolidation using the full, proportional and equity accounting methods is provided in the List of Companies at the end of the Notes.

In addition to Wienerberger Baustoffindustrie AG, the consolidation includes 12 (1998: 15) Austrian subsidiaries and 56 (1998: 86) foreign subsidiaries in which Wienerberger Baustoffindustrie AG has management control or directly or indirectly owns the majority of voting shares. 31 (1998: 25) 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.

43 (1998: 34) joint ventures under common management were consolidated using the proportional method. 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 consolidation range developed as follows during the 1999 reporting year:

Consolidation Range	**Full consolidation**	**Proportional consolidation**	**Equity accounting**
Status as at 31.12.1998	**102**	**34**	**22**
Change in consolidation method	-1	-1	5
Included during reporting year for the first time	7	11	8
Merged during reporting year	-37	-1	-2
Divested during reporting year	-3	0	-1
Status as at 31.12.1999	**68**	**43**	**32**
Thereof foreign companies	56	35	25

The following table shows the pro rata values for those joint ventures included in the consolidated accounts using the proportional method:

in TEUR	**31. 12. 1999**	**31. 12. 1998**
Sales	402,015	293,044
Operating profit	27,761	22,415
Income from financing activities	-6,392	-6,734
Profit before tax	21,369	15,681
Net income	14,625	12,644

in TEUR	**31. 12. 1999**	**31. 12. 1998**		**31. 12. 1999**	**31. 12. 1998**
A. Fixed assets	219,769	167,724	A. Equity	124,959	86,548
B. Current assets	168,256	127,253	B. Provisions	59,944	47,244
C. Prepayments and deferred charges	7,928	5,710	C. Liabilities	208,926	165,174
			D. Deferred income	2,123	1,721
	395,953	**300,687**		**395,953**	**300,687**

3. Major Acquisitions and Sales

The following major acquisitions made in 1999 are included in the consolidation (full or proportional consolidation) for the first time:

Name of Company	Share %	Name of Company	Share %
General Shale Products LLC	100.0	M-Plast OY	45.0
Later Chrudim a.s.	83.6	Panpark OY	45.0
Mabo Pipelife AS	50.0	Aumek Plast AS	38.0
Mabo Svenska AB	50.0	Mabo Turlen SA	49.1
Leveneplast AB	50.0	ZZ Ziegeleien AG	50.0
Hafab OY	45.0	ZZ Wancor AG	50.0
Hafab AB	45.0		

As of July 16, 1999 General Shale Products LLC was acquired from the Etex/Marley Group for USD 260 million. General Shale is the second largest producer of facing bricks in the USA. Goodwill of TEUR 148,245 arising from the acqusition will be amortized over a useful life of 20 years.

Later Chrudim a.s., the second largest Czech brick manufacturer with a total of 6 plants, was acquired in July 1999.

Pipelife, a company founded together with Solvay S.A., purchased 100% of the shares in the Scandinavian Mabo Group from Norsk Hydro a.s as of January 1, 1999 in order to expand business in the plastic pipe segment. The nine major Mabo companies with a total of nine plants were consolidated using the proportional method. The pro rata purchase price of TEUR 24,485 includes goodwill of TEUR 4,906, which will be amortized over a useful life of 20 years.

The brick, roofing and insulation segment purchased by Wienerberger and Koramic Building Products N.V. from ZZ Holding AG in Switzerland during the first half of 1999 was included in the consolidation as of January 1, 1999 using the proportional method (ZZ Ziegeleien AG and ZZ Wancor AG).

During the first half of 1999, an additional 20.03 % share was acquired in Laterizi Brunori Srl. This wholly owned subsidiary was then merged with Wienerberger Laterizi SpA.

Koramic-Wienerberger Dachprodukte Holding GmbH is included in the consolidated accounts as of December 31, 1999 at equity because of the sale of the 50 % holding in this company as of January 1, 2000. The profit and loss account for this company is included on a pro rata basis for the whole of 1999.

In December 1999 an additional 5 % of the 50 % share in "Wienerberg City" Errichtungsges. m.b.H. was sold. An equity transition consolidation will be made as of December 31, 1999.

Effective on January 1, 1999 the plastic pipe business in China, which was previously included using the full consolidation method, was transferred to the Wienerberger Pipelife joint venture. This resulted in a transition from full to proportional consolidation.

A 51 % share in Wipark Garagen GmbH was sold as of January 1, 1999. This resulted in the deconsolidation of 11 garages owned by the company and 12 additional garages operated by Wipark. As of January 1, 1999 Wipark is included in the consolidated accounts using equity accounting.

Shares held in the publicly traded Ibstock plc. were sold in January 1999. This stock was included in the balance sheet as of December 31, 1998 under current assets and was recorded as of this date at the realized sale price.

Certain acquisitions made during 1998 (Balaton Teglaipari Kft, Cetera IGM d.d. Dakovo, Opekarna Ormoz d.d., V.W. Elektrorohre GmbH) could not be integrated in the Group reporting system as of December 31, 1998 due to a shortage of time following purchase. These companies are included in the consolidated accounts using the full or proportional method beginning on January 1, 1999.

Companies consolidated for the first time were included as of the date of acquisition or as of the next possible balance sheet date.

As of January 1, 1999 or the point of initial consolidation (General Shale – July 16, 1999), the effects of changes in the consolidation range on the consolidated accounts are as follows:

in TEUR			
A. Fixed Assets	307,177	A. Equity	38,084
B. Current Assets	-206,825	B. Provisions	49,519
C. Prepayments and deferred charges	12,695	C. Liabilities	24,054
		D. Deferred Income	1,390
	113,046		**113,046**

The deconsolidation of companies resulted in a decrease of TEUR 17,372 in Group sales. Other operating income includes a TEUR 30,746 deconsolidation gain on the sale of a 51 % holding in Wipark and a TEUR 1,489 deconsolidation gain on the sale of a 5 % share in “Wienerberg City”. Transfer of the Chinese plastic pipe business to Pipelife generated a gain of TEUR 2,185.

Companies included for the first time during the 1999 business year using the full or proportional consolidation method contributed TEUR 252,243 to Group sales and TEUR 18,599 to operating profit.

4. 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 (purchase accounting). Any identifiable difference between purchase price and applicable equity is added to fixed assets; any goodwill remaining after the initial application of IAS is capitalized (TEUR 163,872 in the reporting year) and 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 TEUR 270,036 in tangible assets and Group equity as of December 31, 1999. Over an amortization period of 20 years, amortization of goodwill would rise by TEUR 17,304.

Negative differences from initial consolidations, which result from expected future losses, are recorded under other provisions. Initial consolidations made during the reporting year led to the addition of TEUR 3,234 in negative differences to provisions. Joint ventures are consolidated on a proportional basis in keeping with the general principles described above.

As of December 31, 1999 differences resulting from the capital consolidation (full and proportional) are as follows:

in TEUR	**31. 12. 1999**	**31. 12. 1998**
Capitalized goodwill included in fixed assets	191,377	40,710
Positive differences charged to shareholders' equity (prior to 1.1.1997)	490,197	493,706
Negative differences included under shareholders' equity (prior to 1.1.1997)	7,093	7,093

Positive differences charged to equity prior to January 1, 1997 include TEUR 396,366 (1998: TEUR 396,366) related to the Wall, Ceiling, and Roofing Systems business unit and TEUR 78,493 (1998: TEUR 78,493) from the Pipe Systems and Sewage Technology business unit.

For those associated companies consolidated at equity, the same basic methodology applied under the full and proportional consolidation methods is used to consolidate shareholders' equity, based on the most recent available annual accounts. For companies consolidated using equity accounting, local valuation methods are maintained if the relevant amounts are immaterial.

All receivables and liabilities, sales, and other income and expenses arising between fully and proportionately consolidated companies are eliminated. Discounts and other unilaterial transactions affecting profit and loss are charged to the 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.

5. Foreign Currency Translation

The accounts of foreign companies are translated into EURO based on the functional currency method. The relevant local currency is the functional currency in all cases, since these companies operate independently from a financial, economic and organizational standpoint. With the exception of the component parts of shareholders' equity, all balance sheet items are translated using the closing rate on December 31, 1999. Goodwill is recorded as an asset in local currency and also translated at the closing rate on the balance sheet date for the consolidated accounts. 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.

Unrealized currency translation differences arising from long-term shareholder loans are offset against currency translation adjustments with no impact on the profit and loss account.

During the reporting year, translation losses of TEUR 831 (1998: gains of TEUR 7,193) were charged 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.

The major exchange rates used for foreign currency translation (outside the EURO zone) showed the following development during the reporting year:

	Closing rate on		Average annual rate	
	31. 12. 1999 EUR	31. 12. 1998 EUR	1999 EUR	1998 EUR
100 US Dollars	99.542	85.369	93.738	89.971
100 Swiss Francs	62.301	62.198	62.500	62.025
100 Czech Krone	2.770	2.856	2.711	2.796
100 Croatian Kuna	13.046	13.662	13.173	14.137
100 Hungarian Forint	0.393	0.400	0.396	0.421
100 Norwegian Krone	12.382	11.232	12.028	11.232
100 Polish Zloty	24.046	24.491	23.658	25.796
100 Swedish Krone	11.679	10.603	11.350	11.322
100 Slovakian Krone	2.358	2.315	2.274	2.557

6. Accounting and Valuation Principles

Intangible and tangible 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 selling and administrative expenses are not capitalized. The cost of debt incurred during the construction of major 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	Other machinery	5 – 15	years
Administrative buildings	40 – 50	years	Fittings, furniture and office equipment	3 – 10	years
Residential buildings	40 – 50	years	Goodwill arising from capital consolidation	20	years
Kilns and dryers (hollow bricks)	8 – 15	years	Goodwill from individual company accounts	5	years
Kilns and dryers (facing bricks)	10 – 20	years	Other intangible assets	3 – 10	years

Special depreciation is taken where necessary to reflect any significant and lasting decrease in value above and beyond ordinary 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 the annual depreciation is charged. Low-value assets are capitalized and fully written off in the year of purchase.

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 recorded as liabilities and released in keeping with the useful life of the relevant asset.

In accordance with IAS 36 (Impairment of assets) assets, where there is evidence of impairment, are written down to value in use or net selling price if the present value of future cash flows received is less than book value. In the Wienerberger Group, the individual production sites are considered cash-generating units.

Financial investments: Investments in associated and non-consolidated subsidiaries are generally valued at equity, unless these investments are material. Investments in other companies are valued at acquisition cost or the applicable lower value. 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 consist of direct expenses and allocated overhead, including depreciation which reflects normal capacity usage. 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 receivables with a remaining term in excess of one year are recorded at discounted present value. Foreign exchange receivables in 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 and included under financial results.

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

Provisions: Provisions for severance payments – primarily for employees of Austrian companies – 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.

The projected unit credit method is used to calculate the provisions for pension obligations. The valuation of these pension obligations incorporates future wage and salary increases, as well as increases in contributions and performance-based commitments. Calculations are based on a discount rate of 7 %, 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 for this item 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 are made. Provisions for re-cultivation are created for clay pits in proportion to the amount of depletion. 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 repayment amount, nominal value, or the higher of value on the balance sheet date. Foreign currency liabilities from individual company accounts are translated at the average exchange rate on the balance sheet date.

Derivative financing instruments: Interest rate and foreign exchange swaps and foreign exchange contracts which can be allocated to a specific liability are recorded on the balance sheet together with the related primary financing instrument.

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 (less treasury stock). There are no option rights for the emission of new shares. On May 7, 1999 the Annual General Meeting approved a 1:8 stock split effective on June 7, 1999. Each shareholder received eight times the number of shares previously held. To simplify comparison, 1998 earnings per share were converted to reflect the new number of 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.

Segment reporting: In accordance with the "Management Approach" set forth in IAS 14, the definition of business units for primary segment reporting should reflect the internal reporting structure. Regional segment reporting should classify sales by customer headquarters. The classification of EBITA, assets and capital expenditures is based on company headquarters, whereby investments in other companies and Group settlements are not allocated to regional assets. Immaterial purchases of goods and services exist only on a regional basis within the individual strategic business units.

II. Notes to the Profit and Loss Account

7. Sales

Consolidated sales rose from TEUR 1,143,299 to TEUR 1,337,543 or by 17 %. Acquisitions and divestments increased sales by the net amount of TEUR 234,871. Price-related declines in sales at Treibacher reduced sales by TEUR 79,943. After the elimination of sales registered by deconsolidated subsidiaries and companies consolidated for the first time and the price-induced decline in sales of Treibacher, the increase in sales totals 4 %. Information on sales by business unit and region is provided under segment reporting.

8. Other Operating Income

in TEUR	**1999**	**1998**
Own work capitalized	4,905	3,629
Income from the disposal and write-up of fixed assets excluding financial assets	16,986	8,432
Income from the reversal of provisions	10,502	10,351
Miscellaneous	73,106	53,414
	105,499	**75,825**

Other operating income includes a deconsolidation gain from the sale of 51 % of Wipark (TEUR 30,746), 5 % of "Wienerberger City" (TEUR 1,489), and from the transfer of plastic pipe activities in China into Pipelife Group (TEUR 2,185). In the prior year, this item included a TEUR 13,574 gain on sale of the Sturn Group concrete business and real estate revenue of TEUR 13,251 from the transfer of 50 % of "Wienerberg City".

Miscellaneous other operating income also includes transportation and freight revenue of TEUR 5,532 (1998: TEUR 2,429), exchange rate gains of TEUR 4,278 (1998: TEUR 3,635), leasing revenues of TEUR 411 (1998: TEUR 97), expenses charged to non-Group companies of TEUR 79 (1998: TEUR 724), and income from the reversal of valuation adjustments to receivables of TEUR 1,227 (1998: TEUR 885). Also included under miscellaneous operating income are deconsolidation gains and sales-like transactions which are not part of the direct business activities of the Wienerberger Group.

9. Cost of Materials

in TEUR	1999	1998
Cost of materials	538,390	493,976
Cost of purchased services	47,872	35,134
	586,262	**529,110**

10. Personnel Expenses

Personnel expenses are comprised of the following items:

in TEUR	1999	1998
Wages	118,862	90,105
Salaries	113,029	90,358
Expenses for severance payments	6,757	4,892
Expenses for pensions	3,692	2,297
Expenses for mandatory social security and payroll-related taxes and contributions	59,564	51,558
Other employee benefits	7,508	4,590
	309,411	**243,800**

Expenses for pensions consist of:

in TEUR	1999
Service Cost	2.031
Interest cost	2.654
Actuarial loss	-993
	3.692

Average number of employees:

	1999		1998	
	Total	thereof joint ventures	Total	thereof joint ventures
Workers	7,196	1,431	5,441	1,239
Staff	3,178	891	2,547	733
	10,374	**2,322**	**7,988**	**1,972**

The acquisition and sale of companies resulted in a net change of 2,403 in the number of employees. The employees of companies consolidated on a proportional basis are included in relation to the shares held in these companies.

Personnel expenses include TEUR 827 (1998: TEUR 138) of non-recurring severance payments and pension expenses.

During the reporting year, members of the Managing Board received salaries and benefits totaling TEUR 1,854 (1998: TEUR 1,813). Payments amounting to TEUR 114 (1998: TEUR 188) were made to former members of the Managing Board and their surviving dependents. Members of the Supervisory Board received compensation of TEUR 89 for the 1999 business year (1998: TEUR 90). There are no outstanding guarantees for loans to members of the Managing or Supervisory Boards.

The members of the Managing Board and Supervisory Board are listed on Pages 12 and 13.

The first Wienerberger Performance Share Plan was approved by the Annual General Meeting on May 7, 1999. This Performance Share Plan includes a circle of 72 top managers. After making an own investment, managers receive an option for Wienerberger shares. The exercise of these options in 2001 is tied to an earnings goal and target stock price.

11. Depreciation

in TEUR	**1999**	**1998**
Ordinary depreciation	110,361	91,975
Extraordinary depreciation	3,369	611
	113,730	**92,586**
Amortization of goodwill	7,314	3,023
Amortization of intangible assets and depreciation of fixed assets	**121,044**	**95,609**

The ordinary amortization of goodwill arising from the consolidation of capital totaled TEUR 6,012 during the reporting year (1998: TEUR 1,662).

12. Other Operating Expenses

in TEUR	**1999**	**1998**
Other taxes	9,577	7,127
Miscellaneous	234,036	191,861
	243,613	**198,988**

Other operating expenses consist primarily of TEUR 74,162 (1998: TEUR 53,378) in freight and transportation expenses, TEUR 20,673 (1998: TEUR 30,951) of maintenance and repair expenses, TEUR 22,284 (1998: TEUR 17,952) of advertising expenses, TEUR 9,729 (1998: TEUR 7,426) of legal and consulting fees, TEUR 4,794 (1998: TEUR 4,344) of insurance expenses, and TEUR 3,330 (1998: TEUR 5,982) of exchange rate losses.

Miscellaneous other operating expenses include non-recurring expenses of TEUR 5,468 (1998: TEUR 929).

13. Financial Results

in TEUR	1999	1998
Income from investments in associated companies	5.051	2.396
Income from investments in subsidiaries	8	153
Income from investments in other companies	1.642	378
Total income from investments	**6.701**	**2.927**
Interest and similar income	19.105	31.032
Interest and similar expense	-36.663	-31.608
Net financing costs	**-17.559**	**-576**
Income from other securities and loans granted (financial assets)	6.310	2.128
Market valuation of short-term securities	-4.495	-3.007
Miscellaneous other income from financing activities	-215	-952
Other income from financing activities	**1.601**	**-1.831**
Financial results	**-9.257**	**520**

14. Taxes on Income

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

in TEUR	1999	1998
Income tax expense	39,814	46,147
Provisions for deferred taxes	14,097	455
	53,911	**46,602**

The effective tax rate for the reporting year is 30.2 % (1998: 28.6 %). The Group tax rate is a weighted average of the local income tax rates of all companies included in the consolidation. The difference between the Austrian corporate tax rate of 34 % and the Group tax rate shown in these statements is as follows:

in TEUR	1999	1998
Income before tax	**178,583**	**163,072**
Tax expense at tax rate of 34 %	**-60,718**	**-55,444**
Other foreign tax rates	-5,108	-3,057
Non-temporary differences, and tax income and expense from prior periods	10,972	12,516
Change in the valuation adjustment of deferred tax assets and losses for which no deferred tax provisions were created	577	-1,079
Changes in tax rates	366	462
Effective tax liability	**-53,911**	**-46,602**
Effective tax rate in %	30.2 %	28.6 %

III. Notes to the Balance Sheet

15. Fixed and Financial Assets

The development of fixed and financial assets is shown on page 68. The effect of changes in the consolidation range is shown in a separate column. The figures shown under exchange rate changes represent amounts arising from the use of different exchange rates to translate the assets of foreign companies at the beginning of the year and year-end.

The balance sheet item "Land with buildings" includes TEUR 106,434 (1998: TEUR 84,587) 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.

Interest expense of TEUR 1,607 (1998: TEUR 1,091) related to the construction of new plants was capitalized during the reporting year.

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

in TEUR	**1999**	**1998**
Acquisition costs	5,632	12,028
Depreciation (accumulated)	2,207	3,210
Book value	3,425	8,818

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

in TEUR	**1999**	**1998**
During the following year	5,331	6,504
During the next five years	21,266	25,180
Over five years	4,657	23,548

16. Inventories

in TEUR	**1999**	**1998**
Raw materials and supplies	66,239	53,810
Work in progress	10,203	11,249
Finished goods	158,556	128,776
Merchandise	28,013	28,635
Prepayments	2,361	955
	265,372	**233,425**

17. Receivables and Other Assets

All necessary individual valuation adjustments were made to receivables and other assets. Lump-sum valuation adjustments totaling TEUR 1,572 (1998: TEUR 1,700) were made to accounts receivable – trade.

Development of receivables	1999			1998		
in TEUR	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	153,817	152,427	1,390	112,706	107,963	4,743
2. Receivables from subsidiaries	2,107	2,107	0	4,240	4,240	0
3. Receivables from affiliated companies	110,001	110,001	0	32,458	32,458	0
4. Other receivables and assets	99,732	96,011	3,721	56,130	41,363	14,767
	365,657	**360,546**	**5,111**	**205,534**	**186,024**	**19,510**

Receivables due from subsidiaries and affiliated companies are related primarily to loans and the provision of goods and services. Other receivables and assets include revenues of TEUR 3,424 (1998: TEUR 5,993) which will only become due and payable after the balance sheet date. Accounts receivable – trade are secured by TEUR 238 (1998: TEUR 1,337) of bills of exchange.

18. Prepayments and Deferred Charges

This item includes TEUR 436 (1998: TEUR 44) of expenses related to the procurement of funds and discounts on loans received. The remainder represents short-term advance payments made by Group companies.

19. Consolidated Shareholders' Equity

The development of consolidated shareholders' equity during 1999 and 1998 is shown on page 67.

The share capital of Wienerberger Baustoffindustrie AG totals EUR 69,455,312.– and is divided into 69,455,312 shares with zero par value (8,681,914 shares before stock split). In the Annual General Meeting on May 7, 1999 the share capital of Wienerberger Baustoffindustrie AG was converted from ATS 868,191,400.– to EUR 69,455,312.–. For rounding purposes, ATS 87,534,530.– was taken from retained earnings and used to increase share capital. At the same time, the ordinary shares with nominal value were converted to shares with zero par value.

The Annual General Meeting on May 7, 1999 also approved a 1:8 stock split effective on June 7, 1999. The opening price for the stock on June 7, 1999 equaled one-eigth of the closing price on the previous trading day. Each shareholder received eight times the number of shares previously held.

The first Wienerberger Performance Share Plan was approved by the Annual General Meeting on May 7, 1999. For this purpose, Wienerberger purchased 549,408 of its own shares with a book value of TEUR 11,591. These shares are shown separately under equity.

The majority shareholder of the Wienerberger Group is the Wienerberger Holding GmbH, which owns 50 % plus 24 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 (also see page 35).

The Wienerberger share is traded in the A Segment of the Vienna Stock Exchange. In the USA, the share is traded in a "Sponsored ADR Level 1 program".

Retained earnings totaling TEUR 621,968 (1998: 539,586 TEUR) 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 1999, excluding the share of profit/loss due to minority interests, is shown under retained earnings.

20. Provisions

in TEUR	1.1.1999	Exchange rate changes	Change in consolid. range	Reversal	Use	Addition	31.12.1999
1. Provisions for severance payments	24,408	0	-211	1,081	1,487	2,115	23,744
2. Provisions for pensions	15,995	246	15,569	10	1,537	2,163	32,426
3. Provisions for deferred taxes	114,070	312	27,922	5,565	29,120	19,650	127,269
4. Other provisions for							
a) Guarantees	17,496	-38	44	1,760	2,486	1,699	14,955
b) Service anniversary bonuses	3,686	-2	-59	4	205	50	3,466
c) Re-cultivation	9,385	-69	4,418	336	681	2,548	15,265
Sub-total long-term provisions	**185,040**	**448**	**47,683**	**8,757**	**35,516**	**28,226**	**217,124**
5. Provisions for current taxes	23,794	14	30	1,483	15,279	21,846	28,921
6. Other short-term provisions							
a) Vacation pay	10,863	39	547	276	5,311	6,320	12,182
b) Miscellaneous	43,446	-23	1,260	7,035	17,392	33,471	53,728
Sub-total short-term provisions	**78,103**	**30**	**1,836**	**8,794**	**37,982**	**61,637**	**94,831**
Total provisions	**263,143**	**479**	**49,519**	**17,551**	**73,498**	**89,863**	**311,955**

Wienerberger has made pension commitments to only selected managers and all employees of General Shale and ZZ Wancor. As a rule, pension commitments made to management are performance-based and not tied to a fund. The length of service forms the base for pension plans. General Shale employees have performance-oriented pension commitments which are tied to a fund. The market value of fund assets exceeds current pension obligations. ZZ Wancor has a contribution-based pension plan with an external pension fund.

Legal regulations grant Austrian employees the right to a one-time payment at retirement or termination by the employer, independent of the lenght of service. These future obligations are reflected in provisions for severance compensation.

21. Provision for Deferred Taxes

Deferred tax assets and provisions for deferred taxes as of December 31, 1999 and December 31, 1998 are the result of the following temporary valuation and accounting differences between book values in the IAS consolidated financial statements and the relevant tax bases:

in TEUR	1999		1998	
	Assets	Liabilities and Equity	Assets	Liabilities and Equity
Intangible assets	1,558	-713	1,048	871
Property, plant and equipment	3,662	-113,242	7,241	-84,539
Financial assets	272	-844	1,369	-175
Inventories	36	-2,977	7	-1,144
Receivables	1,278	-406	979	-294
Securities and shares	0	-382	0	-2,032
Cash, checks and deposits at financial institutions	0	-26	0	-64
Prepayments and deferred charges	830	-5,018	88	-90
	7,635	-123,608	10,732	-87,467
Untaxed reserves	0	-42,099	0	-50,628
Provisions	18,829	-3,868	10,880	-1,833
Liabilities	3,996	-326	516	-713
Deferred income	3,081	-648	3,143	-352
	25,907	-46,941	14,539	-53,526
Tax loss carry-forwards	29,927		53,707	
Deferred tax assets/provisions	63,468	-170,549	78,978	-140,993
Valuation allowance for deferred tax assets	-6,074		-10,128	
Offset within legal tax units and jurisdictions	-43,280	43,280	-26,923	26,923
Net deferred tax assets and provisions	**14,114**	**-127,269**	**41,927**	**-114,070**

In the Group financial statements, book value differences and tax loss carry-forwards totaling TEUR 6,074 (1998: TEUR 10,128) 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 TEUR 170,954 (1998: TEUR 198,984).

22. Liabilities

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

1999 *in TEUR*	Total	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years	Thereof remaining term over 1 year and secured by collateral
1. Loans and overdrafts with financial institutions	901,789	490,009	173,400	238,380	9,911
2. Prepayments received on orders	842	733	109	0	0
3. Accounts payable – trade	110,797	107,973	2,824	0	0
4. Liabilities from the acceptance of bills of exchange	1,163	1,163	0	0	0
5. Amounts owed to subsidiaries	1,188	1,188	0	0	0
6. Amounts owed to affiliated companies	14,409	14,409	0	0	0
7. Other liabilities	65,967	57,513	5,162	3,293	1,892
Liabilities as per balance sheet	**1,096,156**	**672,988**	**181,495**	**241,673**	**11,803**

1998 *in TEUR*	Total	Thereof remaining term under 1 year	Thereof remaining term between 1 and 5 years	Thereof remaining term over 5 years	Thereof remaining term over 1 year and secured by collateral
1. Loans and overdrafts with financial institutions	738,679	629,896	94,808	13,976	23,473
2. Prepayments received on orders	1,724	1,260	208	256	79
3. Accounts payable – trade	85,275	85,187	87	0	14
4. Liabilities from the acceptance of bills of exchange	4,213	4,213	0	0	0
5. Amounts owed to subsidiaries	1,175	1,175	0	0	0
6. Amounts owed to affiliated companies	6,041	6,041	0	0	0
7. Other liabilities	79,280	67,042	9,087	3,151	1,528
Liabilities as per balance sheet	**916,387**	**794,814**	**104,190**	**17,382**	**25,094**

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 TEUR 8,549 (1998: TEUR 10,920) due to fiscal authorities and TEUR 8,523 (1998: TEUR 9,247) due to social security providers. Other liabilities include expenses totaling TEUR 2,768 (1998: TEUR 3,841) which will only become due and payable after the balance sheet date. In contrast to the prior year, other interest-bearing liabilities are shown under loans and overdrafts with financial institutions. Prior year data was adjusted accordingly.

23. Deferred Income

This item includes TEUR 11,267 (1998: TEUR 12,812) 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 TEUR	**31. 12. 1999**	**31. 12. 1998**
Sureties	57	0
Guaranties	4,111	758
Obligations arising from bills of exchange	1,357	1,300
Other contractual obligations	776	7,884
	6,301	**9,942**

Long-term purchase contracts were concluded in the Treibacher 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

Cash flow from operating activities shows the flows of funds arising from the provision and receipt of goods and services. Cash flow of TEUR 132,085 (1998: TEUR 170,694) from operating activities includes changes in working capital.

iin TEUR	**31. 12. 1999**	**31. 12. 1998**
Interest income	17,156	19,502
Interest expense	35,771	21,044
Tax payments	33,120	

26. Cash Flow from Operating Activities

The acquisition of tangible, intangible, and financial assets resulted in an outflow of funds totaling TEUR 155,813 (1998: TEUR 237,899). Investments of TEUR 52,218 (1998: TEUR 19,468) were made in financial assets.

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

in TEUR	**1999**	**1998**
Payments made for companies acquired	-344,879	-63,900
Cash flow from initial consolidations	15,527	2,324
Payments received for companies sold	12,385	23,067
Cash flow from deconsolidations	-20,340	-4,565
Cash flow arising from changes in the consolidation range	**-337,307**	**-43,074**

The deconsolidation of Wipark was eliminated in preparing the Cash Flow Statement since the purchase price is due and payable in 2000.

V. 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 the majority of invoices issued by foreign companies are denominated in local currency. Treibacher Industrie AG also issues invoices in US$. 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	**1999**			**1998**		
	Book value *in TEUR*	**Market value** *in TEUR*	**Average effective int. rate** *in %*	**Book value** *in TEUR*	**Market value** *in TEUR*	**Average effective int. rate** *in %*
Shares in funds	50,746	53,437	8.35	42,800	46,335	8.80
Debt issued by corporations	468	478	5.03	4,260	4,390	5.22
Debt issued by local public authorities	1,422	1,422	4.33	2,546	2,596	5.56
Stock	427	440		431	436	
Other	333	330	2.50	163	197	0.00
	53,395	**56,107**	**8.11**	**50,201**	**53,953**	**8.26**

Short-term securities	**1999**			**1998**		
	Book value *in TEUR*	**Market value** *in TEUR*	**Average effective int. rate** *in %*	**Book value** *in TEUR*	**Market value** *in TEUR*	**Average effective int. rate** *in %*
Debt issued by corporations	49,701	49,701	2.76	99,531	99,531	7.90
Debt issued by local public authorities	30,150	30,150	-3.87	24,432	24,432	8.36
Debt issued by foreign countries	18,485	18,485	5.97	37,121	37,121	3.32
Stock	4	4		137,647	137,647	
Other	14,959	14,959	4.56	558	558	4.32
	113,300	**113,300**	**1.76**	**299,289**	**299,289**	**5.56**

Financial liabilities can be classified as follows:

Type	**Currency**	**Nominal value** *in thous. local currency*	**Book value** *in TEUR*	**Effective interest rate** *in %*
Loans	EUR	333,655	334,755	4.26
	CHF	29,500	18,379	4.03
	ATS	272,713	16,959	4.31
	DEM	35,463	16,412	2.27
	BEF	339,600	3,729	5.43
	misc.		962	6.21
			391,197	
Roll-over	ATS	1,000,000	73,502	3.14
	EUR	50,000	50,699	2.98
	DEM	40,600	20,759	3.72
	CHF	24,000	15,020	2.37
	misc.		4,300	3.28
			164,280	
Short-term loans	ATS	1,455,000	105,739	3.52
	EUR	34,700	34,700	3.25
	FRF	199,000	34,537	3.24
	GRD	2,102,250	6,385	12.49
	misc.		4,376	9.84
			185,737	
Other	misc.		**5,994**	2.19
Fixed-interest financial liabilities due to financial institutions			**747,208**	
Loans	SEK	137,368	16,043	3.85
	CZK	280,000	7,756	5.65
	ATS	92,038	6,689	3.43
	ESP	1,000,000	6,010	3.72
	misc.		18,745	5.25
			49,233	
Roll-over	CHF	37,750	23,519	2.05
	BEF	406,664	7,767	3.20
	misc.		20,252	18.31
			51,539	
Short-term loans	ATS	178,500	11,882	3.57
	CHF	5,902	3,677	2.75
	misc.		8,723	3.91
			24,283	
Other	misc.		**18,938**	3.20
Variable interest financial liabilities due to financial institutions			**143,991**	
Loans – fixed interest rates	DEM	5,201	2,564	4.93
	ATS	32,592	2,369	3.47
	BEF	83,160	1,913	3.35
	misc.		1,853	1.20
Loans – variable interest rates	NLG	4,171	1,893	4.04
Financial liabilities due to non-banks			**10,590**	

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 *31.12.1999 in thous. local currency*	Market value *31.12.1999 in TEUR*	Nominal Value *31.12.1998 in thous. local currency*	Market value *31.12.1998 in TEUR*
Forward exchange contracts	USD	19,700	-667	19,451	9
	CZK	170	0		
Interest rate swaps	ATS	180,000	-286	220,000	-481
	FRF	180,000	-333	180,000	-854
CAP	DEM	35,600	87	16,000	0

VI. Other Information

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

The number of shares outstanding is 69,455,312 following the stock split on June 7, 1999. As of December 31, 1999 treasury stock totaled 549,408 shares, which were deducted on a pro rata time basis in calculating earnings per share.

Number of shares	1999	1998
Outstanding (1998 before split)	69,455,312	8,681,914
Weighted average	69,222,759	8,681,914

Based on consolidated net income of TEUR 120,368 (1998: TEUR 113,733) earnings per share equal EUR 1.74 (1998: EUR 1.64).

In accordance with the provisions of the Austrian Stock Corporation Act, the individual financial statements of the Wienerberger Baustoffindustrie Aktiengesellschaft as at December 31, 1999 form the basis for the dividend payment. These financial statements show net income of EUR 34,770,269.51. The Managing Board recommends the Annual General Meeting approve a dividend payment of 50 % on share capital of EUR 69,455,312, or EUR 34,727,656, less a pro rata share for treasury stock of TEUR 320,000, and carry forward of the remaining EUR 362,613.51.

30. Significant events occurring after the balance sheet date, closure of segments

On September 20, 1999 the EU Commission approved the application to increase the holding in Steinzeug GmbH from 24.9 % to 50 %. Therefore, Deutsche Steinzeug Cremer & Breuer AG will sell 15.1 % to Wienerberger as of January 1, 2000. After an additional increase in share capital by Steinzeug GmbH, Wienerberger will hold a 50 % share in the newly named Steinzeug Abwassersysteme GmbH. As of January 1, 2000 Steinzeug Abwassersysteme GmbH will be included in the consolidated accounts on a pro rata basis.

In December 1996 Koramic Building Products N.V. and Wienerberger formed a 50/50 joint venture, Koramic-Wienerberger Dachprodukte Holding GmbH. During the first half of 1999 Koramic Building Products N.V. and Wienerberger acquired the building materials activities (ZZ Wancor AG) of ZZ Holding AG. As of January 1, 2000 Koramic Building Products N.V. acquired the shares in Koramic-Wienerberger Dachprodukte Holding GmbH. In exchange, Wienerberger acquired the shares in ZZ Wancor AG from Koramic Building Products N.V.

In February 2000 General Shale Building Materials G. P. acquired Cherokee Sanford Group LLC with its five facing brick plants for USD 81 million.

During the 1999 reporting year no segments of business were closed, as defined by IAS 35.

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 owned 50 % of the shares in Koramic Wienerberger-Dachprodukte Holding GmbH and ZZ Wancor AG and its subsidiaries as of December 31, 1999.

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.

32. First Wienerberger Performance Share Plan

The first Wienerberger Performance Share Plan includes 72 members of management. After making an individual investment, each manager will receive a certain number of options to purchase Wienerberger shares. This Plan has four key points: an individual investment, the number of options, reaching the set goals, and exercising the options.

Individual Investment: The requirements for participation are a personal commitment in the form of a purchase of Wienerberger shares plus active employment in the Wienerberger Group up to December 31, 2000. This individual investment is defined as:

– Managing Board of Wienerberger Baustoffindustrie AG:	EUR 30,000
– Group Management (excl. Corporate Services):	EUR 15,000
– Management (incl. Corporate Services):	EUR 5,000 (maximum 10 % of annual net compensation)

This individual investment must have been made by June 30, 1999, with a depository receipt submitted as proof of purchase. The shares must be held up to the first possible exercise date in order to exchange the options. Seventy-two managers have met this participation requirement by making an individual investment.

Number of Options: After the individual investments were made, participating managers received the following number of options:

– Managing Board and Group Management (excl. Corporate Services):	16,000 options
– Management (incl. Corporate Services):	8,000 options

Each option represents the right to purchase one Wienerberger share at a fixed price of EUR 22.5. This purchase is conditional upon reaching the stated goals. These options are not "freely tradable assets" and may only be exercised personally by the owner.

Goals: Our stated goals are extremely ambitious:

1. A doubling of Economic Value Added (EVA) in our core brick and pipe business from EUR 19.6 million in the 1997 and 1998 business years to a minimum of EUR 39.2 million in the 1999 and 2000 business years. Excluded from the calculation is any major acquisition over EUR 18.2 million which remains an independent company unit from an accounting and earnings standpoint and which may cause a short-term decline in value. This calculation will be performed by our certified public accountants in conjunction with the audit of the annual financial statements.

2. An increase in the price of the Wienerberger share to EUR 30 (target) on at least 10 stock exchange business days between January and April 2001.

Both goals must be reached in order to exchange the options for Wienerberger shares. An increase in EVA by 50 % to EUR 29.4 million and a target stock price of EUR 27.5 will give participants the right to exercise 30 %, e.g. 2,400 or 4,800 options. No further graduation of exercise rights is planned.

Exercise of Options: When the planned goals are reached, participating managers may exchange their options, up to the stated number, for Wienerberger shares at a fixed purchase price of EUR 22.5 based on a ratio of 1:1. The options may only be exercised on 40 business days which fall within one of the following "windows":

– 10 business days following the Annual General Meeting in the year 2001
– 10 business days following the announcement of Six Month Results for the year 2001
– 10 business days following the announcement of Third Quarter Results for the year 2001, and
– the last 10 business days of the year 2001.

The participants in the first Wienerberger Performance Share Plan are as follows:

with 16,000 options: Erhard Schaschl, Wolfgang Reithofer, Paul Tanos, Johann Windisch, Klaus Hoppe, Richard Green, Hans Tschuden, Reinhard Iro.

with 8,000 options: Adolf Jessner, Alexander Bouvier, Alfons Wagener, Anna Nöst, Arno Langwieser, Arno Stratemann, Christian Rantz, Christian Schügerl, Christian Weinhapl, Christof Comenig, Clemens Steenheuer, Donat Kallinger, Erich Schaschel, Ernst Will, Eugeen Ruts, Friedrich Hopfner, Fritz Pilz, Geert Segers, Gerhard Bachmaier, Günter Malloth, Hans-Peter Steindor, Heimo Scheuch, Helmut Haslauer, Herbert Klawatsch, Herbert Putz, Herbert Stüber, Hermann Sammer, J.B. Cooper, Jiri Vlk, Joel Bodiou, Jörg Bauernfeind, Jörg Hartmann, Josef Kirnbauer, Josef Kotek, Jürgen Hauff, Karl Thaller, Ken Parham, Klaus Wagner, Ludek Barta, Manfred Toscani, Marcus Stasko, Martin Kasa, Michal Hölker, Mickey Sutton, Norbert Schwarzmüller, Oliver Frickenhelm, Pavel Hejc, Randy Smith, Reinhard Schwitalla, Richard Ray, Robert Holzer, Roland Pomajbik, Rudy van Reeth, Thomas Kleibl, Thomas Leissing, Ulf Stromberger, Veronika Ettinger, Volker Schmidt, Walter Linke, Walter Schramm, Werner Kuras, Wilfried Semmelrock, Willem Meinders.

Performance Share Plan – Status-quo 1999

in TEUR	Wall, Ceiling, and Roofing Systems	Pipe Systems and Sewage Technology	Building materials activities	Less Acquisitions *> € 18 mill.*	Building materials ex. large acquisitions
EBIT	116,576	19,871	136,447	14,692	121,754
Taxes	-38,969	-3,811	-42,780	-4,017	-38,763
Adjusted taxes	-5,650	-983	-6,633	-2,879	-3,753
NOPAT	**71,957**	**15,077**	**87,034**	**7,795**	**79,238**
Equity	574,597	102,979	677,576	153,890	523,686
Interst-bearing debt	304,962	105,619	410,581	53,824	356,758
Net inter-Group liabilities	316,832	14,009	330,841	202,940	127,901
Cash and cash equivalents	-48,920	-17,263	-66,183	-10,917	-55,266
Marketable securities	-13,898	0	-13,898	-10,146	-3,752
Financial assets	-44,899	-52,271	-97,170	-61,179	-35,991
Capital Employed	**1,088,675**	**153,073**	**1,241,748**	**328,412**	**913,336**
ROCE	6.6 %	9.8 %	7.0 %	2.4 %	8.7 %
WACC	8.0 %	8.0 %	8.0 %	8.0 %	8.0 %
EVA	**-15,137**	**2,831**	**-12,306**	**-18,478**	**6,171**
Target					39,243
EVA required in 2000					**33,072**

Vienna, March 8, 2000

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, 1999 and 1998. 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, 1999 and 1998, 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 4 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 14, 2000

KPMG Austria
Wirtschaftsprüfungs- und Steuerberatungs-GmbH

Elisabeth Broinger   Hans Zöchling
Certified Public Accountants

Group Companies

Company	Headquarters	Share capital	Currency	Interest in %	Type of consolidation	Notes
Wienerberger Ziegelindustrie Aktiengesellschaft	Wien	300,000,000	ATS	100.00%	VK	
Balaton Teglaipari Kft.	Balatonszentgyörgy	1,054,570,000	HUF	100.00%	VKW	
Bataszeki Wienerberger Teglaipari Kft.	Bataszek	2,243,360,000	HUF	100.00%	VK	
Brick Slovakia a.s.	Zlate Moravce	45,000,000	SKK	100.00%	VK	
Cadorina Laterizi SpA	Belluno	563,000,000	ITL	100.00%	OKW	1)
CEE Invest B.V.	Eersel	40,000	NLG	100.00%	OK	1)
Cihelna Kinsky spol. s.r.o.	Kostelec nad Orlici	99,031,000	CZK	40.00%	EQ	
Cihelna Repov a.s.	Repov	60,680,000	CZK	74.14%	VK	
Cihelna Staré Misto s.r.o.	Velis u Jicina	250,000	CZK	100.00%	VKE	
Cilhelny Later a.s.	Prague	25,000,000	CZK	100.00%	VKE	
Dunantuli Teglagyarak Rt.	Teskand	919,880,000	HUF	51.09%	OKE	1)
Eurobeton s.r.o.	Chrudim	100,000	CZK	100.00%	OKE	1)
Glina Dobre Sp.z.o.o.	Zielonka	14,000	PLN	0.00%	OK	1)
Glina Nowa Sp.z.o.o.	Zielonka	4,000	PLN	0.00%	OK	1)
Glina Sp. z.o.o.	Lebork	4,000	PLN	0.00%	OK	1)
Later Chrudim a.s.	Chrudim	456,573,000	CZK	83.58%	VKE	
Poduzece za ucesce u ciglanama d.o.o.	Karlovac	20,000	HRK	100.00%	OK	1)
Steirische Ziegelwerke Gesellschaft m.b.H.	Bärnbach	500,000	ATS	74.00%	OK	1)
Szinergia-99 Befektetesi es Tanacsado Kft.	Györ	6,100,000	HUF	50.82%	OKE	1)
Wienerberger Bohemia Cithelny spol. s.r.o.	Teplice	44,550,000	CZK	100.00%	VK	
Wienerberger Brunori SRL	Bubano	7,800,000,000	ITL	100.00%	VK	
Wienerberger Cegielnie Lebork Sp.z o.o.	Lebork	11,014,500	PLN	100.00%	VK	
Wienerberger Ceramika Budlowana Sp.z.o.o.	Warszawa	1,000,000	PLN	100.00%	VKW	
Wienerberger cesko moravsky cihlarsky prumysl spol. s.r.o.	Ceske Budejovice	100,000	CZK	100.00%	OK	1)
Wienerberger Cetera IGM d.d.	Dakovo	67,143,600	HRK	86.40%	VKW	
Wienerberger Cihlarsky Prumysl a.s.	Ceske Budejovice	879,747,000	CZK	91.11%	VK	
Wienerberger Finanz-S. A.	Luxembourg	5,600,000	DEM	100.00%	VK	
Wienerberger Ilovac d.d.	Karlovac	90,879,500	HRK	94.41%	VK	
Wienerberger industrija opeke d.j.l.	Sarajevo	1,000	DEM	100.00%	OKE	1)
Wienerberger Karbud S.A.	Zielonka	2,081,200	PLN	74.99%	VK	
Wienerberger Opecni Sistemi d.o.o.	Zalec	1,500,000	SIT	100.00%	OK	1)
Wienerberger Opekarna Ormoz d.d.	Ormoz	228,130,000	SIT	49.88%	VKW	
Wienerberger Przemysl Ceramiczny	Wroclaw	4,000	PLN	100.00%	OK	1)
Wienerberger Sisteme de caramizi S. R. L.	Bucuresti	2,000	USD	100.00%	OK	1)
Wienerberger Slovenske Tehelne spol. s.r.o.	Zlate Moravce	406,007,000	SKK	98.55%	VK	
Wienerberger Teglaipari Rt	Budapest	3,295,000,000	HUF	86.85%	VK	
Wienerberger-Honoratka S.A. Ceramika Budowlana	Konin	20,187,000	PLN	77.79%	VK	
WZI Netherlands N.V.	Eersel	100,000	NLG	100.00%	VK	
Ziegelwerk Hostomice – Beteiligungsgesellschaft mbH	Wien	10,000,000	ATS	100.00%	VK	
Wienerberger Ziegelindustrie GmbH	Hannover	18,500,000	DEM	100.00%	VK	
Eichhorn GmbH & Co KG	Hannover	196,000	DEM	100.00%	OK	1)
Krauss Kaminwerke GmbH & Co KG München Geiselbullach	Geiselbullach	500,000	DEM	100.00%	VK	
Krauss Kaminwerke Verwaltungs-GmbH	Geiselbullach	50,000	DEM	100.00%	OK	1)
Megalith Bausteinwerke Beteiligungen GmbH	Erlangen	50,000	DEM	50.00%	OKE	1)
Megalith Bausteinwerke GmbH & Co KG	Eisenberg	7,000,000	DEM	50.00%	OKE	1)
Megalith Baustoffe 2000 Verwaltungs GmbH	Spardorf	50,000	DEM	100.00%	OKE	1)
Schlagmann Baustoffwerke GmbH & Co KG	Lanhofen	15,000,000	DEM	50.00%	QU	
Schlagmann Beteiligungs GmbH	Lanhofen	50,000	DEM	50.00%	OK	1)
Tagebau Burgwall GmbH	Burgwall	252,000	DEM	33.33%	OK	1)
Tongruben Verwaltung GmbH	Hannover	50,000	DEM	100.00%	OK	1)
TZ Tonabbau + Ziegelproduktion GmbH	Hannover	50,000	DEM	100.00%	OK	1)
Wienerberger Systemschornstein GmbH & Co KG	Hannover	130,000	DEM	100.00%	VK	
Wienerberger Ziegelindustrie Verwaltungs-GmbH	Hannover	50,000	DEM	100.00%	OK	1)
Ziegelwerk B GmbH	Hannover	50,000	DEM	100.00%	VK	
Terca Bricks N.V.	Kotrijk	1,450,000,000	BEF	100.00%	VK	
Steenbakkerij Ostyn N.V.	Meulebeke	16,000,000	BEF	100.00%	VK	
Steenfabrieken S.F.B. N.V.	Beerse	94,700,000	BEF	100.00%	VK	
Terca B.V.	Haaften	30,000	NLG	100.00%	VK	
Terca Backstein GmbH	Wegberg	100,000	DEM	100.00%	VK	
Terca Baksteen B.V.	Haaften	56,100,000	NLG	100.00%	VK	
Terca Beerse N.V.	Beerse	11,032,000	EUR	100.00%	VK	
Terca Ghlin S.A.	Ghlin	625,000	EUR	97.33%	VK	
Terca Kefimco N.V.	Kortrijk	1,484,400	EUR	100.00%	VK	
Terca Nova N.V.	Beerse	5,950,000	EUR	100.00%	VK	
Terca Quirijnen N.V.	Malle West	4,624,000	EUR	100.00%	VK	
Terca Schouterden N.V.	Maaseik	248,000	EUR	100.00%	VK	
Terca Tessenderlo N.V.	Tessenderlo	3,297,000	EUR	100.00%	VK	

Company	Headquarters	Share capital	Currency	Interest in %	Type of consolidation	Notes
Terca Warneton S.A.	Comines-Warneton	3,719,000	EUR	100.00%	VK	
Terca Zonnebeke N.V.	Zonnebeke	4,322,000	EUR	100.00%	VK	
Van Hesteren & Janssens B.V.	Eersel	800,000	NLG	100.00%	VK	
Zonnebeke Clay Products N.V.	Zonnebeke	150,000,000	BEF	100.00%	VK	
Wienerberger Briques SA	Wolfisheim	64,000,000	EUR	80.28%	VK	
Migeon Briques SAS	Wolfisheim	107,250,000	FRF	99.77%	VK	
Société de Gestion Wienerberger Briques Sárl	Wolfisheim	100,000	FRF	100.00%	OK	1)
Société du Terril d'Hulluch (S.T.C.) S.N.C.	Douai	4,500,000	FRF	50.00%	OK	1)
Sturm SAS	Wolfisheim	953,160	EUR	100.00%	VK	
Terca Briques SAS	Massy	190,995,000	FRF	100.00%	VK	
Tuileries Jean-Philippe Sturm SAS	Wolfisheim	336,120	EUR	100.00%	VK	
Wienerberger Ziegelindustrie (Schweiz) GmbH	Basel	20,000	CHF	100.00%	OK	1)
ZZ Wancor AG	Regensdorf	2,000,000	CHF	50.00%	QUE	
Backstein AG Oberwil	Oberwil	50,000	CHF	31.50%	OKE	1)
Tonwarenfabrik Laufen AG	Laufen	4,000,000	CHF	50.00%	QU	
Wiekor Holding AG	Zug	100,000	CHF	50.00%	OKE	1)
ZZ Ziegeleien AG	Zürich	27,000,000	CHF	50.00%	QUE	
General Shale Building Material, GP	Johnson City	1,000	USD	100.00%	VKE	
General Shale Building Materials, Inc.	Johnson City	1,000	USD	100.00%	OKE	1)
General Shale Holdings	Johnson City	100	USD	100.00%	VKE	
General Shale Products LLC	Johnson City	1,000	USD	100.00%	VKE	
Wienerberger U.S. Holdings, Inc.	Johnson City	1,000	USD	100.00%	VKE	
W.B.D. Holding GmbH	Wien	1,000,000	ATS	100.00%	VK	
Koramic-Wienerberger Dachprodukte Holding GmbH	Langenzenn	10,000,000	DEM	50.00%	EQW	
Mühlacker Ziegelwerke GmbH & Co KG	Mühlacker	6,000,000	DEM	50.00%	EQE	
Mühlacker Ziegelwerke Immobilien GmbH & Co KG	Mühlacker	100,000	DEM	50.00%	EQE	
MZI Verwaltungs-GmbH	Mühlacker	50,000	DEM	50.00%	EQE	
MZW Verwaltungs GmbH	Mühlacker	50,000	DEM	50.00%	EQE	
Südwest Immobilien GmbH	Langenzenn	50,000	DEM	50.00%	EQW	
Tonwerke Kandern GmbH	Kandern	3,500,000	DEM	48.94%	EQ	
Wiekor AS	Tallinn	20,001,000	EEK	50.00%	EQ	
Wiekor Dachprodukte GmbH	Langenzenn	200,000	DEM	50.00%	EQW	
Wiekor Invest N.V.	Kortrijk	2,500,000	BEF	50.00%	OKW	1)
Wiekor Pokrycia Dachowe Sp.z.o.o.	Kunice	11,953,500	PLN	50.00%	EQW	
Wienerberger Dach Beteiligungs GmbH	Wien	500,000	ATS	100.00%	VK	
Bramac Dachsysteme International Gesellschaft m.b.H.	Pöchlarn	40,000,000	ATS	50.00%	QU	
Beker Eood	Silistra	35,070	BGN	50.00%	OKE	1)
Bramac Dachsteinproduktion und Baustoffindustrie d.o.o.	Skocjan	381,816,847	SIT	33.80%	QU	
Bramac Dachsteinproduktion und Baustoffindustrie Kft.	Veszprém	1,831,880,000	HUF	32.86%	QU	
Bramac krovni sistemi D.J.L.	Sarajevo	1,000	DEM	50.00%	OKE	1)
Bramac Pokrovni Sistemi d.o.o.	Zagreb	7,778,000	HRK	50.00%	QU	
Bramac Sisteme de Invelitori s.r.l.	Brasov	10,319,857,600	ROL	50.00%	QU	
Bramac spol.s r.o.	Prague	628,431,000	CZK	50.00%	QU	
Bramac Stresne Systemy spol.s r.o.	Bratislava	173,835,000	SKK	50.00%	QU	
Lasbra Homok Kavics kitermelö Kft.	Budapest	251,480,000	HUF	25.00%	QU	
Top Dach Marketing Gesellschaft m.b.H.	Pöchlarn	1,000,000	ATS	50.00%	QU	
Wibra Tondachziegel Beteiligungs-GmbH	Wien	500,000	ATS	50.00%	QU	
Ang. Eustacchio	Graz-Andritz	486,000	ATS	33.34%	OK	1)
Dachziegel Beteiligungsgesellschaft mbH	Wien	500,000	ATS	33.34%	OK	1)
Wienerberger Rohrsysteme und Abwassertechnik Ges.m.b.H.	Wien	350,000,000	ATS	100.00%	VK	
Credit Marks Ltd.	Hongkong	1,000	HKD	100.00%	OK	1)
Wienerberger N.V.	Hasselt	1,300,000,000	BEF	100.00%	VK	
Wienerberger Rohrsysteme Entwicklungs GmbH	Wien	500,000	ATS	100.00%	VK	
Steinzeug GmbH	Köln	30,000,000	DEM	24.90%	EQ	
Keramo Wienerberger Steinzeugwerk Zwickau GmbH	Zwickau	4,000,000	DEM	100.00%	EQ	
Keramo Wienerberger Holding N.V.	Hasselt	1,015,000,000	BEF	100.00%	VK	
Semmelrock SB Baustoffindustrie GmbH	Klagenfurt	10,200,000	ATS	75.00%	VK	
Semmelrock Stein & Design Pflastersteine Kft.	Ócsa	983,000,000	HUF	100.00%	VK	
Wienerberger-Alpha Umwelttechnik GmbH	Klagenfurt	600,000	ATS	100.00%	VK	
Wipark Garáze Slovensko s.r.o.	Zlaté Moravce	200,000	SKK	100.00%	OK	1)

Company	Headquarters	Share capital	Currency	Interest in %	Type of consolidation	Notes
Pipelife International Holding Gesellschaft m.b.H.	Wr. Neudorf	17,570,000	ATS	50.00%	QU	
Arili Plastik Sanayii A.S.	Istanbul	37,400,000,000	TRL	25.50%	EQ	
AS EPS-Plast	Tallinn	400,000	EEK	31.50%	EQE	
AS Mabo Aumek	Tallinn	6,600,000	EEK	37.96%	QUE	
Chengdu Chuanwie Plastic Pipe Co., Ltd.	Chengdu	4,000,000	USD	45.00%	QUW	
Chuanlu Plastic Sales & Services Co., Ltd.	Chengdu	500,000	USD	25.50%	QUW	
Flexalen Fernwärme GmbH	Wien	500,000	ATS	50.00%	EQ	
Flexalen Fernwärme GmbH & Co Nfg KG	Wien	2,000,000	ATS	50.00%	QU	
Grenland Plasteknikk AS	Stathelle	112,000	NOK	33.50%	OKE	1)
Hafab AB	Haparanda	3,000,000	SEK	45.00%	QUE	
Hafab OY	Oulu	200,000	FIM	45.00%	QUE	
HL-Wienerberger Holdings Ltd.	Tortola	3,000,000	USD	50.00%	EQ	
Leveneplast AB	Ljung	200,000	SEK	50.00%	QUE	
Mabo Baltics SIA	Riga	50,000	LVL	50.00%	EQE	
Mabo Pipelife AS	Surnadal	200,000,000	NOK	50.00%	QUE	
Mabo Pipelife SA	Karlikowo	48,748,000	PLN	49.14%	QUE	
Mabo Svenska AB	Ljung	2,500,000	SEK	50.00%	QUE	
Mabo UAB	Vilnius	300,000	LTL	50.00%	EQE	
Maiaplas Lda	Maia Codex	379,000,000	PTE	50.00%	EQ	
M-Plast OY	Kaavi	960,000	FIM	50.00%	QUE	
Pannonpipe Müanyagipari Kft.	Budapest	2,873,520,000	HUF	25.00%	QU	
Pipelife Asset Management Ges.m.b.H.	Wr. Neudorf	35,000	EUR	50.00%	QUE	
Pipelife Cevni Sistemov (d.o.o.) Ljubljana	Ljubljana	13,000,000	SIT	50.00%	OKW	1)
Pipelife Elektro GmbH & Co KG	Haltern	1,200,000	DEM	50.00%	QUW	
Pipelife Elektrorohr GmbH	Bad Zwischenahn	50,000	DEM	50.00%	EQ	
Pipelife France SA	Gaillon	91,620,000	FRF	50.00%	QU	
Pipelife Hellas S.A.	Piraeus	3,174,417,000	GRD	50.00%	QU	
Pipelife Hispania S.A.	Zaragoza	2,000,000,000	ESP	50.00%	QU	
Pipelife Nordic AB	Göteborg	360,000,000	SEK	50.00%	QU	
Pipelife Polska Sp.z o.o.	Warszawa	46,151,000	PLN	50.00%	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 GmbH	Bad Zwischenahn	11,200,000	DEM	50.00%	QU	
Pipelife Rohrsysteme Gölzau GmbH	Weißandt-Gölzau	500,000	DEM	50.00%	QU	
Pipelife Romania S.R.L.	Bucuresti	20,873,000,000	ROL	25.00%	OK	1)
Pipelife Sverige AB	Ölsremma	100,000	SEK	50.00%	QU	
Pipelife-Fatra Slovakia s.r.o.	Piestany	200,000	SKK	33.34%	EQ	
Pipelife-Fatra spol.s r.o.	Otrokovice/Kucovani	202,971,000	CZK	33.34%	QU	
Pipelife-Hrvastka Cijevi sustavi d.o.o.	Karlovac	8,017,700	HRK	50.00%	EQ	
Polva Pipelife B.V.	Enkhuizen	35,000,000	NLG	50.00%	QU	
Polva Pipelife S.A.	Kalmthout	199,500,000	BEF	50.00%	QU	
Relining AS	Skatval	750,000	NOK	33.50%	EQE	
SCI Les Artaignes	Gaillon	100,000	FRF	50.00%	OK	1)
Shanghai Wienerberger Plastic Pipe Co., Ltd.	Shanghai	1,000,000	USD	50.00%	EQ	
Sichuan Chuanxi Plastic Co., Ltd.	Chengdu	2,500,000	USD	25.50%	QUW	
Wienerberger Plastic Pipe Mfg Co.	Nansha	4,000,000	USD	37.50%	EQ	
Treibacher Industrie Aktiengesellschaft	Treibach	100,000,000	ATS	100.00%	VK	
Aktivsauerstoff GmbH	Treibach	500,000	ATS	49.00%	EQ	
Gemeinnützige Treibacher Siedlung GmbH	Treibach	1,001,000	ATS	1.10%	OK	1)
Grondment (U.K.) Ltd.	West Yorkshire	100	GBP	100.00%	OK	1)
Intervan GmbH Vanadium-Recycling	Nürnberg	100,000	DEM	50.00%	OK	1)
Niobmine Bergbauplanungs- u. Entwicklungsgesellschaft mbH & Co. KG	Wien	1,000,000	ATS	25.00%	OKE	1)
Treibacher Auermet d.o.o. podjetje za proizvodnjo vakuumskih zlitin	Ravne	90,120,896	SIT	100.00%	VK	
Treibacher Auermet Produktions GmbH	Treibach	5,000,000	ATS	100.00%	VK	
Wienerberger Immobilien GmbH	Wien	275,000,000	ATS	100.00%	VK	
"Alwa" Güter- und Vermögensverwaltungs-AG	Wien	59,950,000	ATS	35.47%	EQ	
Grundstücke- und Gebäudeverwaltungs-AG	Wien	215,000,000	ATS	25.01%	EQ	
Mineral Asvanyi Anyagokat Forgalmazo Kft.	Budapest	6,300,000	HUF	100.00%	OK	1)
"Wienerberger City" Errichtungsges.m.b.H	Wien	25,000,000	ATS	45.00%	EQW	
Wienerberger Ofenkachel Gesellschaft m.b.H.	Wien	5,000,000	ATS	100.00%	VK	
Wienerberger Versicherungs-Service Gesellschaft m.b.H.	Wien	500,000	ATS	60.00%	EQ	
WIG Vermögensverwaltungs-GmbH	Wien	35,000	EUR	100.00%	OKE	1)
Wipark Garagen AG	Wien	100,000,000	ATS	49.00%	EQW	

VK = Full consolidation
VKE = First time full consolidation
QU = Proportional consolidation
QUE = First time proportional consolidation

EQ = Equity accounting
EQE = First time equity accounting
OK = No consolidation
W = Change in consolidation method

1) Immaterial

Financial Statements
Wienerberger Baustoffindustrie AG

Profit and Loss Account of Wienerberger Baustoffindustrie AG

	31. 12. 1999	31. 12. 1998
	in TEUR	*in TEUR*
Income from investments in other companies	**37,925**	**30,788**
Net interest income/expense	9,645	12,002
Other financial income/expense	2,912	-2,380
Income from financing activities	**50,481**	**40,411**
Sales	3,819	4,317
Other operating income	9,920	4,354
Personnel expenses	4,663	4,844
Depreciation	2,370	4,319
Other operating expenses	5,869	5,293
Profit on ordinary activities	**51,318**	**34,627**
Income taxes	6,283	156
Net income	**45,036**	**34,470**
Addition to untaxed reserves	4,224	2,875
Reversal of untaxed reserves	15,726	4,400
Addition to reserves	21,805	4,435
Profit carried forward	37	25
Net profit	**34,770**	**31,584**

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

Recommendation for the Distribution of Profits

We recommend that the Annual General Meeting approve the following proposal for distribution of profits totaling EUR 34,770,269.51: payment of a 50% dividend on capital stock of EUR 69,455,312 or EUR 34,727,656, less a pro rata share of EUR 320,000 for treasury stock, for a total distribution of EUR 34,407,656 and carry-forward of the remaining EUR 362,613.51.

Vienna, March 2000 The Managing Board

Balance Sheet of Wienerberger Baustoffindustrie AG

	31. 12. 1999	31. 12. 1998
ASSETS	*in TEUR*	*in TEUR*
Intangible assets	489	722
Tangible fixed assets	39,985	53,935
Financial assets	1,147,474	882,318
Fixed and financial assets	**1,187,948**	**936,976**
Accounts receivable – trade	110	1,116
Accounts receivable from subsidiaries	136,742	9,476
Accounts receivable from affiliated companies	0	28,448
Other receivables and assets	102,499	11,082
Securities and other investments	109,868	153,470
Cash on hand and in financial institutions, checks	16,107	27,050
Current assets	**365,326**	**230,641**
Prepayments and deferred charges	225	280
	1,553,499	**1,167,897**

LIABILITIES AND SHAREHOLDERS' EQUITY		
Share capital	69,455	63,094
Share premium account	749,472	749,472
Retained earnings	85,945	70,501
Profit and loss account	34,770	31,584
Equity	**939,643**	**914,652**
Untaxed reserves	**63,849**	**75,351**
Provisions	**19,706**	**15,471**
Loans and overdrafts with financial institutions	465,796	89,220
Accounts payable – trade	252	327
Amounts owed to subsidiaries	58,016	59,006
Amounts owed to affiliated companies	664	11,398
Other liabilities	4,778	1,638
Liabilities	**529,506**	**161,589**
Deferred income	796	834
	1,553,499	**1,167,897**

Report of the Supervisory Board

In addition to the performance of other activities, the Supervisory Board fulfilled those obligations required by law and the articles of association in its meetings.

The Managing Board provided regular reports, at least once per quarter, on the development of business and position of the Company.

The Annual Financial Statements and Report of the Managing Board were audited by KPMG Austria Wirtschaftsprüfungs- und Steuerberatungs-GmbH, certified public accountants, Vienna. The results of this audit provided no grounds for objections.

The auditor has therefore certified that the Annual Financial Statements and Report of the Managing Board comply with legal requirements. The Supervisory Board agrees with the results of this audit.

The Supervisory Board has examined the Report of the Managing Board which was provided pursuant to § 96 of the Austrian Stock Companies Act, as well as the Annual Financial Statements, 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 Financial Statements, which are hereby ratified in accordance with the provisions of § 125 Par. 2 of the Austrian Stock Companies Act.

Vienna, March 2000

Gerhard Randa
Chairman

Addresses of Major Companies

Wienerberger Baustoffindustrie AG		
A-1100 Vienna	Tel.: +43 (1) 60 192-0	info@wienerberger.com
Wienerbergstrasse 7	Fax: +43 (1) 60 192-473	www.wienerberger.com
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Wienerberger Ziegelindustrie GmbH		
D-30659 Hannover	Tel. +49 (511) 610 70-0	info@wzi.com
Oldenburger Allee 26	Fax +49 (511) 617 86	www.wienerberger.de
Terca Bricks N.V.		
NL-5520 AA Eersel	Tel. +32 (56) 24 96 10	info.nl@terca.com
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Wienerberger Briques SA		
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Wienerbergstrasse 7	Fax +43 (1) 601 92-473	
Bramac Dachsysteme International GmbH		
A-3380 Pöchlarn	Tel. +43 (2757) 4010-0	office@bramac.com
Bramacstrasse 9	Fax +43 (2757) 4010-63	www.bramac.com
Tondach Gleinstätten AG		
A-8443 Gleinstätten	Tel. +43 (3457) 2218-0	office@tondach.at
	Fax +43 (3457) 2218-22	www.tondach.at
Pipelife International GmbH		
A-2355 Wr. Neudorf	Tel. +43 (2236) 439 39-0	infomaster@pipelife.at
IZ NÖ-Süd, Str. 1, Obj. 27	Fax +43 (2236) 439 39-6	www.pipelife.at
Steinzeug Abwassersysteme GmbH		
D-50858 Köln	Tel. +49 (2234) 507-0	steininfo@steinzeug.com
Max-Planck-Strasse 6	Fax +49 (2234) 507-206	www.steinzeug.com
Semmelrock SB Baustoffindustrie GmbH		
A-9020 Klagenfurt	Tel. +43 (463) 38 38-0	office@semmelrock.com
Stadlweg 30/Südring	Fax +43 (463) 38 38-139	www.semmelrock.com
Treibacher Industrie AG		
A-9330 Treibach	Tel. +43 (4262) 505-0	tiag@treibacher.at
Auer von Welsbachstr.1	Fax +43 (4262) 2005	www.treibacher.at
Wienerberger Immobilien GmbH		
A-1100 Vienna	Tel. +43 (1) 601 92-841	wig@wienerberger.com
Wienerbergstrasse 7	Fax +43 (1) 601 92-843	www.twintower.at
Wienerberger Ofenkachel GmbH		
A-7210 Walbersdorf	Tel. +43 (2626) 62234	office@wienerberger-ofenkachel.at
Berggasse 2	Fax +43 (2626) 62234-15	

2000 Financial Calendar

March 28, 2000	Press Conference on 1999 Results Analysts Meeting in Vienna
March 29, 2000	Analysts Meeting in London
May 4, 2000	131-st Annual General Meeting, Palais Ferstel, Vienna Press Release on First Quarter Results for 2000
May 9, 2000	Deduction of dividends (Ex-day)
May 12, 2000	First day for payment of 1999 dividends
August 29, 2000	Press Conference on 2000 Interim Financial Statements
August 30, 2000	Analysts Meeting in London
September 21, 2000	Wienerberger Shareholders' Day, visit to Semmelrock SB Baustoffindustrie GmbH in Klagenfurt
October 20, 2000	Wienerberger News Room at the "Gewinn-Messe" in Vienna
October 30, 2000	Press Release on Third Quarter Results for 2000
Fall 2000	International Analysts Meeting in the USA
February 2001	Preliminary figures for 2000

Actual dates can be found
on our Wienerberger Homepage:
www.wienerberger.com

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WIENERBERGER

Wienerberger Group
Ten Year Review

Corporate Data		1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Sales	*in € mill.*	672.7	765.1	851.1	880.8	766.9	934.2	1,094.5	1,113.7	1,143.3	1,337.5
Domestic	*in € mill.*	389.7	422.8	437.6	432.1	188.2	206.8	214.7	224.6	201.4	176.8
Foreign	*in € mill.*	283.0	342.3	413.4	448.7	578.7	727.5	879.9	889.1	941.9	1,160.8
EBITDA [2]	*in € mill.*	78.0	104.2	100.4	126.9	158.2	193.4	217.1	240.7	258.2	308.9
EBITA [3]	*in € mill.*	42.3	62.7	48.6	70.2	97.6	121.7	116.4	133.1	165.6	195.2
EBITA-Margin	*in %*	6.3	8.2	5.7	8.0	12.7	13.0	10.6	11.9	14.5	14.6
EBIT [4]	*in € mill.*	42.3	62.7	48.6	70.2	97.6	121.7	116.4	131.1	162.6	187.8
Profit before tax	*in € mill.*	46.5	58.2	40.4	60.6	112.5	101.2	87.1	117.5	163.1	178.6
Net income	*in € mill.*	42.7	47.2	27.5	42.3	88.2	81.1	58.2	101.4	116.5	124.7
Cash flow [5]	*in € mill.*	75.9	87.3	83.4	102.5	148.8	152.8	164.7	230.7 [9]	212.1	245.7
Capital expenditures [6]	*in € mill.*	65.6	120.1	150.5	131.1	148.5	181.1	165.5	104.7	237.9	155.8
Employees		4,346	5,137	5,596	5,629	4,803	6,418	8,229	7,574	7,988	10,374
ROCE [7]	*in %*	12.9	11.9	6.3	8.5	12.1	12.2	7.4	13.8	12.4	10.1
EVA [8]	*in € mill.*	12.0	12.3	-13.7	-2.7	20.6	25.3	-16.1	38.6	31.9	27.0
Gearing	*in %*	-1.7	1.2	14.4	19.5	23.4	51.3	58.3	19.0	29.7	62.2
Interest coverage [10]		3.4	2.7	2.0	3.3	5.7	4.1	2.9	4.7	5.1	5.1
Asset coverage [11]	*in %*	123.3	111.9	92.6	86.1	83.5	73.9	65.8	82.6	72.6	61.7
Return on equity [12]	*in %*	11.6	10.2	5.5	8.1	15.2	13.7	8.1	13.7	14.3	14.0

Stock Exchange Data		1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Dividends	*in € mill.*	6.4	7.6	9.7	10.6	12.9	21.2	26.5	29.0	31.5	34.7
Dividends per share	*in €*	0.15	0.16	0.21	0.23	0.25	0.38	0.38	0.42	0.45	0.50
Earnings per share [13]	*in €*	[1]	[1]	0.90	1.11	1.43	1.53	0.94	1.43	1.64	1.74
Share price at year-end	*in €*	24.73	20.06	18.78	25.07	23.44	18.17	19.08	22.03	21.18	21.59
Shares outstanding [14]	*in 1,000*	42,124	45,954	46,850	47,229	50,649	55,564	69,455	69,455	69,455	69,223
Market capitalization at year-end	*in € mill.*	1,041.7	921.9	879.7	1,184.1	1,187.0	1,009.5	1,325.0	1,530.0	1,471.3	1,499.5

Condensed Balance Sheet		1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Fixed and financial assets	*in € mill.*	298.3	415.3	540.0	605.9	696.0	799.7	1,091.2	892.6	1,121.4	1,446.8
Inventories	*in € mill.*	102.3	119.8	140.3	146.4	132.3	164.7	233.0	214.8	223.4	265.4
Misc. current assets	*in € mill.*	331.6	344.1	367.4	368.5	374.8	441.3	370.7	507.9	687.8	631.6
Total Balance Sheet	*in € mill.*	**732.3**	**879.2**	**1,047.7**	**1,120.8**	**1,203.0**	**1,405.7**	**1,694.9**	**1,615.3**	**2,032.6**	**2,343.8**
Equity [15]	*in € mill.*	367.7	464.5	500.0	521.6	581.5	591.0	717.6	756.9	838.1	921.2
Provisions	*in € mill.*	74.9	91.2	131.1	144.7	124.9	131.7	187.4	239.5	263.1	311.9
Liabilities	*in € mill.*	289.6	323.5	416.6	454.4	496.7	683.0	789.9	619.0	931.4	1,110.7

Explanatory Notes:

1) ÖVFA calculations for the Group available beginning 1992
2) Operating profit before depreciation
3) Operating profit before amortization of goodwill
4) Operating profit
5) Net income plus depreciation and amortization
6) Additions to tangible and intangible assets
7) Return on Capital Employed
8) Economic Value Added
9) incl. loss on deconsolidation of Treibacher Schleifmittel
10) EBIT : Interest expense
11) Equity : Fixed and financial assets
12) Net income : Equity
13) 1992–1996 according to ÖVFA
14) Weighted average number of shares outstanding adjusted for treasury stock, 1:8 stock split (1999), 2:1 stock split (1995), and 5:4 stock split (1992)
15) Equity plus minority interests

Austrian Commercial Code (1990–1996)
IAS (1997–1999)

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