

Wienerberger
just isn't
what it used
to be.

The Year 2011 in Review

Wienerberger started 2011 with strong volume growth due to the mild weather. Despite a slowdown in momentum during the second six months, volumes were higher in all product groups for the full year. This reflects the focus on premium products, which allowed Wienerberger to outperform the market. At the same time, cost inflation was successfully offset by price adjustments. After completing the turn-around in the second quarter of 2010, Wienerberger returned to the profit zone in 2011.

Group revenues rose by 16% year-on-year to € 2,023.7 million (including 9% organic growth) and operating EBITDA by 23% to € 258.6 million. EBIT improved significantly from € 10.7 million in 2010 to € 79.1 million for the reporting year. After the deduction of interest and taxes, Wienerberger generated after-tax profit of € 40.8 million, compared with a loss of € 34.9 million in the previous year. Earnings per share also rose substantially from € -0.57 in 2010 to € 0.08 in 2011. Based on these sound results, the Managing Board will make a recommendation to the Annual General Meeting, calling for a 20% increase in the dividend to € 0.12 per share for the 2011 financial year.

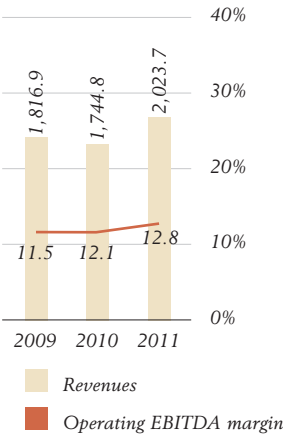
In January 2012 Wienerberger announced its intention to acquire the remaining 50% stake in Pipelife, one of the leading producers of plastic pipe systems in Europe. Pipelife was previously reported at-equity and, after the transaction is completed, will contribute approx. € 800 million to Group revenues and approx. € 70 million to EBITDA. A strong capital structure remains the top priority and the ratio of net debt/operating EBITDA should be below 2.5 at year-end, even after the Pipelife takeover. Since visibility on many markets is relatively low, forecasts for 2012 are difficult. In spite of the market development, we also want to outperform the market in 2012 with our premium products and system solutions and continue our focus on marketing and sales.

Market Positions

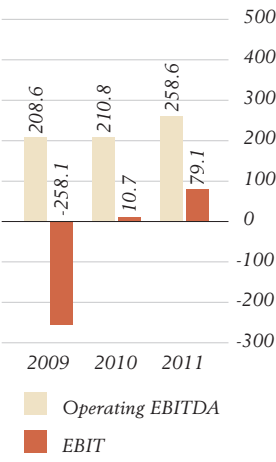
Wienerberger is the world's largest producer of bricks and number one on the clay roof tile market in Europe with 230 plants in 30 countries. We also hold leading positions in concrete pavers in Central-East Europe and pipe systems in Europe.

Clay blocks:	Nr. 1 worldwide
Facing bricks:	Nr. 1 in Europe, co-leader in the USA
Clay roof tiles:	Nr. 1 in Europe
Concrete pavers:	Nr. 1 in Central-East Europe
Pipe Systems:	Leading positions in Europe

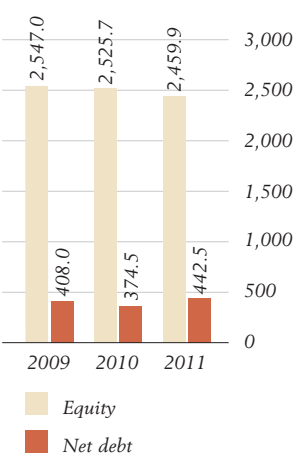
Revenues and Operating EBITDA Margin
in € mill. and %



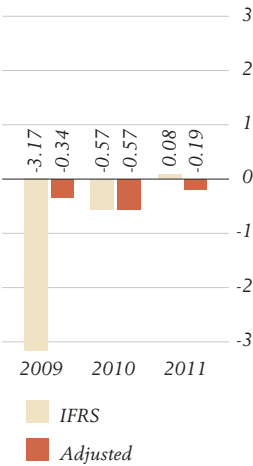
EBITDA operating and EBIT
in € mill.



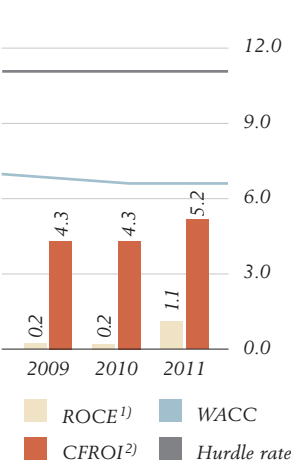
Equity and Net Debt
in € mill.



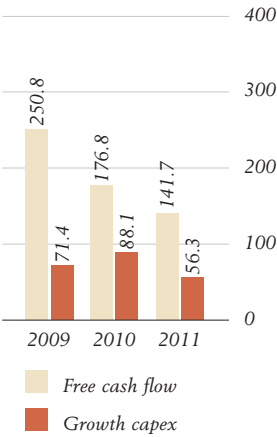
Earnings per Share
in €



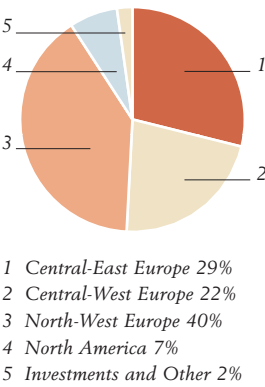
ROCE and CFROI
in %



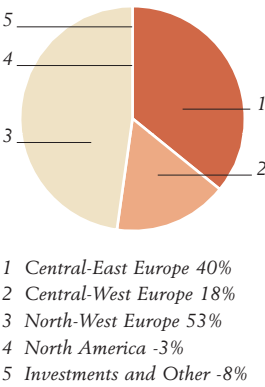
Free Cash Flow and Growth Capex
in € mill.



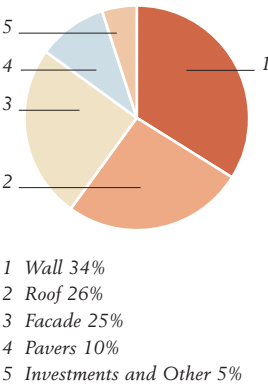
Revenues by Segment



Operating EBITDA by Segment



Revenues by Product



1) Calculation based on average capital employed
2) Calculation based on average historical capital employed

Earnings Data		2009	2010	2011	Chg. in %
Revenues	<i>in € mill.</i>	1,816.9	1,744.8	2,023.7	+16
Operating EBITDA ¹⁾	<i>in € mill.</i>	208.6	210.8	258.6	+23
Restructuring costs and impairment charges to fixed assets	<i>in € mill.</i>	-153.7	0.0	0.0	0
Impairment charges to goodwill	<i>in € mill.</i>	-123.3	0.0	-2.6	<-100
Deconsolidation result	<i>in € mill.</i>	0.0	0.0	33.2	>100
EBIT	<i>in € mill.</i>	-258.1	10.7	79.1	>100
Profit before tax	<i>in € mill.</i>	-295.6	-40.8	49.5	>100
Profit after tax	<i>in € mill.</i>	-258.7	-34.9	40.8	>100
Free cash flow ²⁾	<i>in € mill.</i>	250.8	176.8	141.7	-20
Normal capex	<i>in € mill.</i>	62.7	61.7	102.5	+66
Growth capex	<i>in € mill.</i>	71.4	88.1	56.3	-36
ROCE ³⁾	<i>in %</i>	0.2	0.2	1.1	-
CFROI ⁴⁾	<i>in %</i>	4.3	4.3	5.2	-
Ø Employees		12,676	11,848	12,818	+8

Balance Sheet Data		2009	2010	2011	Chg. in %
Equity ⁵⁾	<i>in € mill.</i>	2,547.0	2,525.7	2,459.9	-3
Net debt	<i>in € mill.</i>	408.0	374.5	442.5	+18
Capital employed	<i>in € mill.</i>	2,816.8	2,779.5	2,798.5	+1
Balance sheet total	<i>in € mill.</i>	4,087.4	4,059.3	4,122.3	+2
Gearing	<i>in %</i>	16.0	14.8	18.0	-

Stock Exchange Data		2009	2010	2011	Chg. in %
Earnings per share	<i>in €</i>	-3.17	-0.57	0.08	>100
Dividend per share	<i>in €</i>	0.00	0.10	0.12	+20
Share price at year-end	<i>in €</i>	12.78	14.29	6.97	-51
Shares outstanding (weighted) ⁶⁾	<i>in 1,000</i>	91,298	116,528	116,758	0
Market capitalization at year-end	<i>in € mill.</i>	1,502.0	1,679.5	819.2	-51

Operating Segments 2011	Central-East Europe ⁷⁾		Central-West Europe ⁸⁾		North-West Europe ⁸⁾		North America		Investments and Other ^{7) 9)}	
<i>in € mill. and %</i>										
Revenues	587.6	(+11%)	435.1	(+15%)	808.1	(+12%)	135.3	(-6%)	57.6	(>100%)
Operating EBITDA ¹⁾	102.5	(+19%)	46.2	(+31%)	136.2	(+20%)	-8.7	(<-100%)	-17.6	(+39%)
EBIT	24.8	(+19%)	16.5	(>100%)	66.8	(+49%)	-32.0	(-44%)	3.0	(>100%)
CFROI in % ⁴⁾	7.1		5.8		7.1		-1.2		-15.2	
Total investments	45.9	(-7%)	32.9	(+66%)	53.3	(+51%)	8.1	(+4%)	18.6	(-51%)
Capital employed	755.3	(+1%)	349.2	(-1%)	1,119.3	(+1%)	501.2	(0%)	73.5	(0%)
Ø Employees	4,624	(+4%)	2,067	(+2%)	4,254	(+5%)	1,127	(+2%)	746	(>100%)

1) Adjusted for non-recurring income and expenses

2) Cash flow from operating activities minus cash flow from investing activities plus growth capex

3) Calculation based on average capital employed

4) Calculation based on average historical capital employed

5) Equity including non-controlling interests and hybrid capital

6) Adjusted for treasury stock

7) The East European holding companies are reported under the Investments and Other segment beginning in 2011 (previously: Central-East Europe); comparable figures from the prior year period were adjusted accordingly

8) The cross border trading activities of the Netherlands and Germany are reported under North-West Europe beginning in 2011 (previously: Central-West Europe); comparable figures from the prior year period were adjusted accordingly

9) Including Group eliminations and holding costs; offset of inter-company sales in this segment

Note: In the table of the operating segment data, changes in % to the comparable prior year period are shown in brackets.
All abbreviations and special terms are explained in the glossary on page 160.

It's not enough
to be the world's
largest producer
of bricks.

Our Corporate Culture

What we strive for

Supplying outstanding sustainable building material solutions for a better quality of life.

What we work for

We develop energy-efficient, resource-efficient and sustainable building material solutions that set industry standards. We are committed to continuous improvement and technological leadership to create the highest added value for our customers.

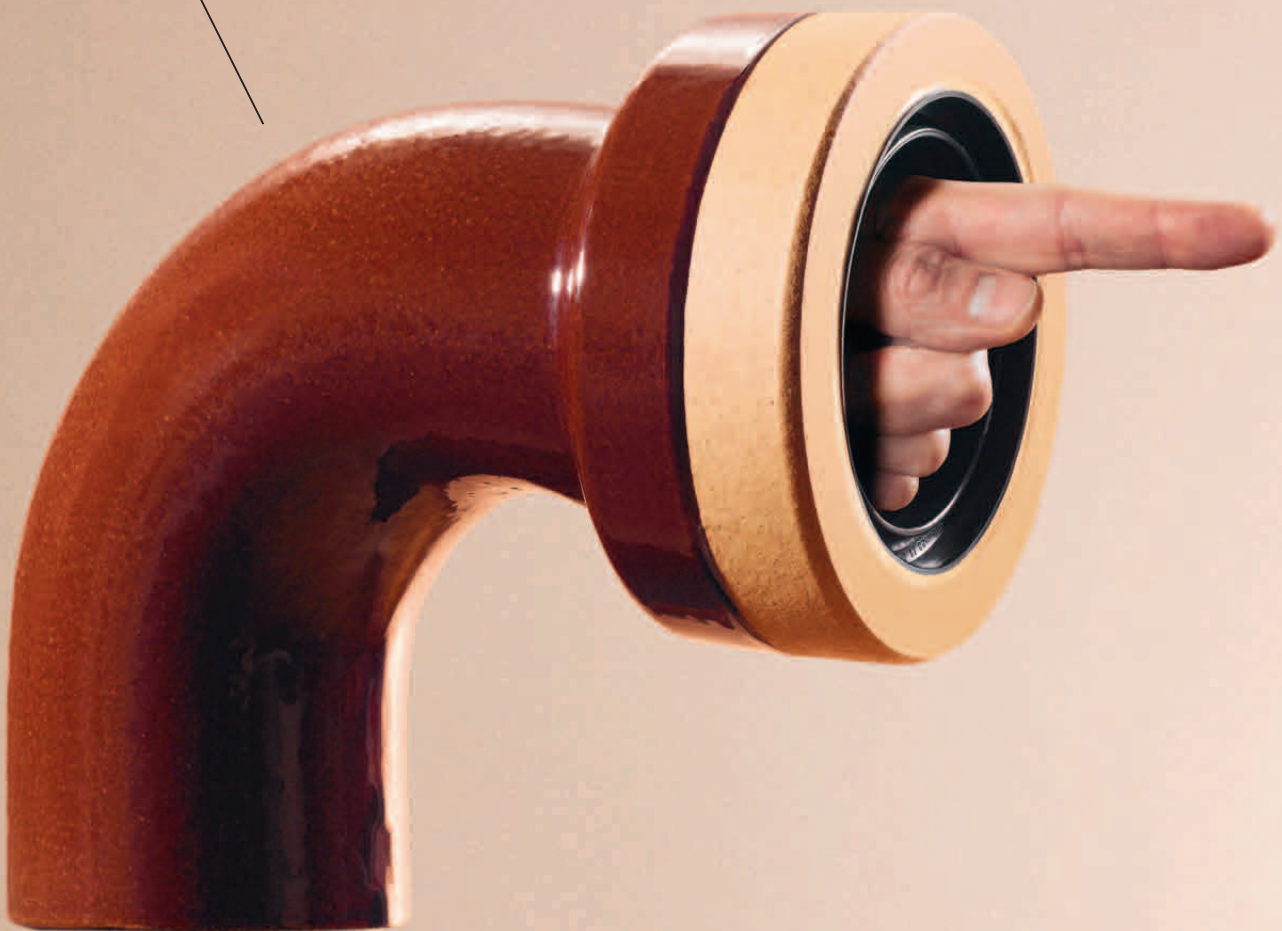
What we stand for

Expertise – Passion – Integrity and Respect – Customer Orientation – Entrepreneurship – Quality – Responsibility

That's why we
now offer system
solutions.

With character.

Steinzeug-Keramo offers a wide product range of ceramic pipes and fittings which are perfectly positioned due to their strength and sustainability.



Repositioned

Wienerberger's strategic repositioning from an expansion-driven to a market-oriented company produced its first successful results in 2011. Against the backdrop of a still challenging environment, the company outperformed the market and increased revenues by 16% to € 2.024 million and operating EBITDA by 23% to € 259 million.

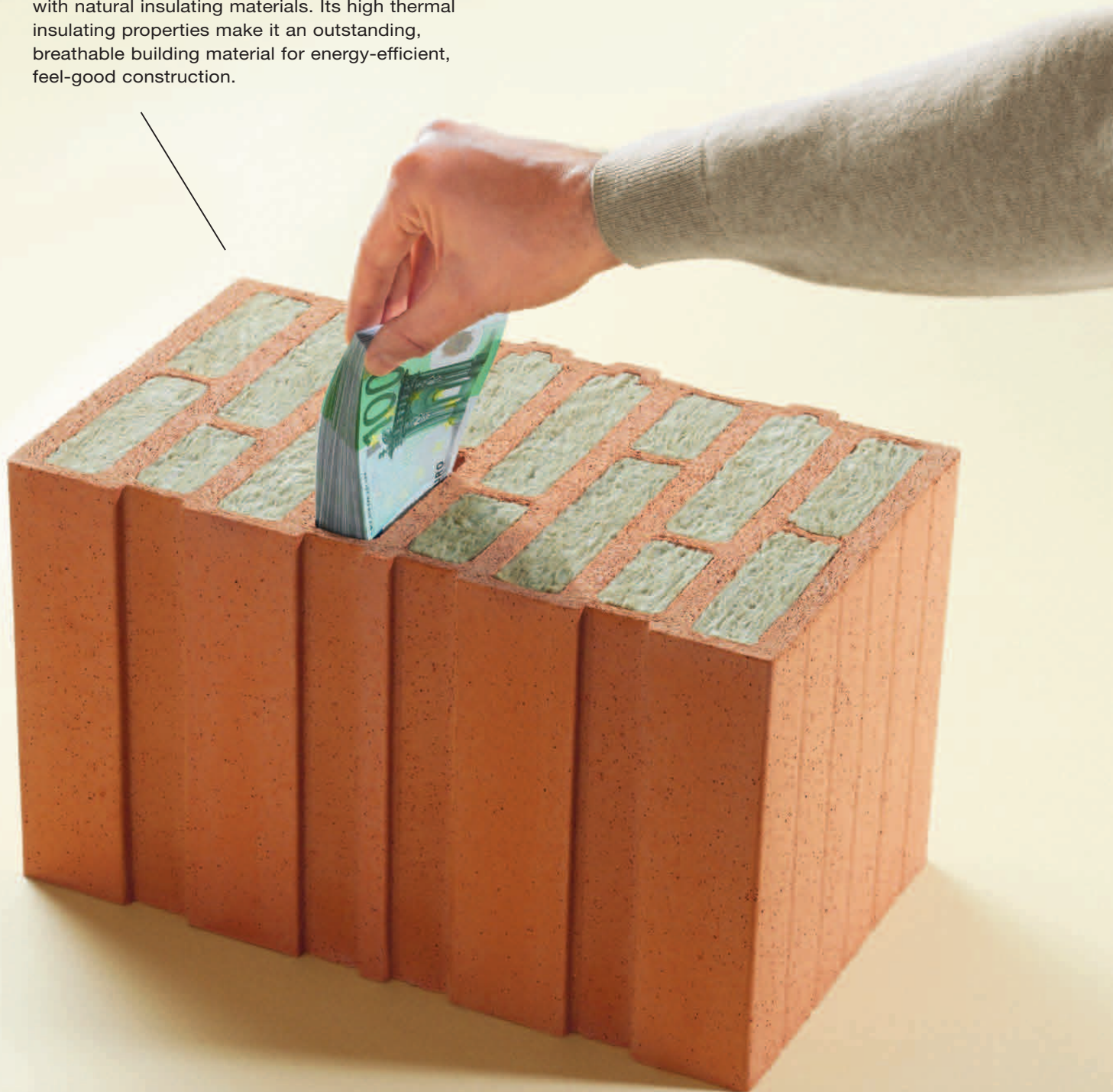


Porotherm Dryfix® is a special aerosol masonry glue that is easy to use, fast and dry and makes masonry work possible at temperatures as low as -5°C. This technologically advanced product has a major advantage over conventional mortar-based solutions.

Systematic


One of the main drivers for organic growth in 2011 was the rising demand for our system solutions and premium products. That led to a shift in the mix to value added products. Through this mix effect and slight price adjustments, average prices rose by 2% at the Group level and offset cost inflation in 2011.

The Wienerberger infill brick is a clay block filled with natural insulating materials. Its high thermal insulating properties make it an outstanding, breathable building material for energy-efficient, feel-good construction.



Sustainable


Our products not only support sustainable construction. They also generate sustainably strong cash flows. In 2011 Wienerberger recorded gross cash flow of € 204 million, which is € 53 million higher than the previous year.

A hand holding a hammer with a wooden handle and a dark, textured head, positioned as if about to strike a dark, rectangular brick. The brick has several small, circular holes on its top surface. A thin line points from the text block to the brick.

Facing bricks are used in visible brick architecture: facades and interior walls are made from or covered with these bricks. A wall made of facing bricks is a key esthetic element for any home, and also provides optimal protection from the weather – there is no maintenance or expensive renovation in later years.

Robust

The protection of a robust capital structure and the preservation of liquidity were also key goals during the past year. The issue of a € 100 million bond in July 2011 covered refinancing needs up to the end of 2013. With liquid funds of € 584 million and net debt of € 443 million, gearing equaled a low 18% at year-end 2011.

A close-up photograph of a person's foot, wearing a light blue ribbed sock, stepping onto a grey concrete interlocking paver. The paver is part of a larger structure, with other pavers visible in the background. The background is a solid light blue color.

The ARTE system solution for arches combines traditional appearance with the advantages of modern composite pavers. An eye catcher with high stability and strength.

Resilient

We also want our capital structure to be resilient in the future. That is why our goal remains intact to hold net debt/operating EBITDA below 2.5 at the end of the year.

Clay roof tiles are used primarily to cover pitched roofs. They not only protect houses from the weather for many years, but are also an important design element for architects. Clay roof tiles are used in new construction and, to a larger extent, in the renovation of existing buildings.



Far-sighted

Even if visibility on our markets is limited in 2012, we look to the coming year with optimism. Our focus lies on organic growth, and we also intend to outperform the market in 2012 with our premium products and system solutions.



The outstanding properties of our products form the base for a wide-ranging portfolio of building materials with a sustainable future.

Versatile, dependable, innovative.

Our vision for buildings of the future: healthy, energy-efficient, attractive and affordable. In order to make this vision reality, we are developing from a supplier of building materials into a partner with concepts for sustainable construction. We supply complete solutions that are easy to realize and individually adaptable – naturally with the right products and feel-good atmosphere for the entire family.

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The terms that are designated as links (see example on the right) in this annual report provide access to additional background information together with the URL annualreport.wienerberger.com (without space between words).

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CHIEF EXECUTIVE'S REVIEW

Dear Shareholders,

**Organic growth returns
Wienerberger to the
profit zone in 2011**

I am pleased to report to you on the successful development of our business in 2011. After completing the turnaround in the second quarter of 2010, Wienerberger returned to the profit zone during the past year. Revenues rose by 16% and operating EBITDA by 23% year-on-year, above all due to organic growth, against the backdrop of a still challenging environment. Wienerberger started 2011 with substantially higher sales volumes, in part due to the mild weather. Despite slower momentum during the second six months, all product groups reported an increase in volumes for the full year. This reflects our focus on premium products, which allowed us to outperform the market. Cost inflation was successfully offset by higher prices that also demonstrates a gradual shift in the mix to premium products. In 2011 Wienerberger recorded after-tax profit of € 41 million, following a loss of € 35 million in the previous year.

**Wienerberger
outperforms the market
and offsets cost inflation
with price increases**

These results confirm that we are on the right track. After the restructuring phase, we repositioned the company to focus on premium products and system solutions for energy-efficient construction in order to use Wienerberger's strong operating base as a platform for further growth. We increased our market shares in many countries during the past year, even though we raised prices to cover cost inflation. As you know, there were no real signs of recovery on many of our markets in 2011. The slightly positive trend in new residential construction in Germany, Belgium, France and Russia was contrasted by nearly stable development on the construction markets in the Netherlands, Great Britain, Switzerland, Poland and the Czech Republic as well as declines in the USA, Hungary, Slovakia, Bulgaria, Romania and Southeast Europe. However, the outstanding achievements of our sales force and our high-quality product portfolio allowed us to gain ground, even in difficult markets, and made these strong results possible.

**Profit after tax reaches
€ 41 million in 2011**

In detail, results for 2011 are as follows: Group revenues rose by 16% to € 2,024 million, while operating EBITDA increased 23% to € 259 million due to better capacity utilization and higher average prices. These operating results do not include non-recurring, positive earnings effects of approx. € 33 million from the equity swap in the roof segment. In spring 2011 Wienerberger transferred its 50% investment in the concrete tile producer Bramac to the former joint venture partner Monier in exchange for a further 25% stake in Tondach Gleinstätten plus a settlement payment. Wienerberger now holds 50% of Tondach, a clay roof tile producer with leading positions in Eastern Europe. Group EBIT increased significantly from € 11 million to € 79 million for the reporting year. Financial results improved, above all due to higher income from Pipelife as well as lower interest expense. After the deduction of € 30 million in financial results and € 9 million for taxes, profit after tax equaled € 41 million compared with a loss of € 35 million in 2010. Earnings per share equaled € 0.08 after the deduction of the hybrid coupon and non-controlling interests, compared with € -0.57 in the previous year.

**Gearing of only 18%
at year-end**

We again demonstrated our cash flow-generating strength in 2011 with an impressive € 53 million increase in gross cash flow to € 204 million. Cash flow was used to finance € 159 million of investments, including € 103 million of normal capex, which includes standard maintenance as well as investments in production equipment for our premium products and



*Heimo Scheuch, Chief Executive
Officer of Wienerberger AG*

technological improvements, and € 56 million of growth capex. In July 2011 Wienerberger issued a new bond with a volume of € 100 million to further strengthen liquidity and, with liquidity reserves of € 584 million and net debt of € 443 million (which represents a gearing of only 18%), has a strong and solid capital structure.

The economic environment is still challenging, but we want our shareholders to profit from the sound development of business during the past year. The Managing Board will therefore make a recommendation to the annual general meeting, requesting an increase in the dividend to € 0.12 per share for the 2011 financial year.

In February 2012 we acquired the remaining 50% stake in Pipelife for € 162 million, subject to approval of the antitrust authorities. The full takeover of Pipelife, one of the leading producers of plastic pipe systems in Europe, represents a milestone in our strategy to expand the core business. With this transaction, we – together with our subsidiary Steinzeug-Keramo, which holds leading positions in ceramic pipes – will become one of the most important European players in pipe systems. For Wienerberger, this not only means lower dependence on cyclical new residential construction, but also additional and sustainable growth potential. Plastic pipes continue to gain market shares over competing metal and concrete products, and this segment is therefore growing faster than the market. The integration of Pipelife will also allow us to expand our business, especially in building and electro installations. We intend to use the combined innovative power and strong market structures of Pipelife and Wienerberger to generate growth and further strengthen our market presence. This transaction reflects our sustainable growth strategy, and also creates immediate added value for our shareholders. Pipelife was previously included at equity, and full consolidation will increase Wienerberger Group revenues by approx. € 800 million or roughly one-third, and EBITDA by more than 20%, or approx. € 70 million, per year.

**Recommended dividend
of € 0.12 per share**

**Acquisition of remaining
50% stake in Pipelife
brings Wienerberger
revenues of approx.
€ 800 million and EBITDA
of € 70 million per year
as well as sustainable
growth potential**

**Limited visibility for
market development 2012**

I consider it premature to provide a specific guidance for 2012 at the present time because of the limited visibility on markets in Eastern Europe and the USA. In Western Europe, I expect a continued upturn in Germany, at least during the first half of the year, because of the backlog of building permits from 2011. In France, we intend to increase our market shares of clay blocks based on a stable new residential construction market and record higher roof tile volumes due to sound renovation activity. Belgium appears to be facing a period of weakness in single- and two-family housing construction following a cutback in government incentives and a decline in consumer confidence. In the Netherlands, we are expecting a difficult market because of the drop in housing prices and the limited availability of financing. In Poland, the only country in Central-East Europe where strong domestic demand and macroeconomic stability make a forecast possible, I see steady demand for building materials. In the other countries of this region, visibility is so low that forecasts for the development of business are impossible. However, construction activity has already fallen to such low levels in many Central and East European countries that further significant declines in new residential construction are unlikely. New residential construction in the USA has recovered slightly in recent months, but this was certainly due in part to the mild weather. Even though housing starts are forecasted to increase by more than 15% over the low prior year level, my estimates for the USA remain cautious because of the high unemployment and prevailing consumer uncertainty. I expect stable to slight improvement in new residential construction in the USA during 2012.

**Further organic growth
targeted for 2012**

Notwithstanding the current forecasts, my expectations for 2012 are positive. We intend to continue our course this year and use our strong operating base for further organic growth in order to again outperform the market. New products and system solutions will be launched in numerous regions to generate growth with targeted marketing and sales initiatives. We expect a slight rise in input costs during 2012, which we intend to pass on to our customers in the form of price adjustments. Investment decisions will be based on financial discipline and the protection of a healthy capital structure. For normal capex, which includes maintenance as well as technological improvements, we have budgeted € 120 million in 2012. Growth capex naturally includes € 162 million for the Pipelife acquisition. Since Pipelife has very low net debt (approx. € 70 million at year-end 2011), we do not expect any significant deterioration in our balance sheet or financial indicators during 2012. This transaction will not have any negative impact on our strategic flexibility or our covenants because of our solid financial base, cash reserves and low gearing. After the financing of the purchase price and the consolidation of Pipelife's net debt, we will still meet our targets at the end of 2012 with net debt / operating EBITDA clearly below 2.5. However, it should be noted that these indicators could fluctuate during the year due to the seasonality of our business.

**First e⁴ BRICKHOUSE
under construction in
Zwettl: an energy-
efficient, feel-good house**

Growth is not guaranteed, but the result of hard work – it reflects a concentration on success factors and a drive to improve. We therefore ask ourselves what ecological and social trends will influence society in the future, and act accordingly today. One of the most important trends in new residential construction is the increasing focus on sustainability and energy efficiency. In order to realize our vision for healthy, energy-efficient and sustainable buildings that are

attractive and affordable, we joined together with partners from heating technology, thermal insulation and other fields to develop a building model – the e⁴ BRICKHOUSE concept. This concept meets all applicable requirements, including the strict near-zero energy standards defined by the European Union that will take effect in 2020. Our e⁴ BRICKHOUSE concept offers families an energy-efficient, healthy house that is also affordable. It reflects the growing wish of many private builders to make a statement in support of climate protection with their own building plans. We want to give people a home where they can feel well throughout their entire lifetime. Wienerberger does not act as the house developer, but supplies easy to realize, individual solutions plus the appropriate product recommendations. The first e⁴ BRICKHOUSE is currently being realized as a pilot project by a private investor in Zwettl, Austria, a region with a harsh climate. After completion, which is planned for spring 2012, independent experts will monitor the energy consumption and production of the house over the next three years. This project is intended to demonstrate that a high quality of life and energy-efficient living can indeed be harmonized. With these sustainable products and energy-efficient building concepts, I see Wienerberger in a perfect position to benefit from the trends in new residential construction.

The strength of Wienerberger is based on a strong and dynamic corporate culture with a high degree of efficiency in which goal orientation, entrepreneurial achievement and responsibility are a matter of course. Our operating companies owe their success to their highly motivated employees and managers whose drive to achieve is supported by the group's corporate services. This dedication is also honored by our customers and business partners. I would like to thank the Supervisory Board for the interesting and supportive discussions and the efficient handling of issues, and my colleagues on the board for their intensive and constructive teamwork during the past year. My special thanks go out to our employees and managers for their tremendous commitment. In conclusion, I would like to thank you, dear shareholders, for your trust in Wienerberger during the past year. I look to the future with optimism – and I invite you to join us on this journey.

**Thanks to employees,
management,
Supervisory Board
and shareholders**

Yours


CORPORATE GOVERNANCE REPORT

Corporate Governance at Wienerberger

Implementation of strict principles for good management and transparency

For many years Wienerberger has followed a strategy that is designed to maximize cash flows in order to create and maintain a sustainable increase in shareholder value. Strict principles of good management and transparency as well as the continuous development of an efficient control system form the basis for meeting this goal.

Compliance code to prevent insider trading

We give the highest priority to providing all shareholders with the same comprehensive information. To prevent insider trading, we have released a compliance code that implements the provisions of the Issuer Compliance Code published by the Austrian Financial Market Authority. A compliance officer monitors the observance of these rules.

Voluntary observance of Austrian Corporate Governance Code

The Austrian Corporate Governance Code (see www.corporate-governance.at) was enacted in October 2002 and adapted as of January 1, 2010 to reflect the Stock Corporation Amendment Act 2009 and an April 2009 European Commission recommendation regarding the remuneration system for directors of publicly traded companies. The foundation of the code is formed by Austrian stock corporation, stock exchange and capital market law as well as the recommendations of the European Commission on the duties of the supervisory board and the remuneration of directors and the OECD guidelines for corporate governance. The code provides a framework for corporate management and control. Its guiding principles are intended to strengthen the confidence of investors in the company and in Austria as a financial marketplace, and include equal treatment for all shareholders, transparency, the independence of the supervisory board, open communications between the managing board and supervisory board, the avoidance of conflicts of interest by bodies of the corporation and efficient control by the supervisory board and auditor. The code exceeds legal requirements, and compliance is voluntary. Observance of the code also means that the failure to meet C-Rules ("comply or explain") must be explained and disclosed.

Wienerberger is the leader for transparency

Wienerberger was one of the first companies to announce its support for the Austrian Corporate Governance Code and to commit to compliance with its rules. Wienerberger met all rules and recommendations of the code (in the version dated January 2010) during the reporting year. The corporate governance report is integrated in this annual report (pages 18 to 36).

Evaluation and confirmation of compliance with code by KPMG and Dorda Brugger Jordis

The implementation and correctness of our public announcements is evaluated by KPMG Wirtschaftsprüfungs- und Steuerberatungs GmbH on a two-year basis in accordance with the standards issued by the International Federation of Accountants for reviews, and their report is published on our website. The last auditor's evaluation of our adherence to the rules of the code and the correctness of our announcements was carried out in 2010 and confirmed that the public declarations of compliance are correct. Compliance with the provisions of the code that relate to the auditor is also evaluated biennially. The respective report by Dorda Brugger Jordis Rechtsanwälte GmbH for 2010 indicated no objections, and is also available for review on our website.

Disclosure of auditor's fees

The 142nd Annual General Meeting nominated KPMG Wirtschaftsprüfungs- und Steuerberatungs GmbH to audit the 2011 consolidated financial statements and the annual financial statements of Wienerberger AG. In addition to this function, KPMG also provides tax and financial consulting services for the Wienerberger Group through its global network of partner

offices. Consulting fees charged by KPMG, excluding the audit of financial statements, totaled € 0.2 million for the entire Group in 2011. The fees for the audit of the Wienerberger Group and related services amounted to € 1.2 million.

In order to strengthen risk management, Wienerberger has installed an internal audit department. The Managing Board and internal audit department regularly evaluate operating processes to strengthen risk management and identify opportunities for improvement, and also monitor compliance with legal regulations, internal guidelines and procedures. These activities are based on an audit plan coordinated with the Audit Committee and approved by the Managing Board as well as a groupwide risk assessment of corporate activities. In recent years the internal control system (ICS) was extended to support the early identification and management of risks and various measures were implemented and reviewed (see pages 35 and 36). Internal audit regularly reports to the Managing Board and the Audit Committee on the audit findings and the internal audit plan for the following year. A management letter prepared by the auditor and a report by this firm on the efficiency of risk management in the Wienerberger Group were presented to the chairman of the Supervisory Board and discussed by the entire Supervisory Board.

**Internal audit function
installed to further
improve risk management**

The number of common shares issued by Wienerberger AG has totaled 117.5 million since the capital increase in September 2009. There are no preferred shares or limitations on common shares, and the principle “one share – one vote” therefore applies in full. In accordance with the Austrian Corporate Takeover Act, each shareholder will receive the same price for his or her Wienerberger shares in the event of a mandatory offer. Wienerberger AG has no core shareholder. The shareholder structure of the company is described on page 63 and 64.

**“One share – one vote”
applies in full**

The disclosures required by § 243a of the Austrian Commercial Code can be found in the following chapters: the composition of Wienerberger capital, types of shares, limitations and rights as well as the authorization of the Managing Board to issue or buy back shares are discussed in the notes under point 25 (Capital and reserves) beginning on page 132. The chapter Wienerberger Shares and Shareholders beginning on page 61 contains information on direct and indirect investments in Wienerberger capital. The Remuneration Report (pages 30 to 33) explains the principles of remuneration policy, provides detailed information on the long-term incentive (LTI) program and shows the compensation paid to each member of the Wienerberger Managing and Supervisory Boards as well as an overview of the shares held by these persons. The details of share-based payment are explained under point 35 of the notes beginning on page 151. Current updates on the purchase and sale of Wienerberger shares by members of the Managing or Supervisory Board are disclosed on the company’s website under “Directors’ Dealings”. Change of control clauses are included in the employment contracts with the members of the Managing Board, the terms of the 2005, 2010, 2011 and 2012 corporate bonds, the 2007 hybrid bond as well as the syndicated term loans and other loans concluded in 2006 and 2008.

**Disclosures required by
§ 243a Commercial Code,
including change of
control clauses**

In keeping with the spirit of the code, the members of the Managing Board and Supervisory Board, in particular through their chairmen, regularly confer on the development and strategy of the company above and beyond discussions conducted during the scheduled meetings of the Supervisory Board. The Supervisory Board also exercises its consultative and control functions

**Supervisory Board
rules of procedure reflect
provisions of code**

Duties and responsibilities of the Supervisory Board committees

through the following four committees: the *Presidium* and *Remuneration Committee*, the *Strategy Committee*, the *Audit Committee* and the *Personnel and Nominating Committee*. The rules of procedure for the Supervisory Board are published on our website.

The *Supervisory Board* is responsible for decisions that involve subjects of fundamental importance or the strategic direction of the Wienerberger Group, and has established four committees to support its activities. The *Presidium* represents the interests of the company on all Managing Board issues and also serves as a *Remuneration Committee* for the members of the Managing Board. The *Strategy Committee* evaluates the strategy and development of the company and prepares strategic issues for voting by the Supervisory Board. It is also authorized to approve transactions and measures that do not require the approval of the full Supervisory Board – in particular capital expenditures, acquisitions and the sale of property between € 7.5 and 30 million – and also makes decisions in urgent cases. The *Audit Committee* is responsible for all issues related to the annual financial statements, the audit of the Group and accounting, in preparation for the Supervisory Board. In addition, this committee monitors the effectiveness of the internal control, audit and risk management systems and evaluates the independence of the auditor and its qualifications as verified by a peer review. Harald Nogrsek serves as the financial expert on the Audit Committee. The *Personnel and Nominating Committee* is responsible for the preparation of nominations to the Managing and Supervisory Boards. It recommends nominations to the Supervisory Board, which are placed before the *Annual General Meeting* for a vote. The Personnel and Nominating Committee establishes a description of the required qualifications prior to the appointment of persons to the Managing Board, and prepares decisions for the Supervisory Board based on a defined selection procedure and succession planning. This committee also approves the terms of remuneration systems for managers in the Wienerberger Group. Stock options were granted annually from 2002 to 2008 as part of a stock option plan (also see page 151ff of the notes and details on the Wienerberger website). This plan was discontinued in 2009 because it was no longer considered to be an effective or appropriate incentive for the members of the Managing Board and management due to the changed economic environment. In order to synchronize the actions of the Managing Board and management with the viewpoint of Wienerberger shareholders, a long-term incentive (LTI) program was implemented in 2010. This program represents an alternative to the former stock option plan and covers the medium to long-term component of remuneration for the Managing Board and management. In the future, the long-term remuneration for these persons will be based on CFROI, an indicator that reflects the increase in shareholder value. Wienerberger has set a benchmark for Austria with this LTI program, which fully meets the requirements of the Austrian Corporate Governance Code for sustainable, long-term remuneration programs for managing boards and management.

Employee participation on Supervisory Board is part of Austrian legal system

The participation of Wienerberger employees on the Supervisory Board and its committees through their elected representatives forms a legally regulated part of the Austrian corporate governance system. The Austrian Labor Relations Act entitles employees to delegate one member from among their ranks to the supervisory board of a corporation and its committees for every two members elected by the Annual General Meeting (shareholder representatives).

The Austrian Corporate Governance Code requires the majority of shareholder representatives on a supervisory board to be independent. A supervisory board member is considered to be independent when he or she has no business or personal relationships with the company or its managing board that may lead to a material conflict of interest and subsequently influence his or her behavior. In accordance with this guideline and Appendix 1 of the Austrian Corporate Governance Codex (in the version dated January 2010), the Supervisory Board of Wienerberger AG defined six criteria for the independence of its members. A member of the Supervisory Board is considered to be independent when he or she did not serve as a member of the Managing Board or key employee of Wienerberger AG or a Wienerberger Group company during the past five years; when he or she has no business relations with Wienerberger AG or a Wienerberger Group company of a scope considered material for that member (the same also applies to business relations with a company in which the Supervisory Board member holds a significant personal economic interest); when he or she did not work on the audit of Wienerberger AG and was not employed by and did not hold an investment in the public accounting firm that performed the audit during the past three years; when he or she did not serve on the managing board of another company in which a member of the Wienerberger Managing Board serves on the supervisory board; when he or she has not served on the Wienerberger Supervisory Board for more than 15 years; and when he or she is not closely related to a member of the Wienerberger Managing Board or to a person in one of the above-mentioned positions. The criteria for independence are published in detail on the Wienerberger website. Christian Dumolin is no longer considered an independent shareholder representative because of his many years of service on the Supervisory Board of Wienerberger AG, to which he was first elected on July 17, 1996. The other eight shareholder representatives on the Supervisory Board reconfirmed their independence in accordance with these criteria at a meeting on February 17, 2012.

Criteria for the independence of Supervisory Board members

No loans were granted to the members of the Supervisory Board or Managing Board. Information on related party transactions is provided on page 150 of the notes.

Related party transactions

In 2010 an initiative was started to support the addition of a female member to the Supervisory Board. These efforts led to the election of Regina Prehofer by the 142nd Annual General Meeting; she is the first elected female member of the Supervisory Board in the history of Wienerberger AG. This Annual General Meeting also approved an increase in the number of shareholder representatives on the Supervisory Board from eight to nine. The appointment of a woman to the Managing Board is not feasible at the present time because there are no plans to expand this corporate body. Wienerberger continued to follow its appointment policy during the reporting year, giving equally qualified female candidates preference when senior management positions are filled. The implementation of various programs and measures led to a further increase in the percentage of women in middle management during the reporting year. This group of persons forms the pool for future positions in senior and top management. We therefore expect to significantly increase the percentage of women, above all in senior and top management, over the coming years.

Measures to support women in management positions

Members and Committees of the Supervisory Board

9 shareholder representatives

Friedrich Kadrnoska <i>Chairman</i>	<i>independent, born 1951, appointed to 144th AGM (2013), first elected: May 8, 2002</i> Managing Board member of Privatstiftung zur Verwaltung von Anteilsrechten, Chairman of the Supervisory Boards of Österreichisches Verkehrsbüro AG, CEESEG AG and Wiener Börse AG, Vice-Chairman of the Supervisory Board of Allgemeine Baugesellschaft – A. Porr Aktiengesellschaft, member of the Supervisory Board of card complete Service Bank AG, Director of UniCredit S.p.A., Director of Wiener Privatbank SE, managing partner of A & I Beteiligung und Management GmbH
Christian Dumolin <i>Vice-Chairman</i>	<i>born 1945, appointed to 144th AGM (2013), first elected: July 17, 1996</i> Chairman of the Supervisory Board of Koramic Investment Group NV, honorary member of the Board of Regents of the Belgian National Bank, honorary member of the Supervisory Board of the Belgian Banking Finance and Insurance Commission (CBFA), member of the Boards of Directors of USG People, De Steeg Investments, E & L Real Estate and Vitalo Industries
Karl Fink	<i>independent, born 1945, appointed to 146th AGM (2015), first elected: April 27, 2006</i> Member of the Group Executive Board Committee of Vienna Insurance Group AG Wiener Versicherung Gruppe including membership in Supervisory Board in the Netherlands, in Turkey, Czech Republic and Austria, Chairman of the Managing Board of VIG Re zajistovna, Managing Board member of Wiener Städtische Wechselseitiger Versicherungsverein – Vermögensverwaltung – Vienna Insurance Group, member of the Supervisory Board of AT&S Austria Technologie & Systemtechnik AG
Peter Johnson	<i>independent, born 1947, appointed to 144th AGM (2013), first elected: May 12, 2005</i> Chairman of the Board of DS Smith Plc (until January 4, 2012), Chairman of the Board of Electrocomponents PLC
Harald Nograsek	<i>independent, born 1958, appointed to 146th AGM (2015), first elected: May 8, 2002</i> Chief Executive Officer of Österreichisches Verkehrsbüro AG, Chairman of the Supervisory Board of DDSG – Blue Danube Schifffahrt GmbH
Regina Prehofer	<i>independent, born 1956, appointed to 146th AGM (2015), first elected: May 13, 2011</i> Vice-Rector, Financial Affairs and Infrastructure Vienna University of Economics and Business, member of the Supervisory Board of AT&S Austria Technologie & Systemtechnik AG
Claus J. Raidl	<i>independent, born 1942, appointed to 144th AGM (2013), first elected: May 11, 2004</i> President of Oesterreichische Nationalbank, member of the Supervisory Board of Wiener Börse AG, of CEESEG AG and Flughafen Wien AG, Chairman of the Board of Trustees of I.S.T. Austria, member of the Board of Trustees of Technisches Museum Wien
Wilhelm Rasinger	<i>independent, born 1948, appointed to 146th AGM (2015), first elected: April 27, 2006</i> Managing partner of Inter-Management Unternehmensberatung Gesellschaft m.b.H. and “Am Klimtpark” LiegenschaftsverwaltungsgesmbH, Chairman of IVA – Interessenverband für Anleger, member of the Supervisory Board of Erste Group Bank AG and S IMMO AG, Chairman of the Supervisory Board of Friedrichshof Wohnungsgenossenschaft reg. Gen. m.b.H.
Franz Rauch	<i>independent, born 1940, appointed to 143rd AGM (2012), first elected: May 11, 2004</i> Managing partner of Franz Rauch GmbH, Vice-Chairman of the Supervisory Board of Treibacher Industrie AG, member of the Supervisory Boards of UniCredit Bank Austria AG, Buy-Out Central Europe II Beteiligungs-Invest AG, Vorarlberger Kraftwerke AG, Vorarlberger Illwerke AG, Hirschmann Automotive GmbH, Collini Holding AG and Austria Email AG

4 employee representatives

Rupert Bellina	<i>delegated for the first time: January 25, 2005; Foreman at Semmelrock Ebenseer Baustoffindustrie</i>
Claudia Schiroky	<i>delegated for the first time: July 2, 2002; Chairwoman of the Employees' Council at Wienerberger AG</i>
Karl Sauer	<i>delegated for the first time: October 9, 1996; Chairman of the European Employees' Council, Chairman of the Central Employees' Council</i>
Gerhard Seban	<i>delegated for the first time: February 3, 2006; Salesman at the Hennersdorf plant in Austria</i>

4 committees

Presidium and Remuneration Committee	Friedrich Kadrnoska (<i>Chairman</i>), Christian Dumolin
Strategy Committee	Friedrich Kadrnoska (<i>Chairman</i>), Christian Dumolin, Peter Johnson, Claus J. Raidl, Karl Sauer
Audit Committee	Harald Nograsek (<i>Chairman</i>), Wilhelm Rasinger, Karl Sauer
Personnel and Nominating Committee	Friedrich Kadrnoska (<i>Chairman</i>), Christian Dumolin, Karl Fink, Franz Rauch, Karl Sauer

Report of the Supervisory Board

The Supervisory Board and Managing Board held six meetings during the reporting year, which focused on the financial position and strategic development of the Wienerberger Group as well as major events, investments and other measures. The Managing Board provided the Supervisory Board with detailed information at all meetings, and also supplied regular written reports on the business and financial condition of the group and its holdings as well as the personnel situation and planned acquisitions and investments. Separate reports were submitted on special projects. In addition, the chairman of the Supervisory Board held regular conferences with the chief executive officer to discuss the strategy, development of business and risk management of the company.

**Extensive coordination
between Supervisory
and Managing Boards**

The committees examined a range of specialized subjects in detail and reported to the Supervisory Board on the results of these discussions. The responsibilities of the individual committees are described in the chapter "Corporate Governance at Wienerberger" on page 20, and the members of the committees are listed on page 22. The Personnel and Nominating Committee met five times, the Audit Committee six times and the Strategy Committee four times. The Presidium, which also serves as a remuneration committee, received regular information from the Managing Board on the development of business and represented the company on Managing Board issues. The activities of the Presidium included a review and the approval of Managing Board remuneration. The criteria used to determine the variable components of compensation, the principles underlying pension commitments and severance payments as well as information on the compensation paid to individual members of the Managing Board and Supervisory Board are explained in the remuneration report (pages 30 to 33). No member of the Supervisory Board was absent from more than half of the meetings; three committee members were each excused from one meeting and one committee member was excused from three meetings. All members of the Audit Committee were present at all six meetings.

**In-depth treatment of
individual topics by the
committees and
attendance report**

The Audit Committee consulted the auditor in its meetings on February 17, 2011 and March 23, 2011, which focused on an examination of the consolidated financial statements, the annual financial statements of Wienerberger AG, the management reports for the company and the Group, the corporate governance report and the recommendation of the Managing Board for the distribution of profit. An accelerated consolidation process for the annual closing allowed for the publication of audited results for the 2010 financial year in the form of a short report on February 22, 2011. On February 17 the Audit Committee also discussed a report by the auditor on the status of risk management at Wienerberger. This report concluded that the Group's active risk management system permits the effective identification, evaluation and monitoring of risk factors as well as fast reaction to these risks. Based on a tender, a recommendation was made to the Supervisory Board on March 30 for the election of the auditor. A statement was also received from the auditor that covered the legal relations of the audit firm with the Wienerberger Group and the members of its corporate bodies. Regular subjects dealt with by the Audit Committee included reports on the scheduled work by internal audit, the results of these audits and further steps taken during follow-up audits.

**Audit committee
examines annual
financial statements,
risk management
and internal audit**



*Friedrich Kadrnoska,
Chairman of the Supervisory
Board of Wienerberger AG*

Confirmation of independence by Supervisory Board members; Dumolin with over 15 years of service no longer independent

In the meeting on February 21, 2011 the individual members of the Supervisory Board reconfirmed their independence in accordance with the Austrian Corporate Governance Code. Christian Dumolin ceased to meet the independence criteria on July 17, 2011 because he has been a member of the Supervisory Board for over 15 years. The independence criteria defined by the Supervisory Board are summarized on page 21 and disclosed in detail on the Wienerberger website. At several meetings the Supervisory Board and the Personnel and Nominating Committee discussed the efficiency of working procedures for the Supervisory Board, cooperation between the Supervisory Board and its committees and succession planning for this corporate body.

Expansion of Supervisory Board and change in remuneration

The 142nd Annual General Meeting approved a proposal by the Supervisory Board for a change in the remuneration of its members. The new scheme addresses the rising workload and increased liability of the Supervisory Board and makes this corporate body more attractive for international candidates. The most important features of the new scheme are an increase in fixed remuneration and the elimination of the variable component. Detailed information is provided in the Remuneration Report on page 32. On May 13, 2011 the 142nd Annual General Meeting appointed Regina Prehofer to the Supervisory Board, making her the first elected female member in the history of Wienerberger AG. In this connection, the Supervisory Board was expanded to include nine shareholder representatives. On the same day the following Supervisory Board meeting reconfirmed Friedrich Kadrnoska as chairman and Christian Dumolin as vice-chairman. In accordance with § 270 (1) of the Austrian Commercial Code, the Supervisory Board followed an authorization of the annual general meeting by formally engaging KPMG Wirtschaftsprüfungs- und Steuerberatungs GmbH to audit the financial statements for 2011.

Supervisory Board approves share buyback for 2% of issued capital

In the meeting on August 16, 2011 the Supervisory Board approved the plans of the Managing Board to carry out a share buyback from August 22 to November 22, 2011. Two percent of issued capital was repurchased for a total of € 20.8 million, i.e. at an average price of € 8.83 per share. The buyback was terminated prematurely on November 17. The repurchased shares will be used, above all, as transaction currency for profitable acquisitions that may arise in the future.

The Supervisory Board amended its rules of procedure on November 8, 2011 to introduce an age limit for its members. In the future, members of the Supervisory Board will automatically resign at the annual general meeting that follows their 70th birthday.

**Introduction of age limit
for Supervisory Board**

The meeting of the Strategy Committee on November 11, 2011 was held during a visit to the Schlagmann joint venture in the Bavarian town of Zeilarn. In addition to a tour of the production facilities for the innovative, perlite- and mineral wool-filled, high thermal insulating infill bricks, the strategy for Germany and the strategic development of the Wienerberger Group were discussed in detail.

**Strategy Committee
visits Schlagmann
joint venture**

Discussions at the meeting of the Personnel and Nominating Committee on December 14, 2011 focused on defining the criteria for the short-term variable remuneration of the Managing Board in 2012.

**Criteria for short-term
variable remuneration of
Managing Board in 2012**

The annual financial statements and the management report of Wienerberger AG as well as the IFRS consolidated financial statements for 2011 were audited by KPMG Wirtschaftsprüfungs- und Steuerberatungs GmbH; this audit did not give rise to any objections. The Audit Committee discussed the documentation for the annual financial statements, the recommendation of the Managing Board for the distribution of profit and the auditor's reports in detail with the auditor and presented this information to the Supervisory Board. The Supervisory Board examined this information as required by § 96 of the Austrian Stock Corporation Act and agreed with the results of the audit. The Supervisory Board approved the annual financial statements, ratifying them in accordance with § 96 (4) of the Austrian Stock Corporation Act, and agreed with the recommendation of the Managing Board for the use of net profit.

**Auditor's report on
annual financial
statements 2011**

The Supervisory Board would like to express its thanks to the management and employees of the Group for their outstanding performance in a market environment that remains challenging. Wienerberger has a strong industrial base and a healthy capital structure as well as innovative products and system solutions for energy-efficient and sustainable construction. With its motivated and success-oriented employees and experienced management, Wienerberger is well positioned to realize its strategic goals and play an active role in a future economic recovery.

**Thanks to employees
and management**

Vienna, March 28, 2012



Friedrich Kadrnoska, Chairman

Managing Board and Management



Heimo Scheuch

Chief Executive Officer, appointed up to May 2014, born 1966, married

After the completion of legal studies at the Universities of Vienna and Paris and studies at the Vienna University of Economics and Business Administration and École Supérieure de Commerce de Paris, he began his career with the legal firm Shook, Hardy & Bacon in Milan and London as a corporate finance specialist. In 1996 he joined Wienerberger AG as assistant to the Managing Board; in 1997 he transferred to the senior management of Terca Bricks in Belgium, where he became CEO in 1999. Heimo Scheuch was appointed to the Managing Board in May 2001 and appointed Chief Executive Officer of Wienerberger AG by the Supervisory Board in August 2009.

Additional functions: Member of the Supervisory Board of Sto AG, Member of the Supervisory Board of Wiener Börse AG and CEESEG AG, President of TBE (European Bricks and Tiles Federation)



Willy Van Riet

Chief Financial Officer, appointed up to May 2014, born 1957, married, one daughter, one son

After receiving his Masters Degree in Business Economics from the University of Ghent, he started his career as an auditor and subsequently senior manager with PricewaterhouseCoopers in Belgium. He has been active in the building materials sector since 1993, first as Chief Financial Officer of Terca Brick Industries and later Koramic Building Products (also as a member of the Wienerberger Supervisory Board). In 2004 he took over the management of Wienerberger Limited in Great Britain. Willy Van Riet has been Chief Financial Officer of Wienerberger AG since April 1, 2007.



Johann Windisch

Chief Operating Officer, appointed up to May 2014, born 1952, married, one daughter, one son

After receiving his doctorate in Industrial Engineering and Management from the Technical University of Vienna and consulting work for Agiplan in Vienna, he joined Wienerberger in 1980 as assistant to the Managing Board. He assumed management of the controlling and accounting departments in 1983, and took over direction of the building construction sector in 1987. He was then appointed to the Managing Board of Wienerberger Ziegelindustrie, where he became CEO in 1999. In May 2001 he was appointed to the Managing Board of Wienerberger AG as COO.

Work Flows in the Managing Board

The activities of the Managing Board are based on three major elements: the individual areas of responsibility, the actions of the Managing Board as a corporate body and reporting.

Individual areas of responsibility

In his own area of responsibility, each Managing Board member is extensively involved in the relevant strategic and operational activities and is in continuous contact with the managers who report to him. Major events and procedures are regularly discussed with the other board members to ensure coordinated action.

Joint work on the Managing Board

Communication represents the foundation for the work of the Managing Board as a corporate body. This interaction and exchange of ideas takes place at formal board meetings that are normally held once each week and through an ongoing exchange of information at the informal level.



Willy Van Riet, Heimo Scheuch and Johann Windisch

Frequent contact is guaranteed by the arrangement of offices – the rooms for the board members are adjoining and are connected by a common secretariat. Discussions at the board meetings cover the state of the business, above all with respect to the development of demand, prices and costs as well as the utilization of capacity in the company's plants. The necessary actions are determined jointly, and subsequently implemented by the responsible member of the Managing Board in his area of responsibility. The board meetings also include the discussion of strategic issues (together with the managers in charge when necessary), with a concentration on the development of markets, products and technologies. Transactions that require the consent of the Supervisory Board are discussed, and the relevant proposals are submitted to this body after approval. Decisions by the Managing Board are made unanimously whenever possible, and all contracts approved by the Managing Board must be signed by at least two members.

The management of the company is built on an extensive reporting system. Of special importance is the monthly report, which includes detailed facts and figures on the operating units – an income statement by country, segment and product group as well as information on the development of volumes, prices and costs, working capital and capital expenditure. The Managing Board also receives standardized reports each month on the energy and financial situation as well as the status of individual projects in the product and technology areas and meets the top management in the markets on a regular basis. Quarterly reports provide macroeconomic data on the individual countries.

**Corporate management
based on extensive
reporting system**

Managing Board of Wienerberger AG

With the appointment of Heimo Scheuch as Chief Executive Officer in September 2009, the Managing Board was reduced from four to three members. This led to an increase in the scope of responsibility for each board member, as well as a decrease in total remuneration for the Managing Board to demonstrate that cost-consciousness also has top priority for the board members. The operating and strategic management of Wienerberger is divided among the three board members. Heimo Scheuch is responsible for North America as well as Semmelrock and real estate. Johann Windisch, the Chief Operating Officer, is in charge of the Central-East Europe, Central-West Europe and North-West Europe segments and business activities in Emerging Markets. Willy Van Riet serves as the Chief Financial Officer and is also responsible for Wienerberger's investments in other companies.

**Managing Board of
Wienerberger AG
comprised of three
persons**

EMDs responsible for operating management on regional level

Operating management at the local and product level is the responsibility of the four Executive Managing Directors, each of whom is in charge of a specific region (Central-East Europe, Central-West Europe, North-West Europe, North America, Emerging Markets). The responsibility of these directors covers the operating management in the region, the regional development of the product groups and the coordination of actions between the operating country units and the product groups. This new structure is intended to reduce decision paths and also increase regional and product-specific synergies through cross-national cooperation.

Executive Committee as consultative body for the Managing Board

The Executive Committee serves as an advisory body for the Managing Board. It includes the Managing Board of Wienerberger AG and the four Executive Managing Directors. The Executive Managing Directors exercise an advisory and support function for the Managing Board in all operating and strategic issues involving the Wienerberger Group.

Top Management Holding

The Top Management Holding supports the Managing Board in the strategic and organizational development of the Wienerberger Group. It consists of the first reporting level and comprises the Executive Managing Directors as well as the Heads of Product Groups and Corporate Services. This organizational structure ensures a close cooperation between the regions and product groups, in order to use cross-national and product-specific synergies.

Executive Managing Directors

Christian Schügerl	Central-East Europe (excl. Austria)
Christof Domenig	Central-West Europe (incl. France, Austria)
Bert Jan Koekoek	North-West Europe (excl. France)
Karl Thaller	Emerging Markets

Heads of Product Groups

Martin Kasa	Product Group Wall
Franz Kolnerberger	Product Group Roof
Zdenka Debartoli	Product Group Facade

Heads of Corporate Services

Judith Ableitinger	Corporate Development/New Products
Barbara Braunöck	Investor Relations
Bernd Braunstein	Corporate Legal Services
Hans Ebner	IT Architecture & Organization
Gerald Ettmann	Internal Audit
Gerhard Hanke	Corporate Controlling
Stefan Huber	Corporate Treasury
Martin Kasa	Corporate Marketing/Public Relations
Gerhard Koch	European Affairs/Sustainability
Anton Moser	Corporate Supply Chain Management
Jörg Schwander	Corporate Engineering
Arno Steiner	International Sales Coordination
Ernst Tschach	SAP Competence Center
Bernhard Waiker	Corporate Procurement
Wolfgang Weiss	Corporate Human Resources

Organization

	Heimo Scheuch CEO	Johann Windisch COO	Willy Van Riet CFO
Corporate Services	Corporate Development/ New Products	Corporate Engineering	Corporate Controlling
	European Affairs/Sustainability	Supply Chain Management	IT Architecture & Organization
	Corporate Legal Services		SAP Competence Center
	Corporate Human Resources		Corporate Treasury
	Corporate Marketing/Public Relations		Internal Audit
	International Sales Coordination		Investor Relations
			Corporate Risk Management
Executive Managing Directors			Corporate Procurement
		Central-East Europe	
		Central-West Europe	
		North-West Europe	
		Emerging Markets	
Product Groups	Product Group Concrete	Product Group Wall	
		Product Group Roof	
		Product Group Facade	
Operating Segments	North America	Central-East Europe	North-West Europe
	USA	Austria	Belgium
	Canada	Slovakia	France
		Czech Republic	Netherlands
	Concrete	Hungary	Great Britain
	Semmelrock	Romania	Denmark
		Bulgaria	Sweden
	Pipe Systems	Poland	Norway
	Steinzeug-Keramo	Slovenia	
		Croatia	
		Estonia	
		Finland	
		Emerging Markets	
		Russia	
		India	
	Investments and Other	Central-West Europe	Investments and Other
	Real Estate	Germany	Tondach Gleinstätten
		Italy	Pipelife
		Switzerland	

Remuneration Report

Remuneration report explains amount and structure of payments to Managing and Supervisory Boards

The remuneration report summarizes the principles that are used to determine the remuneration for the Managing and Supervisory Boards of Wienerberger AG, provides details on the amount and structure of payments to these persons and includes data on the number of shares owned by members of the Managing and Supervisory Boards. The Supervisory Board has transferred the determination of remuneration for the Managing Board of Wienerberger AG to the Presidium, which also serves as a remuneration committee.

Remuneration system focused on appropriate compensation for Managing Board

In accordance with Austrian law, the Managing Board is appointed for a specific period that equals a maximum of five years per term. The employment contracts for the individual members of the Wienerberger Managing Board are prepared by the Remuneration Committee together with an external consultant. The goal of the remuneration system is to provide the members of the Managing Board with compensation that is appropriate in national and international comparison (building materials sector) based on their functions and scopes of responsibility. An important element of this remuneration system is the structuring of cash payments into fixed and variable components.

Fixed component of salary is based on responsibilities

The *fixed component* reflects the scope of responsibility of the Managing Board member and, following common practice in Austria, is divided into fourteen installments and paid at the end of each month. This results in different base salaries that correspond to the individual duties as well as the related strategic and operating responsibilities of the various board members.

Short-term variable remuneration for Managing Board tied to EBITDA target in 2011

The *variable component* is linked to a sustainable increase in shareholder value and comprises a short-term and a long-term component. The *short-term variable remuneration component* is tied to the achievement of short-term corporate goals and is determined by the Supervisory Board annually for the next financial year. For 2011 an EBITDA target was defined on the basis of the budget, with a corridor establishing the minimum and maximum limits for proportional payout. If EBITDA remained below the defined minimum, no short-term variable remuneration would be paid; if the upper limit were reached or exceeded, the payment would be capped at 200% of the fixed salary. The variable component will be disbursed together with the fixed salary in 14 installments during 2012 after verification by the auditor.

55% of Managing Board remuneration is variable

Of the total cash compensation paid to the Managing Board for the 2011 financial year, 45% was fixed and 55% variable. The Managing Board received no variable remuneration in 2010, but the attainment of short-term targets in 2011 created an entitlement for the reporting year. This resulted in a year-on-year increase in total remuneration, which is shown in the following schedule:

Cash compensation Managing Board						
<i>in €</i>	Fixed	2010 Variable	Total	Fixed	2011 Variable	Total
Heimo Scheuch	628,969	0	628,969	640,534	768,640	1,409,174
Johann Windisch	501,715	0	501,715	510,939	613,126	1,124,065
Willy Van Riet	461,577	0	461,577	470,064	564,076	1,034,140
Total	1,592,261	0	1,592,261	1,621,537	1,945,842	3,567,379

The **long-term variable remuneration component** was based on a stock option plan for key Group managers up to the end of 2008 (also see the Wienerberger website). This plan was discontinued in 2009 because it was no longer considered to be an effective or appropriate incentive for the members of the Managing Board and management due to the changed economic environment. The Supervisory Board subsequently developed an alternative model for the Managing Board and key managers of the Group (approx. 30 persons), which covers the medium to long-term component of remuneration. This long-term incentive (LTI) program is designed to support a sustainable increase in shareholder value, with the share price working as added leverage. The program will encourage managers to focus their actions more on the value-oriented viewpoint of shareholders and also strengthen their identification with corporate planning and goals.

Long-term variable remuneration component to support sustainable increase in shareholder value

Each year – starting in 2010 – virtual shares, so-called performance share units (PSUs) will be issued and allocated to the program participants based on their position in the company (CEO: 8,000; board member: 6,000; executive managing director: 2,500; holding company top management and managing directors of larger local companies: 1,000 – 2,000). Special conditions for participation apply to the Managing Board: these persons must hold an investment in Wienerberger shares equal to or exceeding the number of PSUs granted and these shares may not be sold until the respective program expires. The monetary value of the PSUs will be determined at the end of a three-year performance period by multiplying the target achievement with the average price of the Wienerberger share during the last 20 trading days on the Vienna Stock Exchange in the third year. The target achievement depends on CFROI in the third year after the PSUs are issued. There will be no payout if CFROI falls below a defined target corridor. Payouts resulting from the target achievement are not made at once, but in three equal installments over a period of two years. If annual CFROI falls below the minimum value during this period, the following installment is canceled.

Long-term incentive (LTI) program to synchronize management goals with shareholders' interests

Wienerberger has established a benchmark for Austria with this LTI program, which fully meets the requirements of the Austrian Corporate Governance Code for sustainable, long-term remuneration programs for managing boards and management.

Wienerberger sets benchmark for sustainable management remuneration

The members of the Managing Board require the approval of the Supervisory Board before they may enter into any activities outside the scope of their work with Wienerberger. This guarantees that neither the time required nor the related compensation could lead to a conflict with their duties for the company. Any outside activities that involve seats on supervisory boards or comparable positions for publicly traded companies are listed on page 26 and also disclosed on the Wienerberger website. No compensation is provided for positions in Group companies.

Other activities require approval of Supervisory Board

All members of the Managing Board are covered by **defined contribution pension agreements** that require the company to make a fixed contribution each year. The company has no obligations above and beyond these agreements. Contributions to pension funds (defined contribution commitments) totaled € 495,165 for the members of the Managing Board in 2011 (2010: € 644,085). The members of the Managing Board are entitled to severance compensation on the termination of employment in accordance with legal regulations in Austria, which is based on

Pension agreements for the Managing Board are mainly defined contribution plans

total compensation as well as the length of service with the company. In 2011 no additions were made to the provision for severance compensation (2010: € 275,238). Payments of € 794,048 were made to former members of the Managing Board and their surviving dependents during the reporting year (2010: € 776,400).

Conclusion of D&O-insurance with coverage of € 75 million

Wienerberger has concluded directors and officers insurance with coverage of € 75 million for the members of the Managing Board, operational bodies, control bodies and key employees. This policy also covers damages to the company that arise from the failure of these parties to act conscientiously (without any intentional or conscious violation of their responsibilities).

Change in Supervisory Board remuneration approved by 142nd AGM

The 142nd Annual General Meeting approved a proposal by the Supervisory Board for a change in the remuneration of its members. The new scheme addresses the rising workload and increased liability of the Supervisory Board and makes this corporate body more attractive for international candidates. The features of this scheme are as follows: Beginning with the 2011 financial year and until further notice, each elected member of the Supervisory Board will receive annual fixed remuneration of € 15,000. The fixed remuneration for the vice-chairman and chairman equals € 22,500 and € 30,000, respectively. For work on a committee, the annual fixed remuneration equals € 7,500 for an ordinary member, € 11,250 for the vice-chairman and € 15,000 for the chairman. The fixed remuneration is limited to one committee membership per person and is paid only once, even if a Supervisory Board member is active on several committees. Each elected member of the Supervisory Board also receives an attendance fee of € 5,000 per meeting day, or € 2,500 for a committee meeting that is not held on the same day as a Supervisory Board meeting. This fee is only paid for meetings actually attended. The fixed remuneration is adjusted on the basis of the Statistik Austria consumer price index for 2005 or a subsequent index. Increases and decreases up to and including 5% will not be compensated, but an adjustment will be made for the full change if this corridor is exceeded.

The Supervisory Board received remuneration of € 501,250 for 2011 (payment in 2012), which is distributed as shown in the following table. The year-on-year increase reflects the new remuneration scheme as well as the addition of one new member.

Supervisory Board Remuneration in €	2010	2011
Friedrich Kadrnoska, Chairman	43,412	77,500
Christian Dumolin, Vice-Chairman	32,559	61,250
Karl Fink	16,279	52,500
Peter Johnson	16,279	42,500
Harald Nograsek	16,279	65,000
Regina Prehofer ¹⁾	0	30,000
Claus J. Raidl	16,279	55,000
Wilhelm Rasinger	16,279	65,000
Franz Rauch	16,279	52,500
Total	173,645	501,250

1) Member of the Supervisory Board since May 13, 2011

No compensation is paid for services outside the above-mentioned Supervisory Board duties, in particular for consulting or arranging services. The salaries received by the employee representatives as part of their employment contracts represent exceptions to this rule. No pension commitments were made to the members of the Wienerberger Supervisory Board.

No pension commitments or additional compensation for Supervisory Board

The members of the Managing and Supervisory Boards have voluntarily agreed to disclose their holdings in shares of Wienerberger AG. In accordance with § 48 of the Austrian Stock Exchange Act, the purchase or sale of shares by the members of these boards is reported to the Austrian Financial Market Authority and also disclosed on the Wienerberger website (see “Directors’ Dealings”). The number of Wienerberger shares held by the members of the Managing and Supervisory Boards at the end of 2011 totaled 309,779.

Managing and Supervisory Boards voluntarily disclose holdings in Wienerberger shares

Number of shares owned		1.1.2011	Purchase	Sale	31.12.2011
Managing Board	Heimo Scheuch	51,252	40,000	0	91,252
	Johann Windisch	6,000	6,000	0	12,000
	Willy Van Riet	22,142	0	0	22,142
Supervisory Board	Friedrich Kadrnoska	9,461	0	0	9,461
	Christian Dumolin ¹⁾	133,000	0	0	133,000
	Karl Fink	0	0	0	0
	Peter Johnson	0	0	0	0
	Harald Nograsek	1,400	0	0	1,400
	Regina Prehofer	0	0	0	0
	Claus J. Raidl	4,200	0	0	4,200
	Wilhelm Rasinger	35,224	1,100	0	36,324
	Franz Rauch	0	0	0	0
	Total	262,679	47,100	0	309,779

1) Held on behalf of Koramic Finance Company NV (Korfima)

Risk Management

Identification and analysis of 15 major risks as part of risk management process

Global operations expose the Wienerberger Group to a variety of risks. In principle, Wienerberger views risk as the potential divergence from corporate goals and therefore as a range of potential future scenarios. Risk covers the possibility of a loss (risk in the literal sense of the word) as well as the failure to realize an additional gain. The goal of our risk management system is to identify risks at an early stage and implement suitable measures to minimize any divergence from corporate goals. These procedures require the identification, assessment, management and monitoring of risks, and represent an integral part of our internal risk management activities. The risk assessments prepared in prior periods are updated annually by top and senior management. Based on the probability of occurrence and the potential impact on the Group, the identified risks are weighted according to their significance and the 15 major risks are analyzed in detail. In 2011 this process led to a change in the weighting of individual risks. The most important risks are described in detail below, and a detailed description of all risks is provided in the risk report beginning on page 144 of the notes.

Business development heavily dependent on new residential construction

Market, Production and Price Risks

As a building materials producer, Wienerberger operates in a cyclical industry where business is dependent, above all, on new residential construction – a sector whose development is closely linked to the economic environment in the respective country. Other major factors that have a decisive influence on new residential construction are consumer confidence, long-term interest rates and the availability of mortgage loans or financing for residential construction projects. In order to reduce the dependency on new residential construction, we are pursuing a strategy to expand our renovation- and infrastructure-related businesses. Clay roof tiles are an important focus of our efforts, since more than half these products are used in renovation. Pavers and pipe systems, which are also used in public sector projects, are two further focal points. Weak economic growth and a subsequent decline in local construction activity increase the risk of excess capacity. This can lead to greater pressure on prices and uncovered costs and, as a consequence, could make price adjustments necessary. In 2011 we were able to offset the rise in input costs with price increases. We reduce the effects of capacity risks on earnings by continuously monitoring our plant network and making the necessary adjustments through temporary shutdowns and/or the shift of production to reflect market demand. Wienerberger is also exposed to a risk of substitution through its competition with other roof and wall materials. Our strong position as a quality leader and investments in the development of premium products should allow us to minimize price risks.

Preservation of healthy capital base through financial discipline

Financial Risks

Following the conclusion of restructuring, the protection and maintenance of a strong capital base has become a central objective for Wienerberger AG. We proactively strengthened our liquidity through the successful placement of bonds in an economic environment that will be influenced by peak corporate and bank refinancing in 2012, and we now have a balanced financing structure. Wienerberger is not only exposed to liquidity risk, but also to foreign exchange and interest rate risks. We use foreign exchange swaps to secure appropriate coverage between assets and liabilities, and thereby minimize the impact of exchange rate fluctuations on Group equity.

In recent years Wienerberger has been able to significantly lower the risks associated with exchange rate and interest rate risks through its hedging activities. A description of the financing situation and hedging measures is provided in the Financial Review on page 68; exchange rate risk is discussed on page 146 of the notes.

Procurement Risks

Energy represents a key resource for Wienerberger's production processes. Wienerberger works to counteract the risk of an energy shortage and the resulting volatility in energy prices by continuously monitoring the situation on key markets, by concluding forward contracts that define purchase prices at an early point in time and by closing long-term supply contracts. For 2012 we have already signed contracts that cover a large part of our natural gas and electricity requirements. A detailed description of our energy procurement policy is provided on page 45.

Hedging and long-term supply contracts to counteract energy shortage

Legal Risks

Due to our positions in specific markets, the pricing policies of our subsidiaries are actively monitored by competition authorities. Price-fixing agreements are not part of Wienerberger's business policies; our internal guidelines expressly prohibit such activities and call for severe sanctions in the event of violations.

Group-wide guideline to ensure compliance with antitrust laws

From the present point of view, there are no risks that could endanger the continued existence of the Wienerberger Group. Insurance policies have been concluded to cover specific guarantee and warranty risks. The scope of these insurance policies is analyzed regularly based on the maximum cost associated with the insured risk and the relevant insurance premium. In order to counter potential risks that could result from the wide variety of tax, competition, patent, antitrust and environmental regulations and laws faced by Wienerberger, management decisions are based on consultations with company and outside experts. Compliance with regulations and the supervision of employees in their interaction with risk is a basic responsibility of all Wienerberger managers.

No identifiable risks that could endanger the entire Group

In order to ***avoid and manage risk***, the local companies deliberately take on risks only as part of their operating activities and always evaluate these risks in relation to the potential gains or opportunities. Any speculative actions outside the scope of operating activities are prohibited. Risks that are not directly related to operating activities, for example financial risks, are monitored and managed by the Group's parent company. The most important instruments for the ***monitoring and management of risk*** are planning and controlling processes, Group guidelines, regular reporting and the internal control system (ICS).

Risks only taken on in operating business

Internal Control System

The installation of an internal audit department as a staff function reporting to the Managing Board is designed to reflect the principles of good corporate governance, in particular through the strengthening of the internal control system (ICS). The Managing Board and internal audit regularly evaluate operating processes to reinforce risk management and identify opportunities

Internal control system evaluated by internal audit

for improvement, and also monitor compliance with legal directives, internal guidelines and procedures. These activities are based on an audit schedule developed by the Audit Committee and approved by the Managing Board as well as a groupwide risk assessment of corporate activities. The internal audit department is also responsible for ad-hoc audits, which are requested by management and address current and future risks.

Internal control system based on recognized best practices and standards, with regular revisions

The ICS is regularly revised and expanded by internal audit together with the Group's specialist departments to support the early identification and management of the risks arising from potentially inadequate monitoring systems or fraudulent actions. This system is based on the standards defined in the COSO – the Internal Control and Enterprise Risk Managing Frameworks of the Committee of Sponsoring Organizations of the Treadway Commission, a recognized international guideline for internal control procedures. Together with the Group guidelines and standardized reporting system, it provides management with a comprehensive instrument to analyze and manage the uncertainties and risks arising from business activities.

ICS is implemented locally, but compliance monitored centrally by internal audit

In keeping with the decentralized structure of the Wienerberger Group, local management is responsible for the implementation and monitoring of the internal control system. The managing directors of the individual subsidiaries are required to evaluate and document compliance with the controls defined in the ICS guidelines. The internal audit department subsequently verifies compliance with these audit procedures by local management, and reports the results of its examinations to the individual managing directors and to the Managing Board of Wienerberger AG.

Audit Committee monitors accounting processes and effectiveness of internal controls in accordance with Austrian law

The internal audit department and corporate controlling provide the Audit Committee with quarterly reports on major accounting and valuation procedures, the effects of revisions to IFRS on the consolidated financial statements, significant changes in accounting processes and the results of risk management analysis. The Audit Committee is also regularly informed of audit results and relevant measures as well as the improvement of weaknesses identified by the ICS.

Effectiveness of risk management audited and confirmed by KPMG

Reporting plays a key role in the monitoring and control of the risks associated with operating activities. The Group auditor evaluates the effectiveness of Wienerberger risk management each year, and reports to the Supervisory and Managing Boards on the results of this analysis. The functional capability of Wienerberger risk management was examined and confirmed by the auditor. In addition, the control systems in the individual corporate functions are tested as part of the annual year-end audit. Internal audit and the auditor selected 25 control points from all areas of the corporation for detailed review by KPMG in 2011. The results of these audits were presented to the Managing Board and the Audit Committee, and internal audit will take any necessary actions based on the resulting conclusions. A detailed description of the risks facing the Wienerberger Group is provided beginning on page 144 of the notes.

Interview with Willy Van Riet, CFO

Wienerberger issued another bond in January 2012. What were the terms, and how would you judge the Group's access to the bond market? How important is the company's rating in this respect?

This bond has a term of 3.5 years and a fixed coupon of 5.0%. Due to the strong demand, above all in Austria and Belgium, we placed the maximum volume of € 200 million and again demonstrated our strong access to the bond market. As part of the strategy to maintain a balanced term structure, we have placed a number of bonds in smaller issues since 2010. We also intend to take advantage of favorable market conditions for such issues in the future. Despite the negative image of rating agencies, corporate ratings are still important in the financing market. However, we are in a lucky position: the crisis-related loss of Wienerberger's investment grade rating has not had a significant influence on the evaluation of the company by the bond lenders and our banks, or on our financing costs.

In February 2012 Wienerberger announced the full takeover of Pipelife through the acquisition of the remaining 50% stake for € 162 million. How will this acquisition be financed, and what does that mean for the total debt of the Wienerberger Group?

Wienerberger had already met its refinancing requirements for 2013 by mid-2011, and has a strong capital base and comfortable cash reserves. That gave us the flexibility for our share buyback in autumn 2011 and the recommended dividend. In addition to our liquidity reserves, we continue to generate high cash flows and have approx. € 250 million of committed undrawn credit lines. So we are making this acquisition from a position of financial strength. Financial discipline is a central element of our strategy, and our target remains intact to limit the ratio of net debt to operating EBITDA to a maximum of 2.5 at year-end. The total debt of the Wienerberger Group will also be low after the integration of Pipelife, and I expect net debt to operating EBITDA will be substantially below 2.5 at the end of 2012.

Why isn't the hybrid bond counted as part of debt?

The hybrid bond has a perpetual term, with the first call option for Wienerberger in 2017. That means Wienerberger can decide whether or not to redeem the hybrid bond in roughly five years. In addition, the hybrid bond is subordinated to all existing and future liabilities. Based on these features, the instrument must be classified as equity under IFRS. When it was issued in early 2007, this form of financing was an attractive opportunity to strengthen liquidity and, at the same time, to protect the company's capital structure.



THE COMPANY

Wienerberger's Success Factors and Major Drivers

1 Product development and innovation

Wienerberger has established itself as the most innovative company in the brick industry through decades of successful research and development. Our close contacts with architects, construction firms and consumers give us new impulses and suggestions for the improvement of our products and system solutions for energy-efficient construction. In the clay block segment, our goal is to optimize the technical properties of our products – for example thermal and sound insulation and efficient brick laying – and also improve stability and load-bearing capacity, which are especially important in earthquake-prone areas. In facing bricks, clay roof tiles and pavers, we concentrate on the early identification of architectonic trends. We adjust our offering to meet local needs and preferences, and continually add new items to our product line. In the roof tile segment, we have positioned our company as a system provider by expanding our product line to also include non-ceramic accessories. The focus for Semmelrock concrete pavers lies on the development of new paving systems for heavy traffic areas and product systems for private gardens and spaces. Innovation in the pipe systems segment is directed, above all, towards the development of flexible solutions for the installation of pipes to support a wider variety of applications.

2 Market orientation and customer relations

The customer is the focal point of all our efforts, and we see our market orientation and direct customer contacts as central success factors for our business. With high-quality, innovative products that are specially designed to meet the needs of customers and a wide range of services, we work continuously to improve our customer relations. Our broad product portfolio allows us to offer complete building solutions from a single hand, while our extensive plant network makes it possible to service customers throughout our markets.

3 Strong market positions


Our strategy in the core business is to develop strong market positions and customer relations in all markets in which we are active and to continuously improve in these areas of our business. Wienerberger is the largest brick producer in the world with 199 plants as well as the number one in clay roof tiles in Europe and the market leader for concrete pavers in Central-East Europe. With a further 31 plants in the pipe systems segment, we are also one of the leading European suppliers of ceramic and plastic pipe systems.

4 Local presence and decentralized organization

The maximum economically feasible supply radius is 250 km for clay blocks, 500 km for facing bricks and 800 km for clay roof tiles. In order to fully cover a regional market with bricks and building material systems, a company needs a dense network of production facilities as well as a strong local organization whose operations are based on decentralized responsibility and detailed knowledge of the particular market.

5 Cost and capacity management

The continuous optimization of costs throughout the Group – in production (above all with respect to the use of energy) as well as administration and sales – is an integral part of the Wienerberger culture. Our extensive network of plants in all markets and product areas allows us to actively manage capacity and to react quickly to changes in the operating environment and demand. That makes it possible for us to achieve a reasonable level of capacity utilization in times of crisis, and also leads to an improved (fixed) cost structure.



6 Strong capital structure through generation of high cash flows

The core business of Wienerberger – products for walls, facade, roof, paving and pipe systems – is capital-intensive. After a high initial investment, only approx. 60% of depreciation is normally required for maintenance and the refitting of existing equipment (2011: only approx. 50%). This releases substantial free cash flows that are available for debt repayment, dividends, share buybacks and growth projects. However, in times of economic uncertainty we use these cash flows above all to protect liquidity and maintain a healthy capital structure. With gearing of only 18% and approx. € 500 million of cash reserves at the end of 2011, Wienerberger has a strong capital structure and a sound liquidity base.

7 New residential construction and renovation

The pace of new residential construction on local markets has a major influence on the demand for clay blocks and facing bricks. Population growth, bank lending policies and consumer confidence in the individual countries are the most important drivers for new residential construction. The demand for clay roof tiles is driven more by renovation (>55%) and to a much lesser extent by new construction (<45%). Pipe systems are sold primarily to the public and industrial sectors, and this business is therefore more dependent on capital spending by municipalities and manufacturing companies.

Strategy and Business Model

Completion of strategic reorientation from an expansions-driven to a market-oriented company

The development of business at Wienerberger in recent years has been influenced, above all, by a difficult market environment and a focus on cash-generation. As a consequence of the global financial crisis, extensive restructuring measures were implemented that cut fixed costs by approx. € 200 million, substantially decreased working capital and gradually reduced debt. The conclusion of this restructuring phase in 2009 was followed by the strategic reorientation from an expansion-driven to a market-oriented company with a focus on innovative and premium products. This also formed the basis for success in 2011, when Wienerberger generated strong organic growth in a still difficult market environment and returned to the profit zone.

Sound potential for pipe systems over the medium-term

In order to reduce the dependency of business development on new residential construction over the medium-term, Wienerberger anchored the extension of the core business in its strategy and is working to strengthen the focus on renovation and infrastructure. Our activities in pipe systems should be viewed in this context. We acquired Steinzeug-Keramo, a clay pipe producer, during October 2010 and in February 2012 announced the takeover of the remaining 50% stake in Pipelife from our joint venture partner Solvay. The acquisition of Pipelife, one of the leading suppliers of plastic pipe systems in Europe, will place the Group on a broader base by reducing the dependence on cyclical new residential construction from roughly 70% of revenues to 60%. Pipelife was consolidated at equity in 2011 and will be fully consolidated after the approval of the transaction by the antitrust authorities, which is expected in the coming months.

Continued focus on financial discipline

The strategic focus will remain on financial discipline as well as the protection of a strong capital structure. Wienerberger had net debt of € 442.5 million at year-end 2011, which represents gearing of only 18%. The issue of a € 100 million bond in July of the reporting year covered refinancing requirements up to the end of 2013. The issue of a further bond for € 200 million in January 2012 was designed to increase liquidity reserves and further optimize the term structure of liabilities. The maintenance and protection of a strong capital structure remains a central goal for Wienerberger, which we will continue to pursue with the proactive management of liquidity and the term structure of liabilities.

Wienerberger holds leading market positions in all five core businesses

Our core business comprises products for wall, roof, facade, pavers and pipe systems. The strategy for the core business is designed to establish and extend leading positions in all markets in which we are present. Wienerberger is the largest multinational supplier in the brick business and number one in clay roof tiles in Europe. We also hold leading positions on the paver market in Central-East Europe and in pipe systems on the European market. At the Group level we operate 230 plants in 30 countries and are also active in four export markets.

Clay blocks are our main product for walls, and represent the most popular building material in the world for new residential construction. Wienerberger is the world's largest producer of clay blocks and holds leading positions in all relevant markets in Eastern and Western Europe (with the exception of the Iberian Peninsula and Greece). We have a modern and efficient plant network in all regions, which we continuously improve through investments in technical upgrades and production equipment for our premium products. Recent investments included new grinding

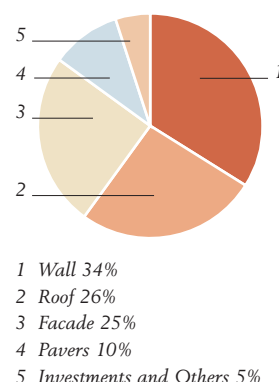
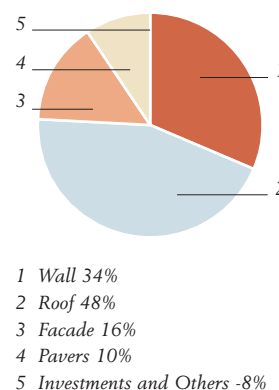
equipment for our plane bricks, which can be glued together with Dryfix® – a special aerosol masonry glue – because of their smooth surface, and filling equipment for our high thermal insulating infill bricks. With a 34% share of revenues, our clay block business generated 34% of operating EBITDA in 2011.

Clay roof tiles are used primarily to cover pitched roofs in Europe. Our clay roof tile activities in Belgium, the Netherlands, France, Germany, Poland and Switzerland are supplemented by an investment in Tondach Gleinstätten, which produces clay roofing systems in Central-East Europe. The superior properties of clay roof tiles have led to a steady increase in their share of the renovation market in Western Europe, and we expect a similar development in Eastern Europe over the coming years. In the second quarter of 2011 we therefore transferred our 50% stake in the concrete roof tile producer Bramac to our former joint venture partner Monier in exchange for an additional 25% stake in Tondach Gleinstätten plus a settlement payment. We now hold a 50% investment in this clay roof tile producer, which has leading market positions in the region with 19 plants in 11 Central and East European countries. More than half these tiles are used in renovation, which leads to lower dependence on cyclical new housing starts than clay blocks and facing bricks. This also explains the fact that clay roof tiles were by far the most profitable product group in 2011, with a 26% share of revenues and 48% of operating EBITDA.

Facing bricks are used as a facade product in new residential and non-residential construction, above all in the USA, Great Britain, the Benelux countries and several other regions of North-western Europe. They are our third most important source of revenues with a share of 25%. The substantially lower profitability compared with other products is explained, above all, by the weak demand in the USA (and the resulting costs of lower capacity utilization in our plants) as well as the high share of merchandise in this product group. This latter factor is a result of the direct sales system in the USA. In contrast to Europe, where our products are sold primarily by building material traders, more than 60% of our revenues in the USA are recorded through our own sales offices and specialized brick merchants. These sales channels also generate additional revenues (at lower margins) with related products that are in part made by other producers, and currently represent about 40% of the revenues recorded by the facade product group.

The fourth core product area is formed by pavers. Semmelrock concrete pavers are used for a wide range of applications in private and public construction in Central-East Europe, while clay pavers represent a high-quality niche product in North-West Europe. This product group generates 10% of revenues and operating EBITDA. Concrete pavers have a lower EBITDA margin than clay products, but the initial investment is much lower than the cost of a brick plant.

Pipe systems are Wienerberger's fifth core business. These products represent a key component of infrastructure projects (especially water supply and waste water disposal), which are less dependent on economic cycles than residential construction. We see a sound medium-term growth potential for pipe systems due to the substantial backlog in the renovation of waste water systems throughout Western Europe and the planned development of a wide-ranging sewage network in

Revenues by Product

Operating EBITDA by Product


Stronger strategic focus on renovation and infrastructure through pipe systems

Eastern Europe. The integration of Pipelife will also allow us to expand our business, above all in building and electro installations. We intend to use the combined innovative power and strong market structures of Pipelife and Wienerberger to generate growth and further strengthen our market presence.

Strong operating base with efficient plant network and lean cost structures

Wienerberger has a modern industrial base with lean cost structures and an efficient plant network. These existing structures will be used in the coming years, above all for further organic growth. Our goal is to outperform the market with premium products and system solutions.

Wienerberger building material solutions for tomorrow's requirements today

Two of the most important trends in new residential construction are sustainability and energy efficiency. The EU performance of buildings directive for 2020 requires all buildings constructed during or after that year to have a neutral energy balance. That means houses must produce as much energy as they use. Wienerberger has addressed these challenges in recent years and joined together with partners from heating technology, thermal insulation and other fields to develop a building model (the e⁴ BRICKHOUSE) that meets these demands today. Wienerberger does not act as the house developer, but supplies easy to realize, individual solutions plus the appropriate product recommendations. We rely on the entire Wienerberger product portfolio to supply complete solutions for walls and roofs as well as wall tempering heating systems by Pipelife and pavers made by Semmelrock. All regions of the Wienerberger Group are working to further develop and improve our products and system solutions to optimally meet our customers' needs. In this way, Wienerberger is perfectly positioned to benefit from the trends in new residential construction.

Focus on organic, profitable growth

Our activities in the coming years will therefore concentrate on organic growth. We want to utilize our efficient plant network, our premium products and system solutions as well as our strong sales structures to outperform the market and thereby generate sustainable profitable growth (CFROI > 11.5%) for our shareholders.

Organic growth with innovative, sustainable products

Market penetration and launch of premium products to strengthen positions

In 2011 we outperformed the market in many countries by launching new products and increasing our market penetration with our current line of premium products. We recorded above-average development in the clay block segment, above all with our infill bricks, seismic bricks and plane bricks with the related Dryfix[®] system. KoraTech[®] – a complete solution for roofs – also continued its successful growth course during the reporting year. Our KoraTech[®] product line includes roof tiles as well as a full range of ceramic and non-ceramic accessories for roof construction from a single hand ("one-stop shop"). We added new colors and designs to our facade brick portfolio, while Semmelrock registered higher demand for its new special surface concrete pavers and laying systems. In the pipe systems segment, sound growth was recorded by Steinzeug-Keramo with jacking pipes and by Pipelife with rain water management systems. Our agenda also includes the intensification of sales activities, since we not only want to strengthen our customer ties with our premium products, but also with individualized service.

Wienerberger has defined sustainability as a key strategic goal because of its growing importance for the future. We view sustainability as an integral part of our business, and thereby also as an important factor for the economic success of the company. Against the backdrop of the climate discussion, the primary objective for sustainable construction is to reduce the energy requirements and the quantity of materials used in buildings. Bricks have optimal properties for sustainable construction because of the natural raw materials from which they are made and their long service life. We intend to utilize and expand these benefits to realize further growth.

Focus of research on further development of sustainable products

Organic growth with currently unused capacity

Wienerberger has adjusted its plant network and capacity continuously during the crisis by closing smaller and less efficient plants and mothballing other facilities. The Group has significant organic growth potential in the form of capacity that is currently not in use, but can be reactivated as needed without major investments. Capacity utilization in the operating plants amounted to roughly 65% in 2011, which represents a capacity reserve of approx. 25%. With the existing capacity reserves in the operating and mothballed plants, Wienerberger is in a position to generate a sound increase in earnings when the markets recover, primarily due to the fact that a major part of the fixed cost reductions is sustainable.

Currently unused capacity as future growth driver

External growth through market development and expansion

In the future we also want to use the challenging market environment to selectively expand our core business through smaller, profitable acquisitions. We will only invest in projects that help us to meet our CFROI target of 11.5% at the Group level, whereby we plan to realize these projects in all markets to strengthen our positions. Within the framework of available cash flow, we will also utilize opportunities to drive growth in the renovation segment.

Use of opportunities for smaller, value-creating acquisitions

This annual report includes information and forecasts that are based on the future development of the Wienerberger Group and its member companies. These forecasts represent estimates, which were prepared based on the information available at this time. If the assumptions underlying these forecasts are not realized or risks – as described in the risk report – should in fact occur, actual results may differ from the results expected at this time. This annual report is not connected with a recommendation to buy or sell Wienerberger AG securities.

Interview with Heimo Scheuch, CEO

You have now been chief executive officer for slightly over two years. Looking back, how do you see this time?

I must admit I am pleased when I look back, since I took over as CEO in the middle of the crisis. Over the past two years we completed the restructuring phase and repositioned the company to shift the focus from expansion to organic growth. Through strict cost management and financial discipline, we cut fixed costs by € 200 million and steadily reduced debt. That formed the basis for the turnaround, which we completed in the second quarter of 2010. Our market orientation with a focus on innovative and premium products allowed us to outperform the market in many regions during 2011, in spite of the still difficult environment. With organic revenue growth of 9% in 2011, we generated a sound improvement in earnings and returned to the profit zone.

In February 2012 you announced the acquisition of the remaining 50% of Pipelife. With revenues of approx. € 900 million, pipe systems will become the largest operating segment for Wienerberger. Does that represent a change from the Group's previous core business to stronger diversification?

No, in no way. Pipelife is part of Wienerberger's history. I don't see this acquisition as a step towards diversification but as a continuation of our efforts to broaden the Group's industrial base. We founded Pipelife more than 20 years ago together with our partner Solvay and, since that time, have developed the company into one of the leading suppliers of plastic pipe systems in Europe. The integration of Pipelife will reduce our dependence on cyclical new residential construction and place the entire Group on a broader base. This transaction will create immediate added value for our shareholders, and the pipe business generates an attractive return on capital employed. Pipelife will open substantial opportunities for growth in the areas of rainwater management and fresh water supply systems through the need for renovation in Western Europe and pent-up demand in Eastern Europe. Our plans also call for the expansion of business activities in building and electro installations. We intend to use the combined innovative power and strong market structures of Pipelife and Wienerberger to generate growth and further strengthen our market presence.

Does this mean a return to the company's offensive pre-crisis expansion policy?

My answer in this context is also clearly no. The continuation of our market-oriented strategy will focus on the utilization of our strong operating base for further organic growth in 2012. With our premium products and system solutions for energy-efficient construction, we also want to outperform the market during the coming year. The Group's internal focus will remain on strict cost management and financial discipline.

*Heimo Scheuch was interviewed on March 1, 2012
by Alexander Schwärzler, Corporate Development*



Procurement

Business activities in 30 countries and the decentralized structure of the Wienerberger Group create a wide range of challenges for our strategic procurement department. Our goals in this area are to identify synergies in close cooperation with the local Wienerberger units and to realize these synergies through coordinated actions on procurement markets. We also work to improve the efficiency and enlarge the scope of our procurement services on a continuous basis.

Our most important raw material is clay. The strategy pursued by the Wienerberger Group is designed to ensure sufficient clay supplies over the long-term (15 to 20 years). Roughly two-thirds of required clay reserves are owned by the Group, and the rest are safeguarded through long-term mining contracts.

A major challenge for procurement is the development of energy prices. As a reaction to the growing importance of this issue, Wienerberger centralized the strategic procurement of this resource. Decisions to set volumes and prices are made centrally in close coordination with the country organizations and Wienerberger risk management. This process allows for the more efficient implementation of a common energy strategy throughout the Group and also strengthens synergies. The energy markets are subject to varying dynamics due to different regional hedging mechanisms and price formulas. In countries where these markets are not regulated, we therefore apply the following hedging strategy: 75% of energy costs are hedged for the next six months, 50% for the next 12 months and 25% for the next 24 months. This hedging is based on a rolling planning process, and prices for part of the required energy volumes are established for up to three years in advance depending on market trends. The goals of this process are to improve cost planning and limit price fluctuations.

The Group's energy costs rose by 15% or € 39.1 million to € 307.6 million in 2011 due to the higher level of production, whereby nearly 2% of this increase is attributable to higher prices. Energy costs as a percentage of revenues equaled 15.2%, which roughly matches the prior year. Group expenses for energy can be classified into 64% for natural gas, 27% for electricity, 5% for crude oil and 4% for coal and other sources.

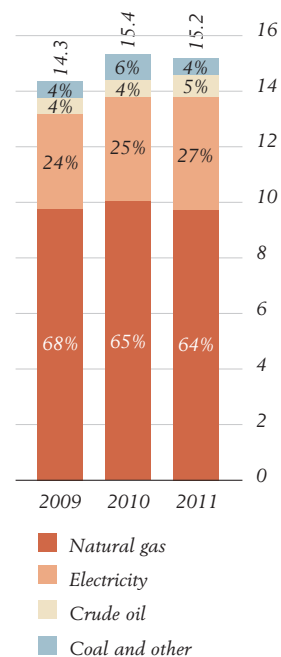
Contracts with set prices had been concluded by December 31, 2011 to secure 55% of our natural gas requirements for the next 12 months. In addition, 69% of our forecasted electricity demand for 2012 was secured at slightly higher conditions. Based on the hedged volumes, we expect a price-related rise of approx. € 15 million in energy costs for 2012.

In addition to the optimization of energy purchases, central procurement is also responsible for the realization of synergies within the Group. An internal freight controlling unit process was established in several Wienerberger countries during 2011 to increase transparency as an important basis for logistics decisions and will be installed at all other country organizations in the near future. Activities during the reporting year also focused on the Group-wide harmonization of procurement. In this connection, a pilot project was launched in France that should increase the efficiency and reduce the cost of this process.

Strategic procurement department helps realize synergies in the Group

Clay supplies secured over the long-term

Energy Costs
as a % of revenues



Price-related increase of approx. € 15 million in energy costs expected for 2012 based on hedged volumes

Internal freight controlling for efficient transport management and harmonization of the procurement process

Brick Production

Raw materials management

In a first step, experienced geologists analyze the quality of the raw material. The excavated clay is then layered in stockpiles, where it is stored for roughly one year in the open to ensure optimal consistency. After this time, the clay is collected and transported to the nearby plant by conveyor belts or trucks for further processing. Wienerberger is committed to restoring former clay mining sites. Clay pits that are no longer used are returned to serve as a habitat for flora and fauna or create a natural recreation area for local residents, or are restored for use by agriculture or forestry businesses.

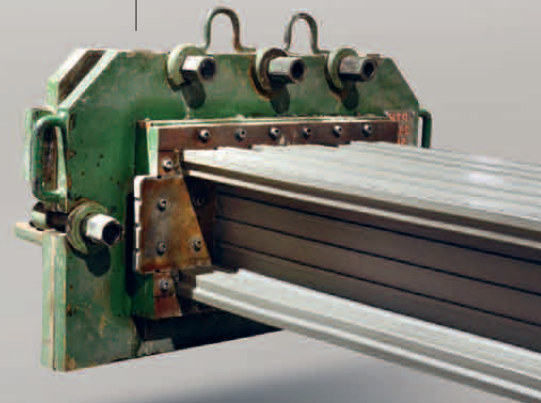
Preparation

In the second step, the clay is collected from the stockpiles and transported in box feeders. It is then prepared through a grinding (pam mill) and milling process (roller mill). Water and sand – and for clay blocks, pore-forming agents like sawdust – are added and mixed to achieve the right consistency. The clay is next transported to a storage area (mud house) by conveyor belts, and from here fed through rotary disk feeders into the extruder.

Technical progress now makes it possible for us to use lower quality clay that was formerly discarded as residue. The use of biogenic, renewable materials such as sunflower seed shells or hay and secondary raw materials like paper fiber improves environmental compatibility and reduces costs.

Shaping

This step involves the actual shaping of the brick. The prepared clay is pressed through dies by extruders, and then cut into individual bricks or mechanically compressed into forms with automatic soft mud presses. The soft “green” bricks are stacked on pallettes and transferred to the dryer. Clay roof tiles are extruded, or pressed into forms and made into moulded tiles. Our own die manufacturing allows us to develop die forms, which represent the basis for innovative products with new shapes and configurations as well as optimized product features.



Drying

The drying process removes the moisture from the soft “green” bricks, and prepares the bricks for firing. Depending on the type of the product and the production technology, the drying period takes between 4 and 45 hours. During this process the moisture content drops to less than 2%. After drying the bricks are automatically repackaged into a firing setting and transferred to the kiln by kiln cars.

New and more efficient drying and air stream technologies have significantly reduced the drying period. This lowers energy consumption, improves product quality and makes it possible to develop new products.

Firing

The firing of the brick in the tunnel kiln at a temperature of 900 to 1,100°C is the final part of the production process, and lasts between 6 and 36 hours. This process gives the bricks a permanent strength. The pulp and sawdust (pore-forming agents) that were added to clay blocks during preparation burn out completely and leave tiny holes that improve thermal insulation. Facing bricks and clay roof tiles can also be produced with a ceramic surface (engobe or glazed), which is burned in and creates a particularly attractive surface. After firing, bricks are nonflammable and fire-safe for ever. Specially developed kiln and firing technologies as well as air stream systems have reduced the required firing time by up to two-thirds. This technology has enormous advantages: a 50% decrease in the use of primary energy compared to ten years ago, up to 90% less emissions through thermal post-combustion equipment, optimized product quality and a substantial increase in capacity.

Packaging

The fired bricks are automatically loaded onto pallets, and covered with strips and films. This packaging identifies the bricks and makes them safe for shipping. The use of thinner films made of recycled PE and an increase in the life cycle of pallets reduces the amount of packaging material required.

Delivery

Wienerberger has a network of decentralized production facilities. The plants are located close to raw material supplies and as close as possible to local markets. This reduces transport distances, which makes fast delivery possible and also lowers the environmental impact.



Research and Development

R&D is one of the key points in strategic planning

Research and development (R&D) form an integral part of strategic planning at Wienerberger and represent key activities for the Group. In these areas we work to optimize production processes and to continuously improve and develop our products and system solutions for energy-efficient construction. Our goal is to protect and further expand our market positions through **cost and technology leadership** and **product innovation**. R&D projects are designed to improve the technical properties of our bricks with respect to thermal insulation, stability and acoustic protection, to develop system solutions for roofs and walls, to further improve pipes and pavers, and to increase the energy efficiency of our production. R&D is managed centrally, but – through the close cooperation of corporate engineering with our plant managers and local technicians – implemented locally. In this way, successful developments can be rolled out quickly and efficiently throughout the Group.

Process optimization in the interests of sustainability

Optimization of production processes

In keeping with its focus on sustainability, Wienerberger works continuously to optimize its production processes. Research is directed, above all, to reducing energy requirements, conserving resources and ensuring the responsible preparation of raw materials. A significant amount of the energy used in production is required for drying, and many projects therefore concentrate on continuous optimization in this area. Several projects were successfully completed in 2011 that led to substantial energy savings through the optimization of the drying process.

Continuous improvement and creation of system approaches for energy-efficient construction

Product development and innovations

Another building block for Wienerberger's sustainable success is the continuous development and improvement of its products. Activities in these areas are focused on product innovation and system solutions for sustainable and energy-efficient construction. One particularly interesting milestone is the POROTHERM W.i. infill brick. The name of this product refers to the hollow spaces in the brick, which are filled with thermal insulation in the form of mineral rock wool and allow for energy-efficient construction without added insulation. The speed of masonry work and construction are also important factors for homebuilders. One product that facilitates construction and reduces costs is our Porotherm Dryfix®, a special aerosol masonry glue which allows for easy, fast and dry processing at temperatures as low as -5°C. Wienerberger also offers roofing professionals a one-stop shop solution – the KoraTech® line of ceramic and non-ceramic products – and thereby positions itself as a system provider in this segment. Our concrete paver specialist, Semmelrock, has also introduced a unique innovation: the "ARTE Segmentbogenpflaster" is a special unit assembly system that reduces the time required to lay conventional arc patterns by half. In a joint project with Wienerberger, Pipelife developed a special heating system for brick walls that is similar to underfloor heating, but releases heat over the entire wall surface. The system is flexible and can be used for heating rooms in the winter or cooling them in the summer. Research and development at Steinzeug-Keramo is focused primarily on the optimization of material properties. This led, for example to the development of jacking pipes that are suitable for trenchless installation. The attached product brochure contains detailed information on our products, innovations and applications.

This page
also isn't
what it used
to be.

Actually, you should find our product brochure here.
But someone else apparently found it just as interesting as we did.

Corporate Responsibility

Our goal is to create sustainable values with natural products



Wienerberger views business as an integral part of society. Its duty is to serve people and create value for all. Wienerberger takes its role as a responsible member of society seriously. We define responsibility as ethical actions, honest communications, active participation in the transparent development of our economic environment, personal accountability and actions that confirm our standing as a reliable and valuable member of society.

With the signing of a social charter in 2001, the management of Wienerberger formally confirmed its intention to comply with the recommendations of the International Labor Organization (ILO) in Geneva and to support the principles of social progress. As a logical consequence of this action, Wienerberger also joined the UN Global Compact in 2003. This initiative was started in 1999 by the United Nations to promote good corporate citizenship and now comprises ten major principles from the areas of human rights, labor standards, environmental protection and measures to combat corruption. Companies that join the program agree to voluntarily comply with the principles that are published on the website of the UN Global Compact under www.unglobalcompact.org.

Compliance with all applicable national and international laws

A commitment to compliance with all applicable national and international legal regulations is also an important part of our active corporate responsibility. Legal compliance at all organizational levels creates the basis for good management. Wienerberger places special focus on the prevention of corrupt and anti-competitive behavior.

Active involvement in political decision-making process

As a member of numerous national and European associations, platforms and technical committees, Wienerberger participates in European research projects, European Commission surveys and product standard groups, and is thereby actively involved in the political decision-making process. Wienerberger is an established, reliable stakeholder and building materials expert that views ***open and transparent communications with politics and public authorities*** as part of its corporate social responsibility. The company works to create a sustainable economic environment that unifies economic, ecological and social interests.

Commitment to sustainability

The Wienerberger sustainability report transforms this commitment into an obligation. It is based on the standards defined by the Global Reporting Initiative and represents an integral part of a continuous process. All levels of management and our employees have taken on a shared responsibility for the implementation of measures that will support a continuous improvement in sustainability at Wienerberger.

Active Protection of the Environment

“Building value for a sustainable future” is one of our guiding principles, and our many activities demonstrate that these are not just empty words. As a producer of bricks, Wienerberger “uses” nature in a kind of symbiosis: our clay mining procedures are designed to minimize the impact on the environment, and our clay-based products are ecologically friendly, natural products that have a long service life and can easily be recycled. All companies in the Wienerberger Group work continuously to improve environmental protection measures and optimize the use of energy.

All local companies are working to improve environmental protection

Wienerberger is committed to compliance with environmental protection laws, climate protection, energy savings, the restoration of clay mining sites, recycling of waste, exchange of experience with other companies, humanitarian assistance, support for local communities, the preservation of our cultural heritage and transparency. At our plants we work to develop and maintain the best possible understanding with municipal authorities, representatives of interest groups and neighboring residents. The focus of our activities is placed on mutual understanding and learning from one another, whereby we also place high value on an open dialogue with NGOs. A special cooperation has linked us with the World Wide Fund for Nature (WWF) for many years, and in 2003 we signed an agreement to pursue joint projects. Within this framework Wienerberger supports the international activities of the WWF in Austria. In exchange the WWF advises Wienerberger on the realization of environmental protection projects that are related to the restoration of former clay mining sites.

Specially designed activities and cooperation with NGOs

Social Responsibility

“Wienerberger makes bricks, but homes are built for people.” This central principle of active corporate social responsibility includes **support for social institutions on a local basis**. We do not demonstrate our social responsibility by making donations to various international organizations, but provide direct, efficient and unbureaucratic help where it is needed the most and realize projects that make a reasonable, sustainable contribution to social responsibility. Our goal is to accept responsibility for society and to use our products and financial assistance as means of helping people who have been affected by unforeseen circumstances or misfortune. We regularly support and promote social projects in nearly all countries where Wienerberger is present.

Support for social institutions on a local basis

Additional information on our projects in these areas is presented in the Wienerberger sustainability reports. The following page presents a selection of the sustainability projects that we carried out in 2011.

Selected projects are presented on the next page

Corporate Responsibility Projects 2011

En
viron
mental
PROTEC
TION
Social
RES
PONS
BILITY

Waste air cleaning equipment cuts emissions

Netherlands In October 2011 Wienerberger became the first brick producer in the Netherlands to start operations with a regenerative thermal post-combustion plant. This equipment, which was installed at the Poriso plant in Brunssum, cleans waste gas with a minimum of added energy. The waste gas passes through various chambers that oxidize the pollutants at a temperature of approx. 800°C. Heat recovery chambers switch periodically from heat emission to heat storage. In this way, the heat from the clean gas is stored and then returned to the incoming waste gas when the air flow reverses. This equipment makes it possible to recycle thermal energy and, at the same time, to significantly reduce emissions.

Pipelife Finland – one of the country's best employers

Finland In the European "Great Place to Work" study for 2011 – which covered nearly 1,380 companies with over 1.5 million employees – Pipelife Finland emerged as one of the winners. The company was ranked third in Finland and twenty-third in Europe. These results make Pipelife the only industrial company in the country's top 30. The study measured credibility, respect, fairness, pride and team orientation as seen by employees. Two-thirds of the points were based on the employee survey, while the remaining one-third resulted from a management report on company processes and practices. In particular, Pipelife Finland was recognized for the outstanding integration of employees in decision-making processes and the extensive opportunities for individual employees to contribute their feedback.

Support for reconstruction after toxic sludge disaster

Hungary In early October 2010 toxic sludge from an aluminum plant flooded the Hungarian towns of Devecser, Kolontár and Kislöd. Hundreds of residents lost their homes and livelihoods as a result of this disaster. As the largest building materials producer in Hungary, Wienerberger was particularly interested in helping these people as quickly and unbureaucratically as possible. Reconstruction started in November 2010 with the use of Wienerberger products and the assistance of company experts. A total of 118 new homes were turned over to their new residents in June 2011.

Assistance for the long-term unemployed

Denmark Together with several neighboring communities, Wienerberger Scandinavia has launched a project in Denmark to reintegrate the long-term unemployed in the labor market. Wages are paid by the communities, while Wienerberger is responsible for supporting these men and women on their way back to a regulated life. Work in the company teaches these people to take on responsibility and to act as part of a team. Ambitious, interested persons can also find permanent jobs with Wienerberger. This project has become a win-win situation for everyone involved.

Barrier-free living for all generations

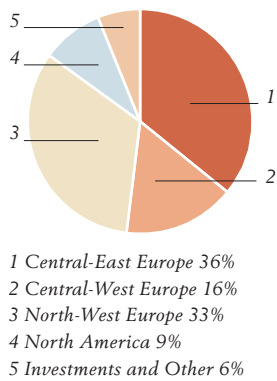
Austria There is a considerable information deficit in our society concerning the definition of barrier-free construction. This term is often confused with "wheelchair-friendly", which is much too limited. Accessibility is also very important for the blind, the visually and hearing-impaired, senior citizens, people in need of care and their caretakers as well as families with baby carriages. However, the barrier-free design of buildings and apartments is still viewed as an issue that touches only a small fringe group, even though numerous studies have demonstrated the added-value for the healthcare and social system and the economy as a whole. Demographic developments also make this an issue that demands attention. freiraum-Europa, an interest group and umbrella organization for barrier-free construction, works to expose contradictions and to make accessibility know-how available to the general public. It serves as a free of charge contact and advisory point for people faced with barriers. Wienerberger Austria supports the freiraum-Europa project with know-how in the form of advice and lectures, the printing of information brochures and the transmission of its most important messages throughout this country.

Small projects, big results

Russia In all markets where it is present, Wienerberger places high value on becoming an integral part of society and respecting the needs of employees and interest groups. This is also true in Russia, where the company attempts to provide fast and unbureaucratic help wherever it is needed. In the Vladimirskii region, residents needed urgent assistance with various problems during the past year. This area is frequently struck by forest fires, but there was not enough suitable firefighting equipment on hand. To make these efforts more effective, Wienerberger Kirpich donated water pumps for the region's firefighters. Another problem involved a central road bridge that was badly in need of repairs, and Wienerberger was on hand to help with the renovation. The region also has a lack of suitable recreational facilities for children. Here Wienerberger helped to build or renovate playgrounds and also added sun shields to a nearby day care center.

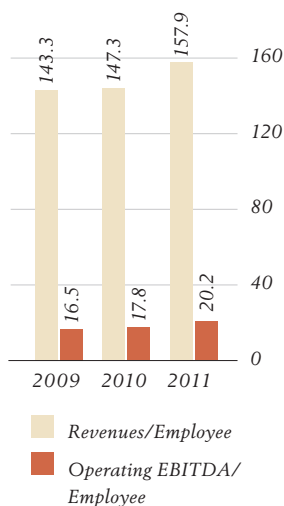
Employees

Employees by Segment



Development of Productivity

in TEUR



Sales Academy: training offensive for marketing and sales

Engineering Academy: training and international exchange of know-how by engineering personnel

The average number of employees in the Wienerberger Group rose by 8% to 12,818 in 2011, reflecting the slight growth in business during the course of the year. The performance indicators point to a further improvement in productivity: revenues per employee rose by 7% to approx. € 158,000 in 2011 and operating EBITDA per employee increased 13% to approx. € 20,200.

Human Resources at Wienerberger

Professional personnel development and the advancement of human capital represent key factors for the success of our company. In keeping with our decentralized structure, strategic personnel issues that affect the entire Group are managed centrally by Corporate Human Resources, while local personnel issues and related decisions are the responsibility of the country organizations. Our actions are concentrated on the development of groupwide networks and the international transfer of know-how, the support of future managers and the preparation of talented men and women for management positions.

Wienerberger is well aware of its responsibility to its employees and takes this responsibility very seriously. In particular, workplace safety is an important focal point of our activities. This was reflected in the introduction of numerous measures at the local level during the reporting year as part of the Wienerberger “Health & Safety” program. The sustainable success of the measures implemented in 2010 and 2011 is illustrated by declining accident statistics in the countries that have fully implemented the safety standards. One example of this success is France, where the accident rate fell significantly.

Wienerberger is committed to the principles of sustainability, to respect for other cultures and beliefs and to entrepreneurial spirit and actions. Our personnel policies are also based on this conviction. We place high value on extensive communication and transparency at all levels of the corporation. The selection and development of employees based on our shared values represents a key objective of the Wienerberger Group, and were supported by various activities in 2011.

Wienerberger Training Academy

One of our most important corporate goals is to intensify our marketing and sales activities, and thereby strengthen our customer ties. In order to provide the best possible support for making this goal reality, the Sales Academy training offensive for managers, sales staff and product managers was launched in 2010. Since that time more than 1,000 employees have been coached. The program is intended to strengthen and improve selling activities in the various countries through the creation of a know-how network and the active exchange of ideas.

The Wienerberger Engineering Academy was established as a permanent facility to provide instruction in various technical disciplines and thereby protect our competitive advantage in production over the long-term. This program focuses above all on ceramic products and production technologies, whereby the know-how compiled by our international experts in the areas of raw material testing, preparation, drying and firing technology and quality analysis is passed on to our technical personnel. The modules offered by the Wienerberger Engineering Academy Advanced cover key strategic subjects such as energy and cost efficiency. As a supplement to these

programs, Wienerberger introduced a basic training program for plant managers several years ago. This program was redesigned in 2011 to incorporate the latest developments and new challenges, with the focal points now placed on supply chain management and the development of personal skills. Engineering, economics and management tasks are covered in three modules at different locations throughout the Group, and create an additional platform for the international transfer of know-how and global networking.

The Ready4Excellence Program was created in 2011 as an international, groupwide training platform for the managers of the future, and replaces the previous Ambassador Program. The new program, which will start during the first half of 2012, is designed to communicate specific content and tools that reflect Wienerberger's requirements. This will professionalize instruments and processes throughout the Group and ensure targeted support for the implementation of the Wienerberger strategy. In addition, participants are given an opportunity to discover their own potential. Smaller training groups allow for the individual, goal-oriented development of personal and social skills.

**Ready4Excellence:
training and international
know-how exchange
for future talents**

Wienerberger is currently working to define structures and processes for talent management in the Group. The goals are to identify and develop qualified men and women for positions in key management functions. In this way motivated employees with suitable potential receive an opportunity for further development, while Wienerberger is able to fill management positions internally and also maintain its high management standards.

**Talent management to
identify and develop
future managers**

Instruments for sustainable corporate development

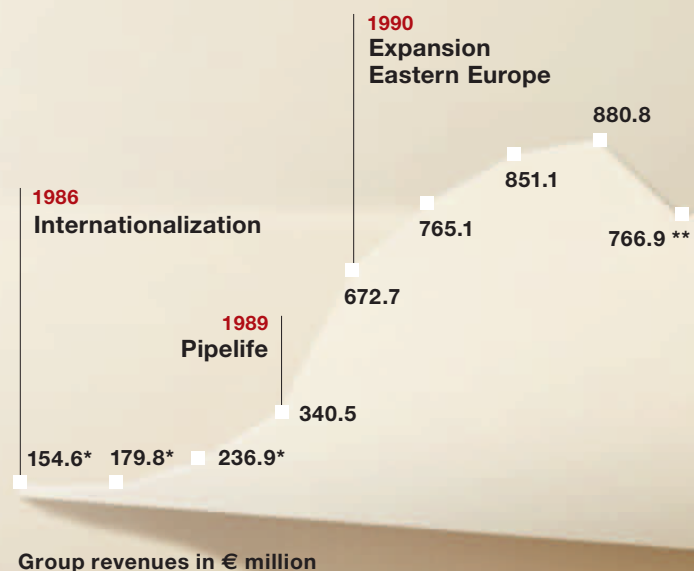
Management compensation at Wienerberger includes both a fixed and a variable component to increase motivation and strengthen identification with corporate goals. In order to support the sustainable development of the company and to synchronize the actions of management with the objectives of our shareholders, a long-term incentive (LTI) program was introduced in 2010 and continued during the reporting year. This program represents an alternative to the stock option plan, and provides medium and long-term incentives for management. The members of the Managing Board and management are measured on the basis of CFROI, an indicator that shows both the performance and the increase in the value of the company. This instrument meets international corporate governance standards for the remuneration of top management and sets a benchmark for sustainable, long-term oriented remuneration programs in Austria.

**Long-term remuneration
model for top
management (LTI
program) to support the
sustainable development
of the company**

THE YEAR 2011 AND OUTLOOK

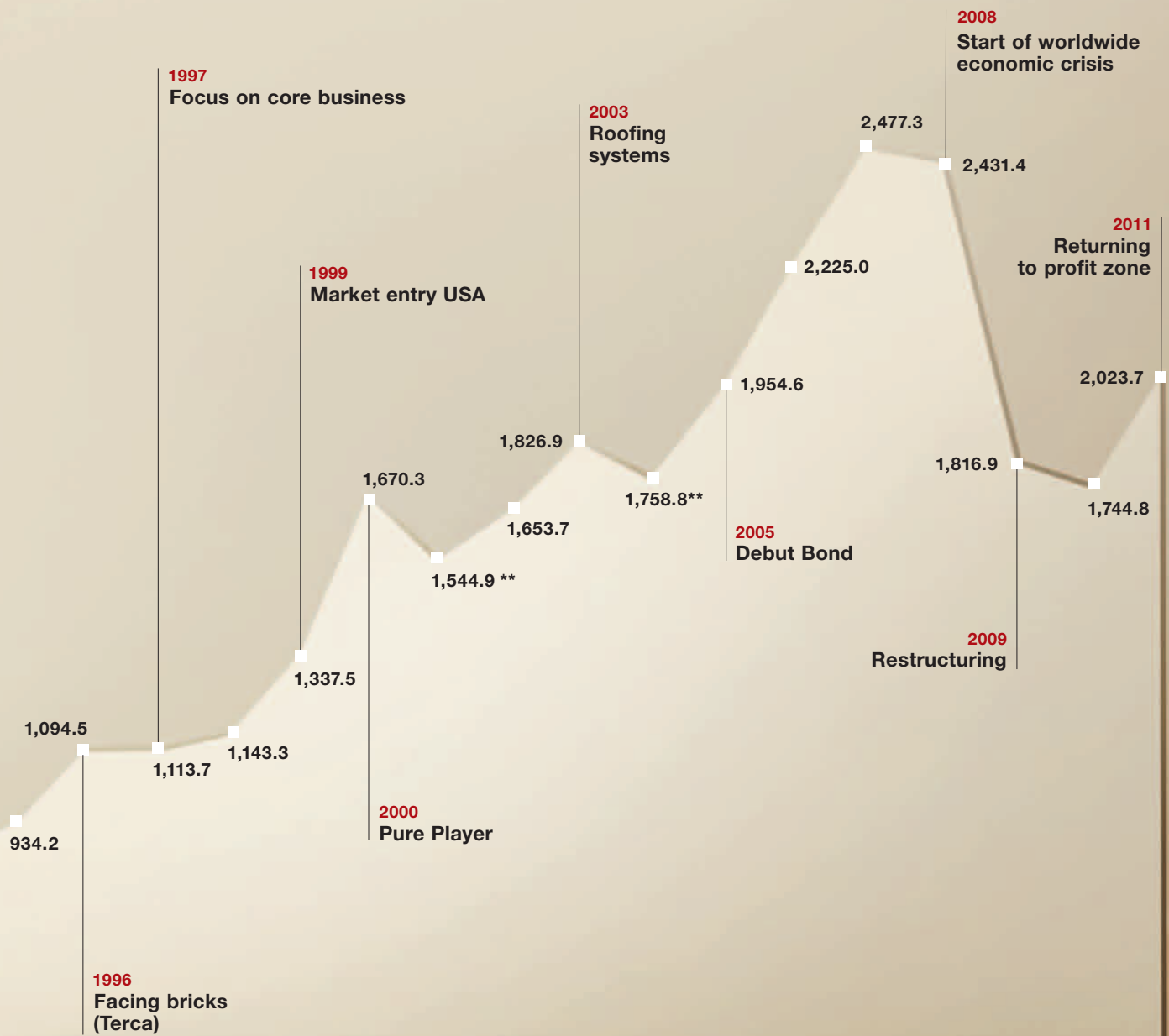
The Wienerberger History

- 1819** Founding by Alois Miesbach on the Wienerberg in Vienna
- 1869** Start of public trading on the Vienna Stock Exchange
- 1918** Loss of plants in Croatia, Hungary and Czechoslovakia in the wake of World War I
- 1945** Hundreds of dead and destruction of plants on the Wienerberg in aerial attacks
- 1955** Record production for the reconstruction of Vienna after World War II
- 1986** Start of **internationalization** and expansion through acquisition of the Oltmanns Group in Germany
- 1989** Founding of the **Pipelife** joint venture (plastic pipes), investment in Treibacher Chemische Werke (metallurgy and abrasives) and the ÖAG Group (sanitary ware wholesaler), expansion of clay pipe activities
- 1990** Start of **expansion in Eastern Europe** through market entry in Hungary
- 1994** Sale of the ÖAG Group
- 1995** Acquisition of the Sturm Group in France
- 1996** Acquisition of **Terca**, the leading facing brick producer in Benelux, majority investment in Semmelrock (pavers) in Austria
- 1997** Introduction of Wienerberger Value Management and **focus on core business**, sale of the Business Park Vienna real estate project and Treibacher Abrasives
- 1999** Advance to Global Player through the acquisition of General Shale in the **USA**, purchase of ZZ Wancor in Switzerland, and acquisition of Mabo in Scandinavia by Pipelife
- 2000** Transformation to **pure player** in building materials through sale of Treibacher Industries
- 2001** Implementation of a groupwide restructuring program with focus on Germany
- 2002** Acquisition of Hanson PLC brick activities in Continental Europe
- 2003** Development of a second core business **roofing systems** through acquisition of a 50% stake in Koramic Roofing and advance to Number 2 in clay roof tiles in Europe
- 2004** Transformation to a pure free float company, full acquisition of Koramic Roofing and the brick business in Great Britain
- 2005** € 400 million **debut bond** issued
- 2006** Acquisition of Robinson Brick in the western region of the USA
- 2007** Market entry in Canada, issue of a hybrid bond (volume: € 500 million) and capital increase (net proceeds: € 424 million)
- 2008** Acquisition of majority stake in British clay roof tile producer Sandtoft, increasing spread of financial crisis to real economy, triggers **worldwide economic crisis**
- 2009** Heimo Scheuch appointed new CEO as of August 1, successful implementation of comprehensive **restructuring program** 2009 – liquidity sustainably secured through a capital increase (net proceeds of € 320 million)
- 2010** Issue of a bond (volume: € 250 million)
- 2011** **Returning to profit zone** through considerable increase of earnings, extension of stake in Tondach Gleinstätten to 50%, issue of a new bond (volume: € 100 million)



* 1986 to 1988 non-consolidated revenues of Wienerberger AG

** Revenue declines in 1994, 2001 and 2004 are due to the sale or deconsolidation of Group companies.



The Economy

Debt crisis in Europe and the USA slows economic growth in 2011

Most of the economic forecasts issued by autumn 2010 pointed to a slowdown in global economic momentum during 2011. However, the majority of the economies relevant for the Wienerberger Group remained below expectations throughout the entire year. This was due, in part, to the earthquake and flood disaster in Japan, which not only had a strong negative effect on the Japanese economy, but also presented the entire added value chain in Asia with a series of challenges. Due to the close ties between the US and Japanese economies, the negative impact in the USA was stronger than in Europe during the first six months. Notwithstanding these events, the decisive factor for the worldwide economy in 2011 was the debt crisis in Europe and the USA. Uncertainty over the scope and effectiveness of measures to support the heavily indebted economies, the effects of public austerity programs, potential changes in the regulatory environment and future fiscal burdens as well as the availability of financing in the wake of increasingly stringent equity requirements for banks led to a decline in corporate expenditure and consumer spending. Substantial downward revisions to growth forecasts for 2011 and 2012 starting at mid-year echoed this uncertainty and its influence on economic activity. The financial markets again reacted well in advance of the real economy and, at year-end 2011, anticipated a recession in Europe during the first half of 2012. Real GDP growth amounted to 1.6% in the European Union and 1.5% (2010: 2.0% and 1.9%) in the euro zone for 2011. Germany remained one of the driving forces in Western Europe with GDP growth of 3.0% (2010: 3.7%). Economic growth in France was nearly unchanged in year-on-year comparison at 1.6% (2010: 1.5%), while the effects of austerity measures limited Great Britain to an increase of 0.9% (2010: 2.1%). Greece, with its deeply troubled economy, lagged well behind the rest of Europe. This country last recorded GDP growth in 2007, and the 5.5% decline reported for 2011 (2010: -3.5%) underlines the deep structural and fiscal crisis. In Eastern Europe, Poland generated a convincing plus of 4.0% and the Central-East Europe region produced real growth of 3.4% in 2011.

Sources: EUROSTAT, wiiw, IMF

Western Europe with slight growth in residential construction

In comparison with 2010, a year that was negatively influenced by heavy snow and severe cold, the weather in 2011 was much more favorable for the construction industry. This improvement was reflected, above all, in a sharp rise in activity during the first quarter. The remainder of the year failed to bring the hoped-for recovery, a situation that also led to a number of downward forecast revisions by Euroconstruct. Estimates at the end of 2010 pointed to growth of 1.9% in West European residential construction during 2011, but subsequent reviews cut this estimate to 1.8% at mid-year and to 1.5% at year-end. The adjustment was more dramatic in the four East European markets under monitoring, where the forecast was lowered from +2.5% to -2.0% during the same period. Of special note is the stability of the renovation market in both Western and Eastern Europe, where moderate growth was recorded. The more volatile new construction market increased by 3.1% in Western Europe, but declined by 3.3% in Eastern Europe during 2011. The residential construction sector is expected to grow by 1.3% in Western Europe and by 1.8% in Eastern Europe during 2012.

Germany, France and Belgium report moderate rise in demand for building materials

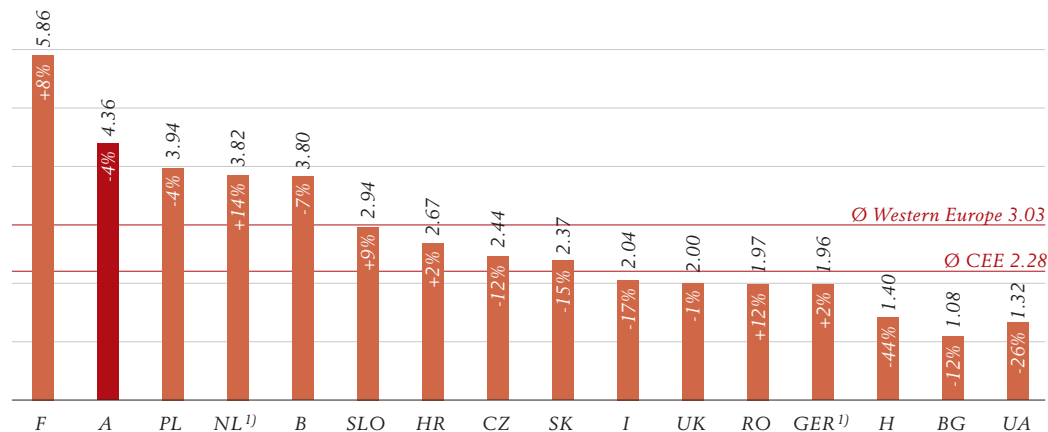
The demand for building materials differed substantially from country to country in 2011. The USA again fell short of expectations, but a number of West European markets – e.g. France, Germany and Belgium – generated moderate growth. In Western Europe the demand for building materials rose slightly year-on-year, with slower momentum during the second six months. The

largest regional differences were observed in Eastern Europe, which can not be seen as a homogeneous market for the building materials industry under the current circumstances. Poland, the region's largest market, recorded the best development due to strong domestic demand and the resulting macroeconomic stability, followed by the Czech Republic. However, the pace of growth was also slower in these two markets during the second half-year. The markets in the Balkans as well as Bulgaria, Romania and Hungary remained difficult throughout the reporting year, with a further decline below the already low level and no signs of recovery over the short-term.

Housing Starts per 1,000 Residents in 2011

yoy in %

Source: Euroconstruct December 2011



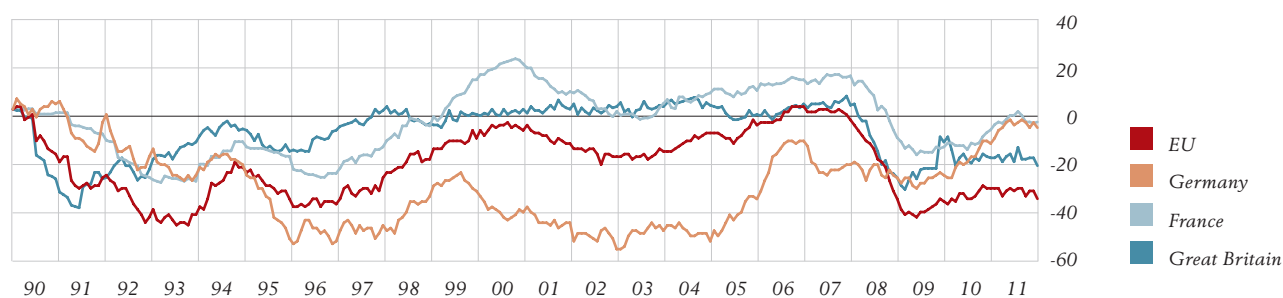
1) Housing completions

The number of housing starts per thousand residents is an important indicator of construction activity. In 2011 this statistic remained significantly below the pre-crisis level of 2007. Housing starts per thousand residents fell by more than 40% to 3.0 in Western Europe and by over 30% to 2.3 in Eastern Europe during the period from 2007 to 2011. The potential for a further market decline below the current very low level therefore appears to be limited, even though visibility over economic developments is low.

Construction remains at low level: housing starts per 1,000 residents 40% below 2007 in Western Europe and 30% in Eastern Europe

Expected Development of the Construction Industry in Europe

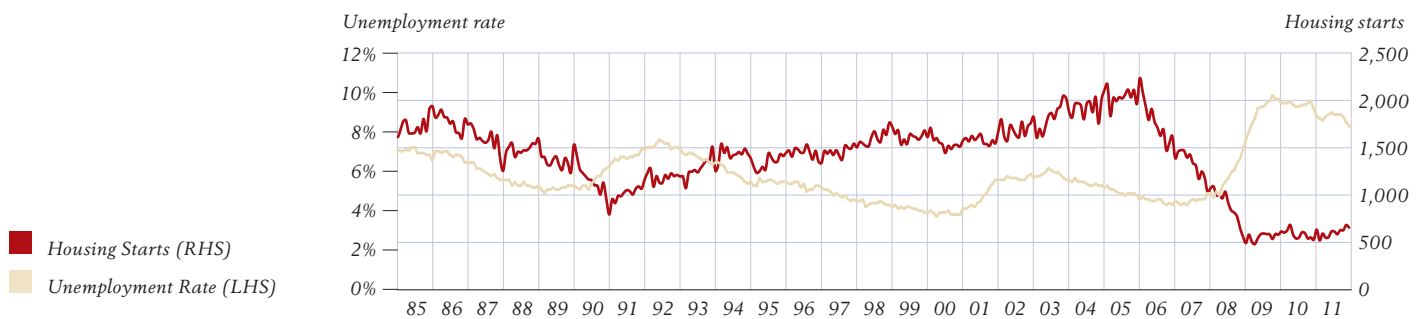
Source: Construction Confidence Index, Datastream



The stable to slightly positive trend in the major European economies is also reflected in the Construction Confidence Index (CCI), an indicator of expected developments in the industry. Results for 2011 confirm the end of the downturn that began in 2010: the indexes for Germany and France each rose by six points, while Great Britain was the only major market to record a slight decline. The less optimistic outlook for the EU-wide construction sector reflects the inclusion of the peripheral countries and the East European member states in this index.

US Housing Starts in 1,000 per Month vs. US Unemployment Rate

Source: U.S. Census Bureau



US housing market remains below expectations in 2011

The US housing market remained weak in 2011, with little indication of the long-awaited recovery. Substantial uncertainty over changes in the regulatory environment – ranging from possible added tax burdens for corporations to new requirements for financial markets and banks – combined with still high unemployment, a further decline in housing prices and the start of campaigning for the 2012 presidential election failed to provide the needed impulses for residential construction. For example, the median house price fell 2.5% year-on-year in December 2011. At the beginning of 2011 optimistic market forecasts predicted up to 700,000 housing starts for the year, but these estimates were revised downward by a substantial amount during the following months. Weak performance was registered, in particular, by the single family segment. Preliminary figures place US housing starts at 607,000 for 2011, which represents an increase of 3.4% over the prior year level of 587,000 and 1.95 housing starts per thousand residents (2010: 1.88). A decline of 9.0% in projects with one to four residential units was offset by an increase of 60.5% in projects with more than four units. In 2011 4.26 million homes, or 1.7% more than in 2010, were sold. Statistics published by Freddie Mac, a key player in the US secondary mortgage market, provide grounds for cautious optimism: the average national fixed interest rate for 30-year mortgages amounted to 3.96% in December 2011, which is the lowest level since the start of data collection in 1971. This will not only facilitate the refinancing of existing mortgage loans, but also make single family homes more affordable for lower income groups. The supply of unsold homes fell to 2.38 million at the end of December 2011 which, based on the current low market momentum, represents 6.2 months of demand and a significant improvement over the 8.1 months noted in December 2010. Demand was slightly positive at year-end 2011, also due to the favorable weather, with the number of houses sold (seasonally adjusted) rising for three consecutive months. The NAHB remains optimistic and is forecasting 709,000 housing starts in 2012, which would suggest an increase of 16.8%.

Wienerberger Share and Shareholders

The optimistic mood on capital markets that drove the year-end rally in 2010 ended after the first months of 2011. The earthquake disaster in Japan triggered a sharp correction on the financial markets in March that continued throughout the remainder of the year due to the negative effects of the debt crisis in Europe and the USA. Rising financing costs for a number of euro countries underscored not only the high level of sovereign debt but, above all, a fundamental crisis of confidence that reflected the anticipated spread of the economic problems in Greece. The fears of a renewed credit shortage were also fueled by estimates of over € 100 billion in additional capital requirements by European banks to meet the new regulatory capital requirements. The absence of an accorded, joint decision process at the political level in Europe further increased the prevailing uncertainty. In the United States, where the 2012 presidential election cast its first shadows, political maneuvering nearly forced the government into bankruptcy and consensus-building was hampered by the opposing majorities in the two houses of congress. This broad range of instability factors created an environment in which share price movements were extremely volatile and, in some cases, appeared to be completely detached from the fundamentals. These factors also had a strong negative effect on growth forecasts and, in the end, caused the market to expect a possible European backslide into recession.

In the USA the leading indexes started the year on an upward trend that was supported by optimistic economic forecasts. A volatile sideward movement from May to July 2011 was followed by a sharp correction in reaction to the sovereign debt crisis. This downturn reached an annual low in October, but a year-end rally allowed the Dow Jones to close the year at 12,217.56 points with a plus of 5.5%. The S&P 500 closed slightly weaker at 1,257.60 points, remaining nearly unchanged in comparison with year-end 2010. For the cyclical building materials sector, subdued prospects for infrastructure expenditures and low consumer confidence created a challenging environment that was reflected in weak annual performance by the DJ EURO STOXX® TMI Construction & Materials Index with a decline of 21.1%.

The London FTSE 100 ended the year with a minus of 5.6%, failing to keep pace with the US indexes but with a substantially lower decline than its Continental European counterparts. The DAX dropped 14.7% in spite of the healthy economic environment in Germany to close the year at 5,898.35 points. Vienna recorded the worst performance in Europe with a 34.9% decline in the ATX to 1,891.68 points at the end of the year. The reservation of investors and the taxation of realized capital gains had an especially strong effect on liquidity in Vienna due to the small size of this market.

The same positive climate that drove the market price at year-end 2010 supported the Wienerberger share at the beginning of the reporting year: the annual high of € 16.56 was reached on February 2. An increasingly pessimistic outlook for the European and US economies, which include the Group's core markets, then caused the share to fall nearly 60% to an annual low of € 6.66 on December 19, 2011. After a slight recovery at year-end, the Wienerberger share closed 2011 at € 6.97 with a minus of 51%.

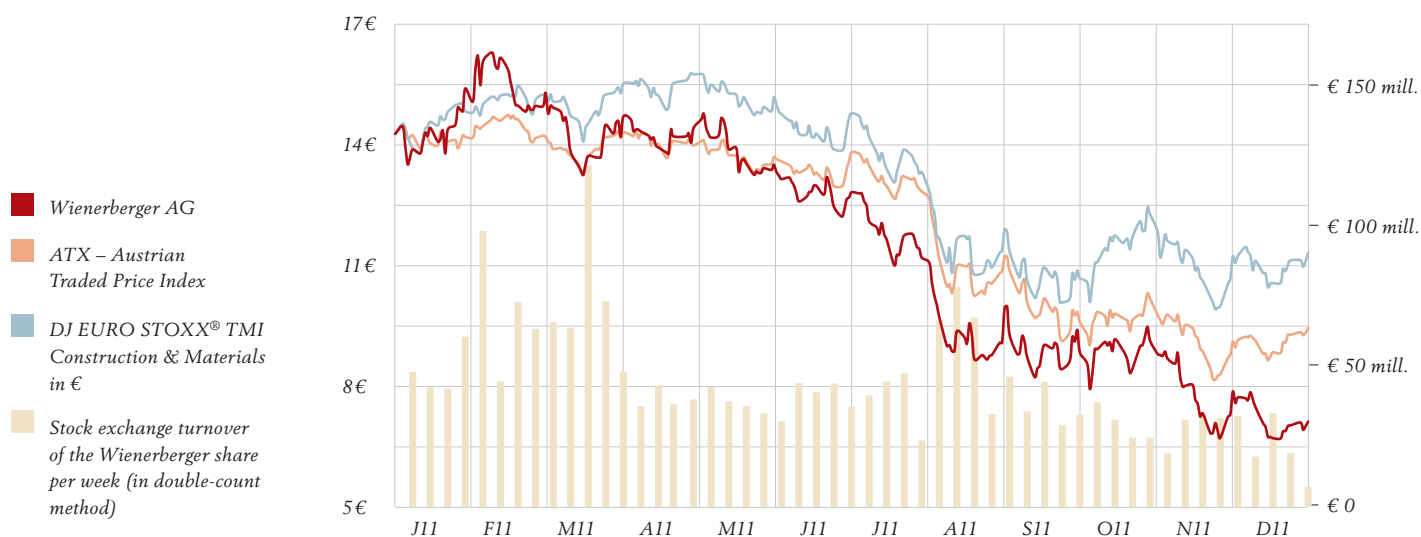
Markets dominated by debt crisis, prevailing uncertainty and subdued outlook for growth

US exchanges outperform major European indexes in 2011

ATX drops by nearly 35%

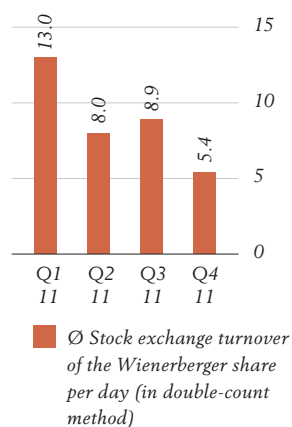
Sharp price decline in weak market environment

Development of the Share Price



Liquidity

in € mill.



Key Data per Share		2009	2010	2011	Chg. in %
Earnings	in €	-3.17	-0.57	0.08	>100
Dividend	in €	0.00	0.10	0.12	+20
Free cash flow ¹⁾	in €	2.75	1.52	1.21	-20
Equity ²⁾	in €	22.50	17.44	16.85	-3
Share price high	in €	17.24	16.18	16.56	+2
Share price low	in €	4.70	9.55	6.66	-30
Share price at year-end	in €	12.78	14.29	6.97	-51
P/E ratio high		-50.7 ³⁾	-28.4	215.9	-
P/E ratio low		-13.8 ³⁾	-16.8	86.8	-
P/E ratio at year-end		-37.6 ³⁾	-25.1	90.9	-
Shares outstanding (weighted) ⁴⁾	in 1,000	91,298	116,528	116,758	0
Market capitalization at year-end	in € mill.	1,502.0	1,679.5	819.2	-51
Ø Stock exchange turnover/day	in € mill.	15.9	12.0	8.9	-26

1) Cash flow from operating activities minus cash flow from investing activities plus growth capex

2) Equity including non-controlling interests, excluding hybrid capital

3) Based on adjusted earnings per share

4) Adjusted for treasury stock

The extremely weak trading volume on the Vienna Stock Exchange, where turnover fell by 18% in 2011 due to the recently introduced capital gains tax on Austrian stocks and Austrian Depositary Certificates, also had a negative influence on the Wienerberger share. A 20% drop in the number of shares traded and the lower share price led to a 27% decline in the value-based trading volume to € 2,199.1 million (purchases and sales, double-count method). The number of shares traded totaled 191.5 million (purchases and sales, double-count method), which represents a turnover factor of 0.8 for Wienerberger's outstanding share capital on the Vienna Stock Exchange. Based on the average daily trading volume, Wienerberger again ranked ninth among the companies in the Austrian ATX index. Over-the-counter sales amounted to € 157.8 million (single-count method), or 34% lower than the € 240.5 million recorded in the previous year. On the Austrian Futures and Options Exchange (ÖTOB) 27,997 option contracts with a total value of € 33.2 million were traded for Wienerberger shares.

Taxation of share price gains leads to 20% drop in trading volume

Subject to further market developments and the best possible use of financial resources, the Managing Board will make a recommendation to the 143rd Annual General Meeting on May 11, 2012, calling for the payment of a € 0.12 dividend per share. The amount of future dividends will depend on the market development as well as the availability of profitable growth projects.

Recommended dividend of € 0.12 per share

Share Buyback

Wienerberger carried out a share buyback from August 22 to November 17, 2011 that led to the repurchase of 2.35 million shares, or 2% of share capital, at an average price of € 8.83. The total cost of the share buyback was € 20.8 million. These shares will be used, above all, as transaction currency for profitable growth acquisitions that may arise in the future.

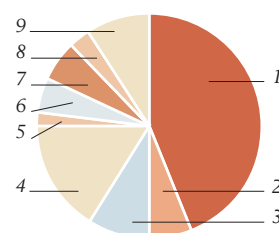
Share buyback equals 2% of share capital

Shareholder Structure

Wienerberger AG is listed with 117.5 million shares of zero par value common stock (bearer shares, no preferred or registered shares) in the Prime Market segment of the Vienna Stock Exchange. In the USA the company trades on the OTC market through an ADR Level 1 Program of the Bank of New York. With market capitalization of € 819.2 million and a weighting of 3% in the ATX at year-end 2011, Wienerberger is one of the largest publicly traded companies in Austria.

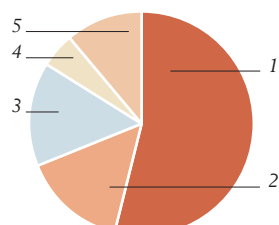
Wienerberger is a pure free float company without a core shareholder, and 100% of the shares are held in free float. In accordance with § 91 of the Austrian Stock Exchange Act, which requires the reporting of changes in significant investments, we have received the following notifications: Dodge & Cox Inc., which is headquartered in the USA, has been the largest Wienerberger shareholder since July 31, 2008 with over 10% of the shares outstanding. First Eagle Investment Management, LLC, which is also located in the USA, has held an investment of more than 5% since September 14, 2011. There are no other reports of shareholdings that exceed 5%.

Shareholder Structure by Country



- 1 USA 44%
- 2 Canada 6%
- 3 UK & Ireland 9%
- 4 Austria 16%
- 5 France 2%
- 6 Germany 5%
- 7 North Europe 6%
- 8 Switzerland 3%
- 9 Other 9%

Shareholder Structure by Investor Type



- 1 Value 54%
- 2 Growth 15%
- 3 GARP 15%
- 4 Index 5%
- 5 Other 11%

Wienerberger has a widely diversified shareholder structure, which is typical for an international publicly traded company. A January 2012 survey of the shareholder structure showed the majority of investors in the Anglo-Saxon region: North America (50%) as well as Great Britain and Ireland (9%). The majority of Wienerberger shares are held by institutional investors (80%), while the share of private investors equals 20%. Among the institutional investors, value-oriented investors dominate at 54%, followed by growth-oriented and GARP investors. Detailed information is provided on the graph to the left.

Investor Relations

Professional investor relations have had a high priority at Wienerberger for many years. This function reports directly to the chief financial officer, but its work is also closely integrated with the chief executive officer. The primary goal of our investor relations activities is to establish and maintain open communications with Wienerberger investors and shareholders to ensure the best possible transparency. In accordance with international practices, we maintain a quiet period prior to the announcement of earnings and parallel to the trading blackout for Wienerberger employees. We are aware that this places a limit on communications with investors, and we reserve the right to cancel the quiet period at our discretion.

Regular and extensive contacts with investors throughout the world

Wienerberger also held numerous road shows and participated in investor conferences throughout Europe and the USA during 2011, including the Davy Building Conference, Citigroup Building Conference, Credit Suisse European Building Materials Conference, Deutsche Bank Corporate Conference, Bank of America Merrill Lynch Pan-European Building & Infrastructure Conference, Erste Group Bank Conference in Stegersbach and UniCredit Austrian Investor Conference in Kitzbühel as well as the Raiffeisen Centrobank Conference in Zürs. The Managing Board and the investor relations team met hundreds of investors personally, and discussed the company as well as its development and strategy in conference calls and video meetings. The new Wienerberger website represents an important communications medium, and provides a wide range of information on the company as well as download versions of annual and interim reports, a financial calendar, current presentations, live webcasts of the Annual General Meeting, press conferences and conference calls (and recordings), analysts' earnings estimates and current reports, and a specially designed online annual report (annualreport.wienerberger.com).

Wienerberger recognized at the ARC Awards in New York as the best annual report in the world for "written text"

Our efforts to continually improve investor relations were again rewarded by the financial community with numerous national and international prizes in 2011. In particular, the company was recognized for its creative and convincing recounting of the investment story. At the ARC (Annual Report Competition) Awards in New York, Wienerberger was presented with a prize for the world's best annual report in the category "written text". The company also received two Gold Awards for the best report in its branch in the categories "overall annual report" and "written text". Wienerberger was also a winner at the European Excellence Award in Amsterdam, receiving a prize for the best annual report in Europe at a ceremony on December 8, 2011. This award is presented on invitation of the professional journal "Communication Director" and highlights the best work in the European communications branch. The winners in various categories are selected from 1,300 submissions, and Wienerberger was successful in competition with well-known companies like AkzoNobel and RTL. At the Austrian AAA (Austrian Annual Report) Awards

Wienerberger was recognized by trend magazine for the best reporting by a publicly traded company. Wienerberger placed first in this ranking, ahead of numerous well-known Austrian corporations. Relevant for this outstanding performance were top marks for design, journalism, financial reporting, corporate governance, investment story, human resources, CSR and online reporting.

The coverage of our company by a large number of well-known Austrian and international investment banks maintains the **visibility** of the Wienerberger share in the financial community. During the past year Berenberg Bank (London) started coverage, while MF Global (London) and UniCredit (Vienna) ended and Cheuvreux (Zurich) suspended coverage. Wienerberger was covered by 14 analysts as of March 2012. The following brokers publish regular reports on Wienerberger and its stock (in alphabetical order): Bank of America Merrill Lynch (London), Berenberg Bank (London), Citigroup (London), Credit Suisse (London), Davy Securities (Dublin), Deutsche Bank (Vienna), Erste Bank (Vienna), Exane BNP Paribas (London), Goldman Sachs (London), HSBC Trinkhaus (Frankfurt), ING Bank N.V. (London), Raiffeisen Centrobank (Vienna), Royal Bank of Scotland (London) and UBS (London).

**Wienerberger currently
covered by 14 analysts**

Information on the Company and the Wienerberger Share

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Online Annual Report	annualreport.wienerberger.com
Vienna Stock Exchange	WIE
Thomson Financial	WBSV.VI; WIE-VI
Bloomberg	WIE AV
Datastream	O: WNBA
ADR Level 1	WBRBY
ISIN	AT0000831706

Highlights 2011

February 1 Wienerberger raises stake in Tondach Gleinstätten

Wienerberger announced the acquisition of a further 25% stake in Tondach Gleinstätten as part of a stock swap with the joint venture partner Monier. The Group's investment in the concrete roof tile business (50% of Bramac) is transferred to Monier in exchange for an additional 25% stake in Tondach Gleinstätten AG plus a settlement payment. This transaction represents a key strategic step to strengthen Wienerberger's position on the renovation market. After the approval of the transaction by the antitrust authorities, Wienerberger holds a 50% stake in Tondach Gleinstätten. The result is a stronger presence in the core region of Central and Eastern Europe and another milestone in the Group's development into a system provider for energy-efficient, sustainable construction.

February 9 Wienerberger and Viessmann: strong partnership for housing concepts

Wienerberger and Viessmann introduce a new, energy-efficient housing concept: the e⁴ BRICKHOUSE. This concept provides clear guidance and orientation in the jungle of regulations for energy-efficient residential construction. The optimal coordination of all system components is ensured by cooperation with the heating technology specialists of the Viessmann Group. Four key factors form the basis for this comprehensive approach: a massive energy-efficient building envelope made of clay blocks, renewable energy sources, affordable construction and energy costs, and a unique quality of life.

February 22 Wienerberger leaves the crisis behind in 2010

In a year made difficult by bad weather, Wienerberger is able to match 2009 results with revenues of € 1,744.8 million and operating EBITDA of € 210.8 million. Earnings before interest and tax (EBIT) rise by nearly € 270 million, since the comparable 2009 data include non-recurring restructuring costs. With a strong capital structure and gearing of only 15%, Wienerberger is well prepared for the new business year.

March 17 Wienerberger acquires Heylen Bricks, a long-established, family-owned Belgian company

Wienerberger announces the acquisition of Heylen Bricks, a facing brick producer headquartered in Veldwezelt, Belgium. This longstanding, family-owned company with high branch recognition markets its products in Belgium, Germany and the Netherlands. The acquisition represents a perfect addition to Wienerberger's geographic portfolio in one of the core segments.

April 4 Pipelife acquires French plastic pipe business from Alphacan

Pipelife, a joint venture between Wienerberger and Solvay, announces the planned acquisition of Alphacan's plastic pipe business in France. Alphacan is a leading European supplier on the plastics processing market. The acquired business unit operates a plant in Gaillon and generated revenues of approx. € 45 million in 2010 with roughly 100 employees. This acquisition makes Pipelife the leader on the plastic pipes market in France.

May 10 Wienerberger records strong growth in first quarter of 2011

Supported by favorable weather and an upturn in residential reconstruction, Wienerberger records strong year-on-year volume growth in nearly all its markets during the first quarter of 2011. North America reports the only revenue decline, chiefly as a result of the severe winter and difficult market. Group revenues rise 41%, and EBITDA reaches € 11.8 million. Strong growth in EBITDA and positive net earnings are expected for the full year.

May 25 Steinzeug acquires Euroceramic

Steinzeug Abwassersysteme GmbH, a wholly owned Wienerberger subsidiary, announces the takeover of the Dutch-German Euroceramic. Euroceramic operates a plant in the Netherlands and generated revenues of approx. € 21 million with roughly 100 employees in 2010. This transaction will significantly expand Steinzeug's market position.

June 22 Successful placement of new € 100 million Wienerberger bond

Wienerberger AG successfully completes the issue of a new bond. The instrument has a seven-year term and a denomination of € 1,000, with a 5.25% coupon and issue price of 99.23%. The issue is oversubscribed in spite of the current unfavorable market climate for similar transactions, underscoring the strong confidence of investors in Wienerberger. The company had gearing of only 22% at the end of the first quarter of 2011.

August 3 First e⁴ BRICKHOUSE 2020 in Europe

Wienerberger's new housing concept becomes reality! The groundbreaking for the first e⁴ BRICKHOUSE 2020 in Europe took place during July 2011 in the province of Lower Austria. Together with a private investor, Wienerberger is building a future-oriented model home for sustainable construction with bricks. The e⁴ BRICKHOUSE 2020 already meets the requirements of the EU's energy performance of buildings directive for 2020.

August 17 Further growth and return to profit for Wienerberger

Revenues rise by 8% and operating EBITDA by 11% in the second quarter of 2011. These results return the brick producer to profitability in a market that is, in part, still very difficult. The improvement in earnings is supported by volume growth, better capacity utilization, strict cost management and higher prices.

September 14 First Eagle with more than 5% stake in Wienerberger

As of September 12, 2011 First Eagle Investment, LLC holds 5,958,372 shares, or 5.07% of the total voting rights, in Wienerberger AG. First Eagle Investment Management, LLC is an investment adviser registered in the USA and, pursuant to § 92 (5) of the Austrian Stock Exchange Act, may exercise these voting rights without being the actual share owner.

November 8 Wienerberger Group receives architects' awards for know-how and energy efficiency

Wienerberger wins prestigious architecture prizes in Germany and North America, thereby confirming the positive perception of architects, a key target group. In Germany, architects present Wienerberger with the "Architects' Darling" award for energy efficiency. In the United States, General Shale, the North American subsidiary of Wienerberger AG, receives "best-in-class" awards in the category "single family house/residential building", a gold award in the category "trade" and a bronze award in the category "education". These prizes confirm the course set by Wienerberger for product innovation.

November 9 Wienerberger continues growth course in third quarter of 2011

In spite of the still difficult economic environment, Wienerberger increases revenues and operating EBITDA by 10% each year-on-year in the third quarter of 2011. Group revenues for this period rise 16% and operating EBITDA 33% over the first nine months of 2010. This increase is the result of increased volumes, better capacity utilization, strict cost management and higher prices. A substantial improvement in earnings and positive net profit are expected for the full 2011 financial year.

November 22 Wienerberger concludes share buyback

In accordance with an authorization provided by the annual general meeting, the Managing Board of Wienerberger AG carries out a share buyback program from August 22 to November 17, 2011. A total of 2,350,535 shares, or 2% of share capital, are repurchased at an average price of € 8.83. Wienerberger plans to use these shares, above all, as transaction currency for growth acquisitions.

November 28 Capital Markets Day, Zurich 2011

This year's Capital Markets Day is held in Zurich and includes presentations by management on the Wienerberger Group strategy and outlook for 2011/12, key facts and figures on the third quarter of 2011, the strategy for Central-West Europe with a focus on clay blocks and roof tiles as well as the Swiss market and Wienerberger's product strategy in Switzerland. A special highlight is the visit to the Wienerberger plant in Istighofen, where participants are provided with a first-hand view of brick production.

December 16 Numerous awards for Wienerberger annual report 2010

The Wienerberger annual report 2010 receives numerous national and international awards. The ARC (Annual Report Competition) jury in New York singles out the 2010 annual report as the best of its kind worldwide for written text. At the European Excellence Award in Amsterdam Wienerberger receives a prize for the best annual report in Europe. In Austria, Wienerberger is recognized by AAA trend for the best reporting by a publicly traded corporation.

2011

Financial Review

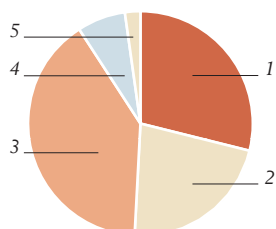
Earnings

Wienerberger started the 2011 financial year with strong volume growth that was supported by the mild weather. Despite a slowdown in momentum during the second six months, volumes were higher in all product groups for the full year. This reflects the focus on premium products, which allowed Wienerberger to outperform the market. At the same time, cost inflation was successfully offset by price adjustments. The reporting year brought a significant improvement in both revenues and operating EBITDA. After completing the turnaround during the second quarter of 2010, Wienerberger returned to the profit zone in 2011.

Group revenues rose by 16% to € 2,023.7 million for the reporting year, whereby € 120.1 million or 7% are attributable to the initial consolidation of Steinzeug-Keramo, Steenfabriek Heylen and Euroceramic as well as the initial proportionate inclusion of the Tondach Group and the parallel deconsolidation of Bramac at mid-year. After an adjustment for acquisitions and foreign exchange effects, organic growth amounted to 9%. Negative foreign exchange effects from the US dollar and the Polish zloty were almost completely offset by a stronger Swiss franc and Czech koruna. The growth in revenues comprised 2% of higher prices, which resulted from price increases as well as a shift in the product mix to premium products, and 14% of higher volumes. Clay block volumes rose moderately based on higher average prices, which are explained in part by an increased share of premium products. Double-digit volume growth was recorded by the roof tile segment – where over 50% of these products are used in renovation – with the initial consolidation of Tondach Gleinstätten also contributing to this development. In the challenging East European markets, Semmelrock increased concrete paver volumes by 11% year-on-year.

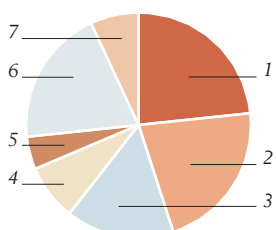
Revenues in Central-East Europe rose by 11% to € 587.6 million in 2011, despite weak brick markets in a number of regions. This increase resulted, above all, from higher volumes in all product groups and slightly better average prices as well as the Bramac / Tondach equity swap. Volume growth in Poland, Czech Republic, Russia, Finland and the Baltics more than offset weaker development in Hungary, Romania, Bulgaria and Southeastern Europe, and supported a 19% rise in operating EBITDA to € 102.5 million. In Central-West Europe, revenues increased 15% over the previous year to € 435.1 million. Growth outpaced the branch average despite a very competitive market environment and declining demand in Italy, not least due to higher sales of premium products. Germany, the largest market in this segment, recorded strong volume growth in all product groups with higher average prices. In addition to price adjustments, these prices also reflected a larger share of premium products in the mix. Operating EBITDA increased 31% to € 46.2 million based on higher revenues and better capacity utilization. North-West Europe reported a 12% improvement in revenues to € 808.1 million that was supported by solid demand in France, where market shares increased, and in Belgium. Another factor for this development was the strong renovation business in many parts of the region, which is a key driver for our roof tile business. Operating EBITDA rose by 20% to € 136.2 million. In North America, the expected modest recovery in private new residential construction failed to materialize and the demand for building materials continued to decline. Revenues fell 6% to € 135.3 million based on lower volumes and higher average prices, and operating EBITDA was negative at € 8.7 million because

Revenues by Segment



- 1 Central-East Europe 29%
- 2 Central-West Europe 22%
- 3 North-West Europe 40%
- 4 North America 7%
- 5 Investments and Other 2%

Revenues by Region



- 1 Eastern Europe 24%
- 2 Benelux 22%
- 3 Germany 14%
- 4 France 8%
- 5 Austria 5%
- 6 Other Europe 20%
- 7 North America 7%

of weaker capacity utilization. The Investments and Other segment includes the holding company costs and Wienerberger brick activities in India as well as the pipe systems investments, whereby the 50% stake in Pipelife is included at equity under financial results. The initial inclusion of the Steinzeug Group, which was acquired at the end of 2010, and revenue growth at our Indian business led to an increase of € 12.6 million in segment revenues to € 111.4 million and 39% in operating EBITDA to € -17.6 million for the reporting year.

Operating EBITDA totaled € 258.6 million in 2011, for a strong 23% increase over the comparable prior year value. This amount includes € 1.4 million of positive foreign exchange effects, above all from the Swiss franc. Price adjustments as well as higher volumes and the resulting better capacity utilization were the main factors for the sound improvement in earnings. The increase in operating EBITDA comprises € 26.2 million of organic growth and € 20.2 million from changes in the consolidation range. The operating EBITDA margin rose slightly from 12% in 2010 to 13% for the reporting year.

**Operating EBITDA
23% over prior year**

Cost inflation averaged roughly 3% in 2011, whereby the increase in variable input costs was slightly lower and for fixed input costs slightly higher than this value. Energy costs rose by 15% or by € 39.1 million and represented 15% of revenues (2010: 15%). Roughly 13% of this cost increase is attributable to higher production volumes and approx. 2% to higher prices. The price adjustments implemented during 2011 were sufficient to cover the full amount of cost inflation at the Group level.

**Cost inflation
averages 3%**

Operating EBITDA for 2011 includes shutdown and optimization costs in North America, North-West Europe and Central-East Europe. Five plants were closed during the reporting year, whereby three of these facilities had been mothballed for a longer period of time. A further six plants were temporarily mothballed. Wienerberger also recognized integration costs for the inclusion of Euroceramic in the Steinzeug Group. The non-recurring costs for all these measures amounted to approx. € 21 million (including € 12.9 million of special write-downs), which are reported under other expenses and represent part of operating EBITDA.

**Operating results include
approx. € 21 million of
optimization costs for
shutdowns**

Depreciation of € 210.1 million includes € 12.9 million of impairment charges related to plant shutdowns as well as € 3.5 million of special write-downs to real estate and other property, plant and equipment. These write-downs are related primarily to real estate in Belgium and other assets. The depreciation ratio declined from 10.9% in 2010 to 9.6% for the reporting year due to the increase in Group revenues. This value, which is relatively high in international comparison, reflects the strong pace of investment activity in recent years and is an indicator of the capital intensive nature of our business and the technical potential of the Wienerberger Group. There were no major sales of non-core real estate in 2011.

**Depreciation totaled
€ 210.1 million in 2011**

Earnings Development	2010	Disposals¹⁾	Purchases¹⁾	F/X²⁾	Organic	2011
	<i>in € mill.</i>	<i>in € mill.</i>	<i>in € mill.</i>	<i>in € mill.</i>	<i>in € mill.</i>	<i>in € mill.</i>
Revenues	1,744.8	33.4	153.5	-5.0	163.8	2,023.7
Operating EBITDA ³⁾	210.8	5.1	25.3	1.4	26.2	258.6
EBIT	10.7	2.5	14.3	3.5	53.1	79.1
Non-recurring items ⁴⁾	0.0	0.0	0.0	0.0	30.6	30.6
Financial results ⁵⁾	-51.5	-0.2	-8.6	0.2	30.1	-29.6
Profit/loss before tax	-40.8	2.3	5.7	3.6	83.3	49.5
Profit/loss after tax	-34.9	1.4	4.9	3.5	68.7	40.8

1) Effects from changes in the consolidation range

2) Foreign exchange effects

3) Before deconsolidation results

4) Including deconsolidation results and impairment charges to goodwill

5) Including income from investments in associates

Operating EBITDA¹⁾	2010	2011	Chg.
	<i>in € mill.</i>	<i>in € mill.</i>	<i>in %</i>
Central-East Europe ²⁾	86.3	102.5	+19
Central-West Europe ³⁾	35.2	46.2	+31
North-West Europe ³⁾	113.5	136.2	+20
North America	4.5	-8.7	<-100
Investments and Other ^{2) 4)}	-28.7	-17.6	+39
Wienerberger Group	210.8	258.6	+23

1) Before deconsolidation results

2) The East European holding companies are reported under the Investments and Other segment beginning in 2011 (previously: Central-East Europe); comparable figures from the prior year period were adjusted accordingly

3) The cross border trading activities of the Netherlands and Germany are reported under North-West Europe beginning in 2011 (previously: Central-West Europe); comparable figures from the prior year period were adjusted accordingly

4) Including holding company costs

Positive deconsolidation results of € 33.2 million on earnings not included in operating results

The restructuring of the investment portfolio in 2011 included an equity swap in the roof segment with the former joint venture partner Monier. Wienerberger transferred its 50% stake in the concrete tile producer Bramac to Monier in exchange for 25% of the shares in Tondach Gleinstätten plus a settlement payment. Tondach Gleinstätten was initially consolidated in the Central-East Europe segment on a proportionate basis of 50% as of June 30, 2011 and the Bramac Group, whose results were included at 50% for the first six months, was deconsolidated on the same date. The equity swap resulted in a non-recurring effect of € 33.2 million on earnings, which is reported separately under deconsolidation results and not included under operating EBITDA or operating EBIT.

Wienerberger tests its assets for impairment at regular intervals in connection with the annual corporate planning process. Impairment tests are also carried out after specific triggering events. If forecasts and analyses during a reporting year show a possible negative variance from the original plan, a special impairment test is performed. The impairment tests carried out in December 2011 based on the medium-term planning for the period 2012 – 2015 indicated a need for impairment charges totaling € 2.6 million. A 6.98% after-tax cost of capital was determined for the Wienerberger Group, but different regional WACC rates were applied to the USA (6.07%), Great Britain (5.69%), Russia (10.72%) and India (9.81%).

**Year-end testing results
in low impairment
charges of € 2.6 million**

Profitability Ratios	2010	2011
	<i>in %</i>	<i>in %</i>
Gross profit to revenues	29.0	32.2
Administrative expenses to revenues	6.9	6.5
Selling expenses to revenues	22.6	22.4
Operating EBITDA margin ¹⁾	12.1	12.8
EBIT margin	0.6	3.9

1) Before deconsolidation results

**EBITDA margin rises
from 12.1% to 12.8%**

Income Statement	2010	2011	Chg.
	<i>in € mill.</i>	<i>in € mill.</i>	<i>in %</i>
Revenues	1,744.8	2,023.7	+16
Cost of goods sold	-1,238.8	-1,373.0	+11
Selling and administrative expenses ¹⁾	-514.5	-584.3	+14
Other operating expenses	-50.5	-76.3	+51
Other operating income	69.7	58.4	-16
Operating EBIT ²⁾	10.7	48.5	>100
Deconsolidation result	0.0	33.2	>100
Impairment charges to goodwill	0.0	-2.6	<-100
EBIT	10.7	79.1	>100
Financial results ³⁾	-51.5	-29.6	+43
Profit before tax	-40.8	49.5	>100
Income taxes	5.9	-8.7	<-100
Profit after tax ⁴⁾	-34.9	40.8	>100

1) Including freight costs

2) Before deconsolidation results and impairment charges goodwill

3) Including income from investments in associates

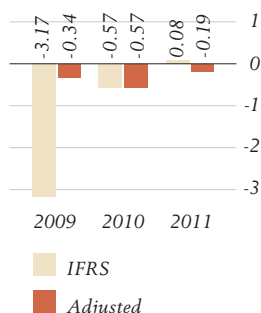
4) Calculated on the basis of data that was not rounded

**Profit after tax equals
€ 40.8 million vs. loss of
€ 34.9 million in 2010**

EBIT improved significantly from € 10.7 million in 2010 to € 79.1 million for the reporting year. This development was based on the increase in business, acquisitions and the above-mentioned non-recurring effects.

Earnings per Share

in €



The substantial improvement in financial results from € -51.5 million to € -29.6 million reflected higher income from investments in associates, but was also supported by a decline in interest expense and positive foreign exchange effects. The income from investments in associates included 25% of Tondach Gleinstätten earnings up to June 30, 2011. The Pipelife Group reported sound earnings growth in 2011 following restructuring measures in the previous year. The improvement in interest result reflects the absence of non-recurring expenses recognized in 2010. Foreign exchange gains in the US dollar and the Czech koruna more than offset valuation losses on the Hungarian forint.

The effective tax rate of 17.7% (2010: 14.4%) is slightly higher than the previous year. It reflects a regional shift in income to Western Europe in 2011 as well as lower deferred tax income due to the non-deductibility of loss carryforwards in individual countries.

Wienerberger returns to the profit zone and generates earnings per share of € 0.08

After recording a loss of € 34.9 million in 2010, Wienerberger returned to the profit zone in 2011 and generated profit after tax of € 40.8 million. Earnings per share are computed after the deduction of non-controlling interests and the € 32.5 million hybrid coupon payment. Based on a weighted average of 116.8 million shares outstanding (2010: 116.5 million shares), earnings per share equaled € 0.08 for 2011 (2010: € -0.57).

Asset and Financial Position

Balance sheet total of € 4,122.3 million

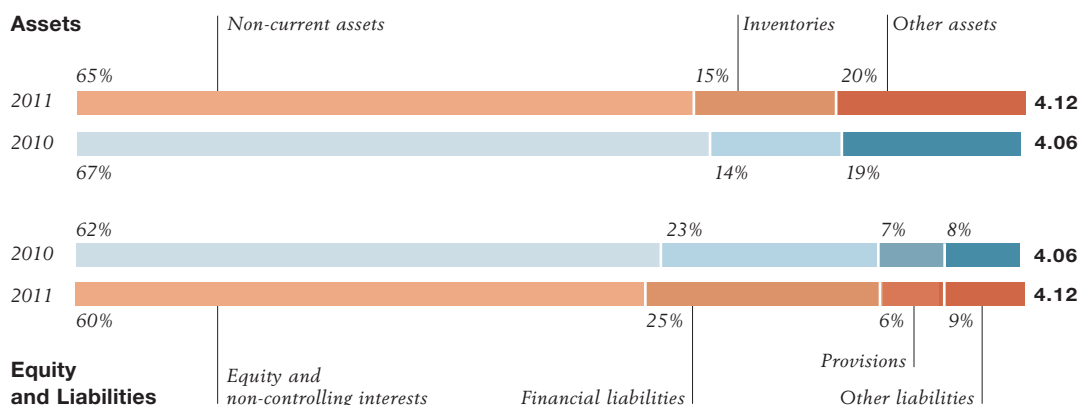
The balance sheet total rose by 2% to € 4,122.3 million in 2011, primarily as the result of growth capex, but also due to an increase in working capital from acquisitions and the growth of business. The balance sheet structure of the Wienerberger Group is typical for the industry, and is characterized by a high fixed asset component and long-term financing.

Working capital to revenues equals 24.2%, and is below the 25% target

Non-current assets were slightly lower than the previous year at 65% of total assets (2010: 67%), whereby property, plant and equipment represented 66% (2010: 67%) of capital employed. Acquisitions and the positive development of business led to an increase of € 38.7 million in inventories, which rose from € 569.7 million at the end of 2010 to € 608.3 million at year-end 2011. Average trade receivables turnover remained fairly constant in year-on-year comparison at 25 days, while trade payables turnover declined from 51 days to 40 days. Working capital (inventories + net trade receivables – trade payables) increased during the reporting year, above all due to an acquisition- and business-related rise in inventories and trade receivables, and totaled € 490.3 million as of December 31, 2011. This represents 24.2% (2010: 25.5%) of revenues and 18% (2010: 16%) of capital employed. Working capital remained below the 25% target that we have defined as sustainable. Average working capital turnover increased to 108 days (2010: 99 days). Wienerberger had strong liquidity reserves of € 583.6 million at year-end 2011, which comprised cash on hand, bank deposits and securities and other financial assets.

Development of Balance Sheet Structure

in € billion



Group equity declined 3% to € 2,459.9 million (2010: € 2,525.7 million). Equity was reduced, above all, by the € 32.5 million hybrid coupon payment, the € 11.7 million dividend payment and € 33.7 million of foreign exchange differences as well as the increase of treasury shares by € 20.9 million. Net profit for the year increased equity by € 40.8 million. The change in foreign exchange adjustments recognized directly in equity resulted primarily from the Polish zloty, the Czech koruna and the Hungarian forint.

**Group equity equals
€ 2,459.9 million**

Wienerberger carried out a share buyback from August 22 to November 17, 2011 that led to the repurchase of 2% of share capital at an average price of € 8.83 per share and a total cost of € 20.8 million. These shares will be used, above all, as transaction currency for profitable growth acquisitions that may arise in the future.

**2% of share capital
repurchased for
€ 20.8 million**

Non-current provisions declined slightly by 1%. Employee-related provisions decreased 5% to € 69.3 million due to lower pension contributions during the reporting year. Since Wienerberger has not granted any new defined benefit pension commitments and is converting existing commitments into defined contribution plans wherever possible, the provisions for pensions will continue to decrease independent of any changes in parameters. Changes in the consolidation range led to a 12% decline in other non-current provisions through the deconsolidation of Bramac guarantee provisions. The provisions for deferred taxes rose by 11% to € 88.5 million in line with acquisitions. Current provisions totaled € 53.8 million and were 15% lower than the previous year due to changes in the consolidation range. Non-current and current provisions remained unchanged at 7% of the balance sheet total. Interest-bearing loans (financial liabilities) rose by € 111.9 to 1,026.1 million and include € 1,005.5 million due to banks, bondholders and other parties, € 17.5 million of derivatives with negative market values, € 3.0 million of leasing liabilities and € 0.1 million of Group liabilities. These liabilities are contrasted by cash, bank deposits and securities of € 583.6 million. Of the € 1,005.5 million in liabilities due to banks, bondholders and other parties, 55% (2010: 86%) are long-term and 45% (2010: 14%) short-term in nature.

**55% of interest-bearing
financial liabilities are
long-term**

Calculation of Net Debt ¹⁾	2010	2011	Chg.
	<i>in € mill.</i>	<i>in € mill.</i>	<i>in %</i>
Long-term interest-bearing financial liabilities	772.3	566.5	-27
Short-term interest-bearing financial liabilities	135.1	456.6	>100
Financial leases	4.3	3.0	-30
- Intercompany receivables and payables from financing	-19.4	-20.3	+5
- Securities and other financial assets	-64.4	-58.9	-9
- Cash and cash at bank	-453.4	-504.4	+11
Net debt	374.5	442.5	+18

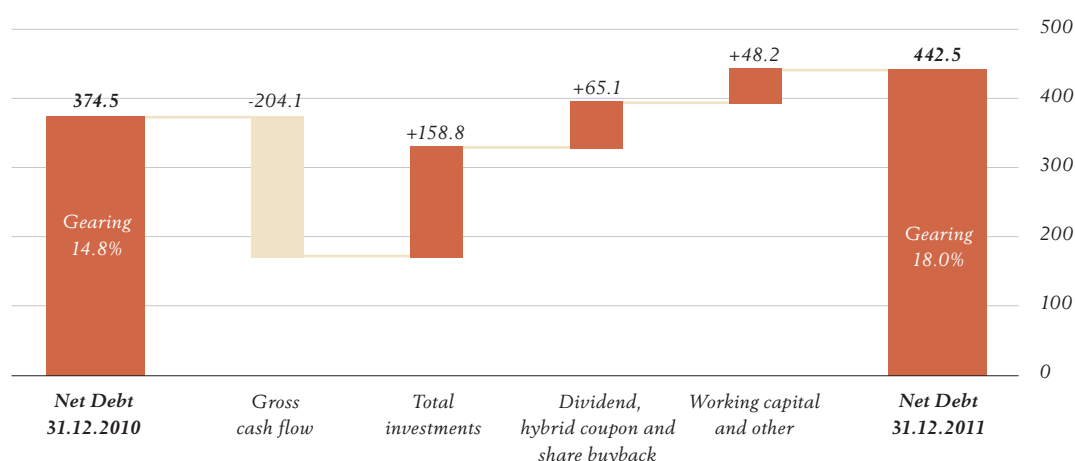
1) Excluding the hybrid bond

Net debt totals € 442.5 million vs. € 374.5 million in previous year

Net debt amounted to € 442.5 million as of December 31, 2011, or 18% more than the year-end 2010 value of € 374.5 million. The increase includes € 158.8 million for investments and acquisitions as well as € 26.1 million for the business-related rise in working capital. Net debt was increased by a total of € 65.1 million for the payment of the hybrid coupon, the dividend and the share buyback, while foreign exchange differences and other acquisition-related effects added another € 85.9 million. Net debt was reduced by gross cash flow of € 204.1 million and divestments of € 63.8 million. Gearing equaled 18.0% at the end of the reporting year (2010: 14.8%). Long-term financing such as equity, non-controlling interests, non-current provisions and long-term liabilities covered 121% of fixed and financial assets at year-end 2011 (2010: 130%). The ratio of net debt to operating EBITDA equaled 1.7 as of December 31, 2011 (2010: 1.8), and the EBITDA interest coverage ratio was 6.8 (2010: 4.9).

Development of Net Debt

in € mill.



Balance Sheet Development	2010	Disposals ¹⁾	Purchases ¹⁾	F/X ²⁾	Organic	2011
	<i>in € mill.</i>	<i>in € mill.</i>	<i>in € mill.</i>	<i>in € mill.</i>	<i>in € mill.</i>	<i>in € mill.</i>
Fixed assets	1,872.2	24.2	118.2	-26.2	-103.8	1,836.2
Intangible assets	676.3	0.5	6.5	5.7	-8.0	680.0
Other non-current assets	211.1	4.3	-16.0	-3.2	25.4	213.0
Inventories	569.7	11.3	37.4	-4.3	16.8	608.3
Other current assets	730.0	-3.1	-17.3	5.1	63.9	784.8
Balance sheet total	4,059.3	37.2	128.8	-22.9	-5.7	4,122.3
Equity ³⁾	2,525.7	0.0	-2.3	-33.7	-29.8	2,459.9
Provisions	284.5	17.3	13.8	-0.2	-9.0	271.8
Liabilities	1,249.1	19.9	117.3	11.0	33.1	1,390.6

1) Effects of companies and stakes acquired in 2011

2) Foreign exchange effects

3) Including non-controlling interests and hybrid capital

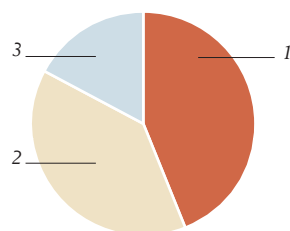
The acquisition-related growth was related primarily to the initial proportionate consolidation of the Tondach Group, while the decline in the balance sheet total from disposals was caused mainly by the deconsolidation of the Bramac Group. The organic decline of € 5.7 million in the balance sheet total resulted chiefly from the depreciation of fixed assets that was offset in part by an increase in working capital.

**Relatively stable
development of balance
sheet total**

Balance Sheet Ratios		2010	2011
Capital employed	<i>in € mill.</i>	2,779.5	2,798.5
Net debt	<i>in € mill.</i>	374.5	442.5
Equity ratio	<i>in %</i>	62.2	59.7
Gearing	<i>in %</i>	14.8	18.0
Asset coverage	<i>in %</i>	92.6	91.5
Working capital to revenues	<i>in %</i>	25.5	24.2

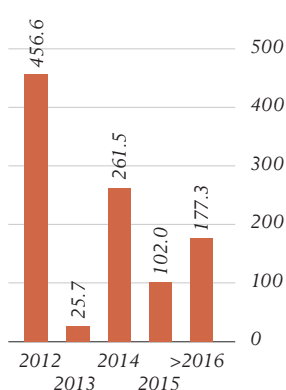
**Gearing equals
18% at year-end 2011**

Term Structure of Interest-bearing Financial Liabilities
in %



- 1 <1 year 45%
2 1–5 years 38%
3 >5 years 17%

Term Structure of Interest-bearing Financial Liabilities
in € mill.



Approx. 50% of liabilities have fixed interest rates

Treasury

The financial markets were characterized by extremely contrary developments in 2011. Market recovery created a friendlier climate during the first six months, above all for corporate financing, but the remainder of the year was influenced by the growing uncertainty of investors and lenders as a result of the European debt crisis. Another factor, which has an influence especially on the availability of bank loans, is a recent European Banking Authority regulation that requires banks to hold 9% core tier 1 capital by June 30, 2012. This measure has placed banks under increasing pressure to reduce risk-weighted assets and is leading to a slow but steady shortage of available loans.

As part of its proactive financing strategy, Wienerberger took the necessary steps during the first half of 2011 to cover its refinancing needs up to 2014. This involved the issue of a bond at the beginning of July 2011, which has a volume of € 100 million and a seven-year term. The goal was to increase the Group's liquid funds in order to secure refinancing for all bonds and loans that are due in 2012. Since virtually no refinancing is scheduled in 2013, Wienerberger can now turn its attention to the 2014 requirements.

Wienerberger will continue to hold sufficient liquidity reserves because cash preservation and a strong capital structure remain top priority. The strict working capital management and disciplined investment policy that was implemented in recent years will be continued to preserve the Group's strong liquidity base, which is supplemented by an additional € 250 million of committed, unused credit lines. The indicators related to the covenants defined in the bank credit agreements remain clearly below, respectively above the agreed levels. Net debt / operating EBITDA equaled a constant 1.7 at year-end and was therefore far below the defined limit of 3.5. Operating EBITDA / interest result improved from 4.9 in 2010 to 6.8 and is substantially over the minimum level of 3.75.

Treasury Ratios	31.12.2010	31.12.2011	Threshold
Net debt / operating EBITDA ¹⁾	1.8	1.7	<3.50
Operating EBITDA ¹⁾ / interest result ²⁾	4.9 ³⁾	6.8	>3.75

1) Adjusted for non-recurring income and expenses

2) Calculated on the 12-months interest result

3) Not valid in 2010

Approximately one-half of liabilities carry fixed interest rates. The remaining variable interest rate liabilities are contrasted by variable interest liquid funds, which limits the Group's interest rate risk. However, Wienerberger still has a "negative carry" because the interest rates on liquid funds are lower than the interest rates on bonds and loans. Most of the financing is denominated in euros, but Wienerberger monitors the exchange rate risk connected with balance sheet items based on the net risk position in its most important currencies (USD, CHF, GBP, PLN) and hedges part of this risk with interest rate swaps based on monthly sensitivity tests. As of December 31, 2011, the Group only held derivative positions in Swiss francs.

Cash Flow

Gross cash flow rose by an impressive € 53 million from € 151.3 million in 2010 to € 204.1 million for the reporting year, while cash flow from operating activities declined from € 230.4 million to € 179.2 million. The increase in working capital is explained, above all, by higher trade receivables and inventories as a result of the positive development of business. Cash outflows for investments and acquisitions rose slightly from € 149.8 million in 2010 to € 158.8 million, whereby € 56.3 million represent growth capex (primarily for Heylen, Tondach Gleinstätten and Euroceramic) and € 102.5 million maintenance capex (which includes maintenance as well as technological improvements to production processes). The transfer of the 50% stake in Bramac as part of the equity swap generated net cash inflows of € 43.7 million from the sale of companies, which are reported under cash flow from investing activities. Cash flow from financing activities includes the proceeds from the € 100 million bond issued in July, the payment of the € 32.5 million hybrid coupon, the € 11.7 million dividend and an increase of treasury shares by € 20.9 million. Dividends of € 2.5 million were received from associated companies during the reporting year. Wienerberger generated impressive free cash flow (cash flow from operating activities minus cash flow from investing activities plus growth investments) of € 141.7 million in 2011. These funds were used, above all, for value-creating acquisitions as well as the payment of the hybrid coupon, the distribution of a dividend and the repurchase of treasury shares.

**Gross cash flow rises
by € 53 million to
€ 204.1 million**

Cash Flow Statement	2010	2011	Chg.
	<i>in € mill.</i>	<i>in € mill.</i>	<i>in %</i>
Gross cash flow	151.3	204.1	+35
Change in working capital and other	79.1	-24.9	<-100
Cash flow from operating activities	230.4	179.2	-22
Normal capex (maintenance and technical upgrades)	-61.7	-102.5	-66
Growth capex	-88.1	-56.3	+36
Divestments and other	8.1	65.0	>100
Cash flow from investing activities	-141.7	-93.8	+34
Growth capex	88.1	56.3	-36
Free cash flow	176.8	141.7	-20

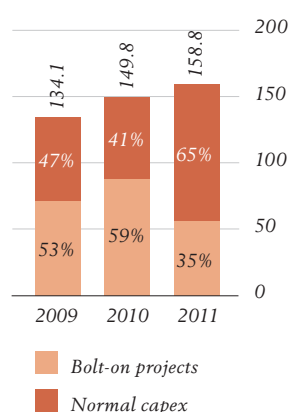
**Investments of
€ 158.8 million
(2010: € 149.8 million)**

Investments

Wienerberger spent € 158.8 million on investments in 2011 (2010: € 149.8 million). Normal capex amounted to € 102.5 million (2010: € 61.7 million), or 53% of depreciation for the year (2010: 33%), and includes maintenance as well as technical upgrading and production equipment for premium products. A total of € 56.3 million (2010: € 88.1 million) was spent for growth projects. The investments made in 2011 were distributed among the operating segments as follows: 29% in Central-East Europe, 33% in North-West Europe, 21% in Central-West Europe and 5% in North America as well as 12% in the Investments and Other segment.

Investments in property, plant and equipment are divided among the various asset groups as follows: land and buildings at € 17.2 million, machinery and equipment at € 51.7 million, fixtures, fittings and office equipment at € 7.9 million and construction in progress at € 43.2 million.

Total Investments
in € mill.



Development of Non-current Assets	Intangible in € mill.	Tangible in € mill.	Financial in € mill.	Total in € mill.
31.12.2010	676.3	1,930.4	120.7	2,727.4
Capital expenditure ¹⁾	2.3	120.0	0.5	122.8
Changes in the consolidation range	6.0	92.7	-17.3	81.3
Depreciation and amortization	-10.5	-202.2	-0.9	-213.6
Disposals	-1.0	-10.2	0.0	-11.2
Currency translation and other	6.9	-26.9	0.9	-19.0
31.12.2011	680.0	1,903.8	103.9	2,687.7

1) Additions as per schedule of fixed and financial assets

Total Investments ¹⁾	2010 in € mill.	2011 in € mill.	Chg. in %
Central-East Europe	49.1	45.9	-7
Central-West Europe	19.8	32.9	+66
North-West Europe	35.2	53.3	+51
North America	7.8	8.1	+4
Investments and Other	37.9	18.6	-51
Wienerberger Group	149.8	158.8	+6

1) Additions to property, plant and equipment, intangible assets and financial assets, including working capital and changes in the consolidation range, or normal capex plus growth capex

Wienerberger Value Management

One of the key elements for our internal operating management is a cash-based pre-tax return, which is calculated for all corporate levels and shows the value added by the Group and its business units. The key ratios are cash flow return on investment (CFROI = Operating EBITDA / historical capital employed) and cash value added (CVA). The CFROI model allows us to compare the various segments of the Group, independent of the age structure of their plants. We have defined a minimum sustainable CFROI target of 11.5% (= hurdle rate) for all segments. For the calculation of CVA, the CFROI of the individual segments is compared with this hurdle rate and then multiplied by average historical capital employed (CE). CVA shows the absolute operating cash value added by the individual segments.

Calculation of Group CFROI		2010	2011
Operating EBITDA ¹⁾	in € mill.	210.8	258.6
Average capital employed	in € mill.	2,798.2	2,789.0
Average accumulated depreciation	in € mill.	2,115.3	2,201.8
Average historical capital employed	in € mill.	4,913.5	4,990.8
CFROI	in %	4.3	5.2

1) Adjusted for non-recurring income and expenses

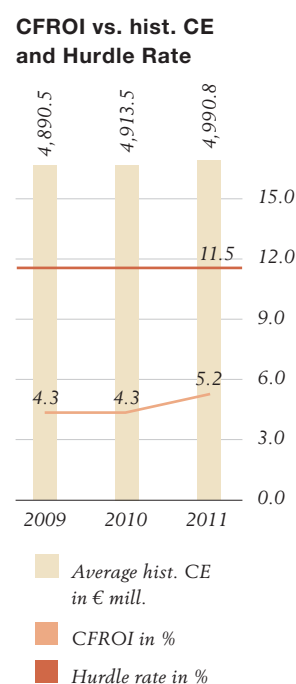
CFROI 2011 by Operating Segment	Operating EBITDA ¹⁾	Average historical CE	CFROI ²⁾	CVA ²⁾
	in € mill.	in € mill.	in %	in € mill.
Central-East Europe	102.5	1,448.0	7.1	-64.0
Central-West Europe	46.2	800.1	5.8	-45.8
North-West Europe	136.2	1,907.4	7.1	-83.1
North America	-8.7	719.4	-1.2	-91.4
Investments and Other ³⁾	-17.6	115.9	-15.2	-31.0
Wienerberger Group	258.6	4,990.8	5.2	-315.3

1) Adjusted for non-recurring income and expenses

2) Calculated on the basis of average historical capital employed and unrounded data

3) Including holding company costs

**CFROI and CVA
are key indicators
for management**



The increase in earnings during 2011 was also reflected in an improvement in CFROI at the Group level. However, Group CFROI of 5.2% for 2011 remained below the 11.5% hurdle rate.

**Group CFROI of 5.2%
for 2011**

In addition to CFROI, return on capital employed (ROCE) is also calculated at the Group level. This indicator is computed by comparing net operating profit after tax (NOPAT) to capital employed for the entire Group. The ratio indicates the extent to which Wienerberger meets the yield required by investors. The average cost of capital for the Group is based on the minimum return expected by investors for funds they provide in the form of equity and debt. The weighted

average cost of capital (WACC) is determined by adding an appropriate risk premium for stock investments to the actual cost of debt for Wienerberger. The after-tax WACC equalled 6.98% in 2011.

Net operating profit after tax (NOPAT) is calculated on the basis of operating EBIT. This indicator rose significantly to € 61.5 million in 2011. Capital employed increased slightly by 1% to € 2,798.5 million as of December 31, 2011. ROCE rose to 1.1% (2010: 0.2%), and resulted in EVA® of € -163.9 million for the reporting year (2010: € -182.4 million).

Calculation of Group ROCE		2010	2011
Operating EBIT	<i>in € mill.</i>	10.7	48.5
Income taxes	<i>in € mill.</i>	5.9	-8.7
Adjusted income taxes	<i>in € mill.</i>	-11.8	-8.9
NOPAT	<i>in € mill.</i>	4.8	30.9
Equity and non-controlling interests	<i>in € mill.</i>	2,525.7	2,459.9
Financial liabilities and finance leases	<i>in € mill.</i>	911.7	1,025.9
Intercompany receivables and payables from financing	<i>in € mill.</i>	-19.4	-20.3
Cash and financial assets	<i>in € mill.</i>	-638.5	-667.0
Capital employed	<i>in € mill.</i>	2,779.5	2,798.5
Average capital employed	<i>in € mill.</i>	2,798.2	2,789.0
ROCE ¹⁾	<i>in %</i>	0.2	1.1

**ROCE of 1.1% and
EVA® of € -163.9 million**

Value Ratios		2010	2011
ROCE ¹⁾	<i>in %</i>	0.2	1.1
EVA ^{2) 3)}	<i>in € mill.</i>	-182.4	-163.9
CFROI ⁴⁾	<i>in %</i>	4.3	5.2
CVA ⁴⁾	<i>in € mill.</i>	-354.2	-315.3

1) Calculated on the basis of average capital employed (average of capital employed on January 1, 2011 and December 31, 2011)

2) EVA® is a registered brand name of Stern Stewart & Co.

3) Calculated on the basis of average capital employed and unrounded data

4) Calculated on the basis of average historical capital employed and unrounded data

Outlook and Goals

The uncertainty caused by the debt crisis in Europe and the unclear effects of possible government austerity programs significantly limit visibility on our markets and make forecasts for the development of business in 2012 difficult. In Germany, the backlog of building permits from the previous year points to a continued upturn in new residential construction and the renovation market remains at a sound level. Great Britain is expected to record stable to slightly positive development in private construction during 2012. Belgium appears to be facing a period of weakness due to a cutback in government incentives for residential construction and renovation. In the Netherlands, the market should remain difficult at a low level because of the decline in real estate prices and the limited availability of financing. In France, the increase in the market share of clay blocks versus concrete should continue and the roofing segment could benefit from sound activity in the renovation sector. In Switzerland, we are forecasting stable demand for building materials.

Debt crisis in Europe leads to uncertainty and limited visibility on Wienerberger markets

The markets in Central-East Europe are difficult to estimate at the present time. Poland – with its macroeconomic stability and strong domestic demand – is the only country that gives us grounds for optimism, and here we see stable development in new residential construction. In the other countries, visibility is so low that forecasts are impossible. However, construction activity has already fallen to such low levels in several countries – e.g. Hungary, Romania and Bulgaria – that even weak economic development would make a substantial decline in residential construction unlikely. For the USA, the NAHB (National Association of Home Builders) is forecasting an increase of over 15% in housing starts for 2012. However, we remain cautious due to the high level of unemployment and the substantial number of foreclosures. The demand for building materials should remain stable or increase slightly above the current low level. The optimization of our administration and sales during the second half of 2011 and our new products for renovation should return the North America segment to positive EBITDA in 2012.

Central-East Europe: Poland stable, but low visibility on other markets

We are optimistic that we will be able to outperform the market in 2012 with our intensive marketing and sales activities combined with new products and system solutions in all areas of our business. Similar to 2011, we intend to cover the moderate cost inflation expected for 2012 with price adjustments. In February 2012 we acquired the remaining 50% stake in Pipelife, a leading European supplier of plastic pipe systems. This transaction places Wienerberger's business on a substantially broader base and further reduces the dependency on cyclical new residential construction. After the approval of the transaction by the antitrust authorities, we will fully consolidate Pipelife (previously at equity), and thereby increase Group revenues and earnings significantly.

Full consolidation of Pipelife should bring substantial increase in revenues and earnings for 2012

Normal capex is forecasted to total € 120 million in 2012 (60% of depreciation), and we have budgeted € 162 million for the Pipelife acquisition. Financial discipline and the protection of our strong balance sheet structure remain our top priority. After these expenditures, net debt / operating EBITDA should be below the targeted 2.5 at year-end.

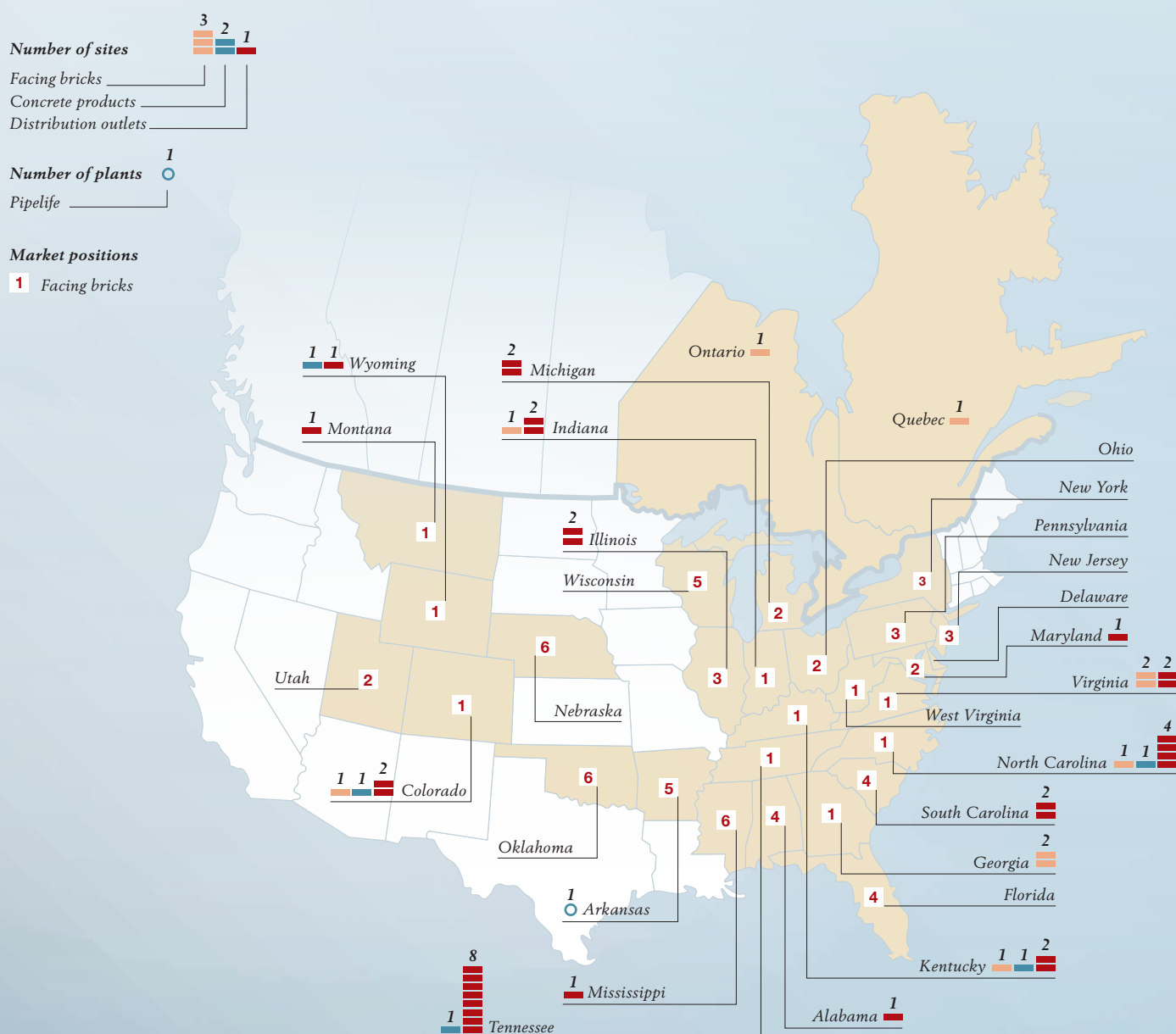
Financial discipline remains top priority: net debt / operating EBITDA <2.5 expected for year-end 2012

OPERATING SEGMENTS

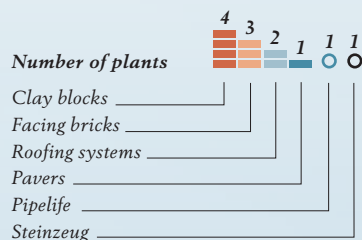
Plant Sites and Market Positions

Wienerberger is the only multinational producer of bricks, roof tiles, concrete pavers and pipe systems with a total of 230 plants in 30 countries and four export markets, including the plant in India. We are concentrating on our core expertise and continuously expanding our geographical portfolio. Our focus is placed on the development and expansion of strong positions in the markets in which we are present.

Wienerberger Markets in North America

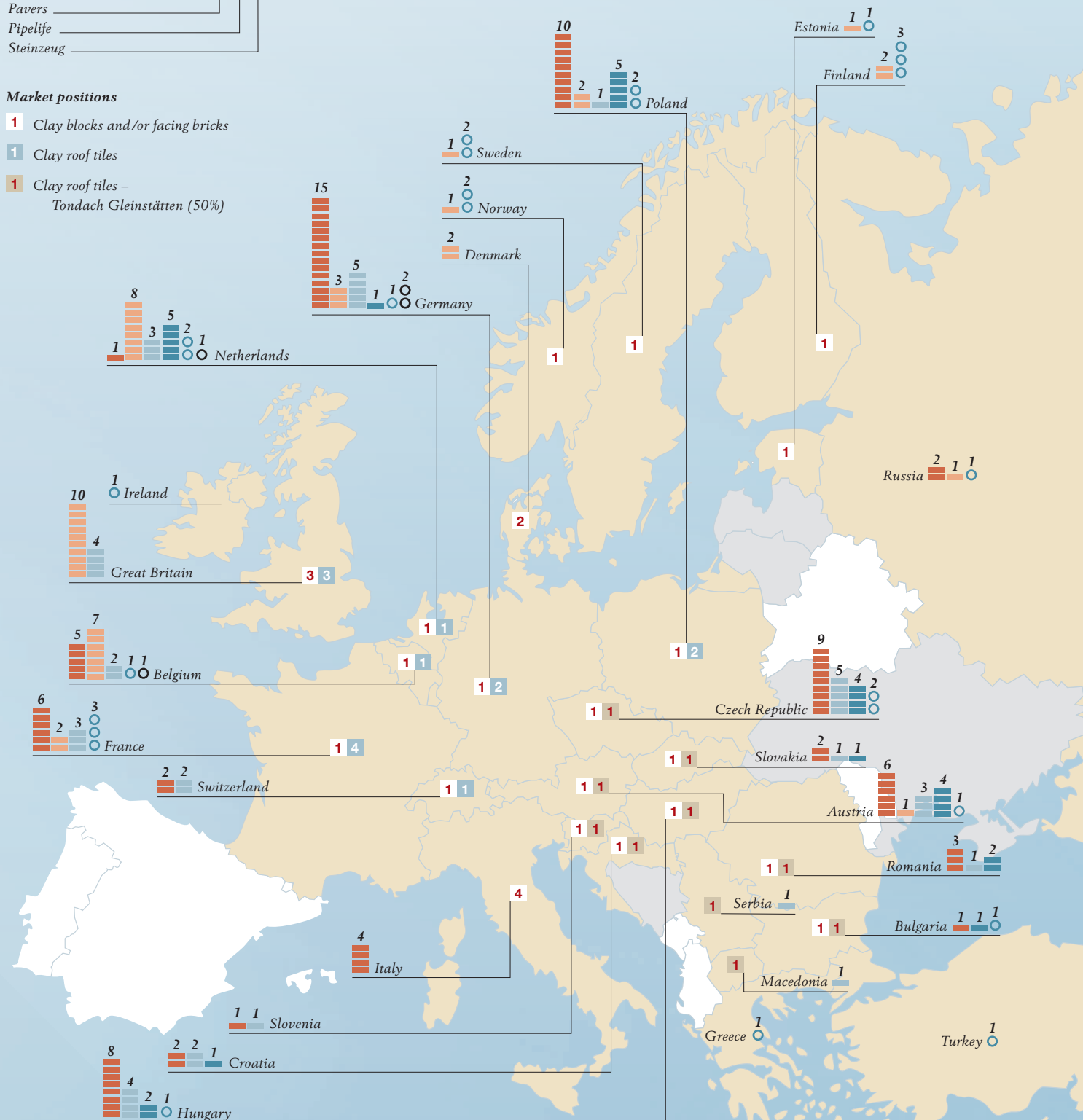


Wienerberger Markets in Europe

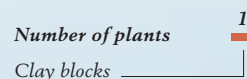


Market positions

- 1** Clay blocks and/or facing bricks
- 1** Clay roof tiles
- 1** Clay roof tiles –
Tondach Gleinstätten (50%)



Wienerberger in India

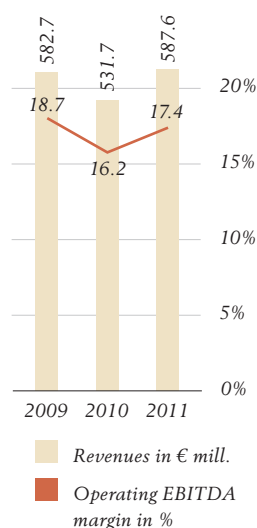


Central-East Europe

The Central-East Europe segment covers our brick business and the concrete paver activities of our Semmelrock subsidiary in Austria, Central and Eastern Europe. Also included here is our investment in Tondach Gleinstätten. Up to the end of June 2011 Wienerberger held a 25% stake in Tondach Gleinstätten, which was previously consolidated at equity, as well as 50% of the concrete tile producer Bramac, which was consolidated on a proportionate basis. In an equity swap during the second quarter, Wienerberger transferred the 50% stake in Bramac to Monier in exchange for 25% of the shares in Tondach plus a settlement payment. Tondach was therefore consolidated in this segment on a proportionate basis at 50% as of June 30, 2011 and Bramac was deconsolidated on the same date.

Mild weather and higher market shares support revenue and earnings growth

Central-East Europe started 2011 with significantly higher volumes due to the mild weather. Although the markets weakened during the second six months, all product groups reported an increase in volumes for the full year. These results reflect the focus on premium products, which allowed Wienerberger to outperform the market. Clay block volumes were slightly higher, even though new residential construction remained weak throughout the region. The roofing segment registered an increase of 34% as the result of higher market shares and the restructuring of the roof tile investments. Semmelrock reported an 11% year-on-year increase in concrete paver volumes. Central-East Europe increased revenues by 11% and operating EBITDA by 19% in 2011, and the segment margin, which exceeds the Group average, also improved. This segment generated 29% of Group revenues and 40% of operating EBITDA for the reporting year.



Central-East Europe ¹⁾		2010	2011	Chg. in %
Revenues	in € mill.	531.7	587.6	+11
Operating EBITDA ²⁾	in € mill.	86.3	102.5	+19
EBIT	in € mill.	20.8	24.8	+19
CFROI ³⁾	in %	5.8	7.1	-
CVA ^{3) 4)}	in € mill.	-82.5	-64.0	+22
Total investments	in € mill.	49.1	45.9	-7
Capital employed	in € mill.	746.0	755.3	+1
Ø Employees		4,425	4,624	+4
Sales volumes clay blocks	in mill. NF	2,841	2,934	+3
Sales volumes pavers	in mill. m ²	11.57	12.85	+11
Sales volumes roof tiles ⁵⁾	in mill. m ²	14.29	19.18	+34

1) The East European holding companies are reported under the Investments and Other segment beginning in 2011 (previously: Central-East Europe); the comparative prior year data were adjusted accordingly

2) Adjusted for non-recurring income and expenses

3) Calculation based on average historical capital employed

4) Hurdle rate = 11.5%

5) Sales volumes are including clay and concrete roof tiles and are not consolidated on a proportionate base but reflect 100%; Bramac deconsolidated as of June 30, 2011; Tondach consolidated as of June 30, 2011

Visibility for the development of the business in this region is limited for 2012. In Poland, the favorable macroeconomic climate should support stable new residential construction. In the other countries, visibility is so low that forecasts are impossible. Construction has already fallen

to such a low level in a number of countries, e.g. Hungary, Romania and Bulgaria, that further significant declines in new residential construction are unlikely. Notwithstanding this situation, we plan to increase the share of premium products and realize growth through the launch of new products.

Poland (6% of Group revenues)

New residential construction in Poland increased slightly during 2011, with a moderate rise in housing starts in the single- and two-family segment and stability in the multi-family segment. The strong first half-year, which also benefited from favorable weather, was followed by slight weakness during the second six months. Volumes exceeded the previous year in all product groups, whereby solid market share growth was recorded by roof tiles following the introduction of our new, large-sized products. Higher revenues and better capacity utilization supported a significant improvement in both operating EBITDA and the operating EBITDA margin over 2010. For 2012, we are expecting stable development in the Polish construction industry. Our goal is to increase revenues and earnings, and thereby strengthen our market positions, with targeted marketing and sales campaigns and the launch of new products.

**Market share gains
on roofing segment
in Poland**

Czech Republic (2% of Group revenues)

Housing starts in the Czech Republic fell slightly during 2011, above all due to a decline in the construction of multi-family homes. Wienerberger was able to increase its share of the clay block market. Average prices exceeded the 2010 level, in part due to a shift in the product mix to premium products. In addition, the infill clay block – a high thermal insulating clay block filled with mineral wool – was successfully introduced on the market. These developments supported a year-on-year increase in revenues and earnings for 2011. In 2012 we plan to continue our focus on premium products in order to outperform the market.

**Wienerberger outpaces
market in Czech Republic
and increases revenues
and earnings**

Austria (2% of Group revenues)

New residential construction in Austria recovered slightly in 2011. Wienerberger grew faster than the market in this environment and, against the backdrop of stable prices, increased clay block volumes. This development was also supported by the launch of the infill brick, which was well received by customers. In July the groundbreaking ceremony was held for the first e⁴ BRICKHOUSE 2020 in Europe, which Wienerberger is building together with a private investor family and in cooperation with AIT (Austrian Institute of Technology). The e⁴ BRICKHOUSE 2020 is an innovative model house with an energy-efficient, high thermal insulating brick envelope. This single family home will satisfy 100% of its energy requirements with renewable energy sources and also has competitive construction and maintenance costs. The e⁴ BRICKHOUSE 2020 already meets the requirements of the EU's energy performance of buildings directive for the year 2020. For 2012 we expect a stable market – depending on the effects of possible budget austerity measures by the Austrian federal government – and intend to realize further growth with solutions for energy-efficient construction and the infill clay block.

**Groundbreaking for first
e⁴ BRICKHOUSE 2020 in
Austria during 2011**

Russia: sound revenue and earnings growth from low level

Russia (2% of Group revenues)

The recovery in new residential construction that took hold during the second half of 2010 continued to gain momentum during 2011. We were able to increase sales of clay blocks more than 40% over the previously low level which, combined with higher average prices, supported strong growth in revenues and earnings. In 2012 we expect continued positive development in the construction sector as well as a further improvement in revenues and earnings.

Market share gains and higher average prices in challenging environment in Hungary

Hungary (1% of Group revenues)

New residential construction in Hungary fell more than 20% below the already low level in 2011. Based on the number of housing starts, this represents a drop of nearly 70% in comparison with 2006. Wienerberger Hungary was able to limit the volume declines to a moderate amount in this difficult market environment by focusing on premium products, and thereby increased its market shares and adjusted prices above cost inflation. Revenues and earnings were lower, but Hungary still made a positive contribution to operating Group EBITDA in spite of the extremely weak demand for building materials. In 2012 we plan to further improve our product mix with the introduction of innovative, high thermal insulating bricks. This represents a continuation of the strategy that proved successful in 2011, i.e. to outperform the market with premium products.

Higher volumes due to proactive pricing policy in Romania

Romania (1% of Group revenues)

Romania also reported weakness in new residential construction, whereby the decline in single- and two-family housing was lower than the multi-family segment. A proactive pricing policy allowed us to increase volumes in a contracting market and hold revenues nearly constant. We expect the market will remain difficult in 2012, but see substantial opportunities over the medium-term due to the significant pent-up demand for private residential construction.

Slovakia with lower revenues and earnings, but slightly higher market shares

Slovakia (1% of Group revenues)

New residential construction in Slovakia collapsed in 2011 with double-digit declines, whereby the multi-family housing segment fell sharply in comparison with 2010. Volumes were lower, but Wienerberger recorded a slight increase in market shares and was able to adjust prices to offset cost inflation. Innovative products generated a larger share of revenues due to the increased market penetration of our plane bricks. In spite of these developments, Slovakia recorded a decline in revenues and earnings for the reporting period. This situation led to the implementation of optimization measures in administration and sales during the second half of 2011. For 2012, we expect a stable to somewhat stronger market in Slovakia and an improvement in earnings.

Estonia benefits from exports to Russia

Finland and the Baltics (1% of Group revenues)

Housing starts in Finland fell slightly in year-on-year comparison. With an increase in volumes of facing bricks, Wienerberger outperformed the Finnish market. In the Baltics, Wienerberger recorded substantially higher volumes of facing bricks and roof tiles at higher average prices, in part due to rising exports to Russia. The improvement in capacity utilization that accompanied the volume growth led to a sound improvement in earnings for the Baltic States in 2011.

Southeast Europe (1% of Group revenues)

Wienerberger brick activities in Croatia, Slovenia, Serbia and Bosnia are combined in the Southeast Europe region. A decline in new residential construction, intense competition and excess capacity led to lower volumes and rising pressure on prices and, in turn, to a decline in revenues and earnings during 2011. Only Slovenia was able to increase both volumes and average prices. For 2012 we expect a continuation of the weak market environment. We intend to maintain our earnings-driven, quality-oriented strategy and focus on premium products in order to outperform the market.

Lower revenues and earnings in very weak market

Bulgaria (<1% of Group revenues)

After substantial declines in 2009 and 2010, new residential construction fell by more than 10% in 2011 and is now roughly 70% below the pre-crisis level. We were able to increase our market shares based on nearly stable prices and hold volume declines in the single-digit range. Despite very low demand, operating EBITDA roughly matched the prior year due to strict cost and capacity management. In 2012 we intend to continue our strategy as a leader for product innovation. We still see growth opportunities on the Bulgarian residential construction market over the medium-term.

Further decline in new residential construction during 2011

Semmelrock Concrete Pavers (7% of Group revenues)

This specialist for high-quality concrete pavers, which is active almost exclusively in the difficult markets of Eastern Europe, recorded a 11% increase in volumes as well as an improvement in revenues and earnings for 2011. This success is a direct result of Semmelrock's leading position for quality and innovation, which was again demonstrated in 2011 by the introduction of new products and system solutions.

Semmelrock: improvement in revenues and earnings

Tondach Gleinstätten (3% of Group revenues)

The initial proportionate consolidation of Tondach in this segment during the second half of 2011 – together with the deconsolidation of Bramac at the end of the second quarter – led in total to a slight improvement in revenues and earnings, and is also responsible for part of the volume growth in the roofing segment. This clay roof tile specialist was negatively affected by weak new residential construction in Southeast Europe and Hungary, but benefited from the comparatively stable development of the renovation market. Tondach Gleinstätten reported an increase in revenues and earnings for 2011.

Tondach Gleinstätten consolidated on proportionate basis at 50% since June 30, 2011

Bramac Concrete Roof Tiles (1% of Group revenues)

Bramac results are only included for the first half-year (proportionate consolidation at 50%), since this investment was deconsolidated as of June 30, 2011 when the shares were transferred to Monier.

Bramac deconsolidated as of June 30, 2011

Interview with Johann Windisch, COO

Capital expenditure totaled € 158.8 million in 2011 and, at 53%, normal capex approached the long-term target of 60% of depreciation. Was there a crisis-related backlog in this area, and what investments are planned for 2012?

An important point in evaluating capital expenditure is that normal capex not only covers replacements, but also investments in technical upgrading and production equipment for our premium products. For example, this position includes the cost of new grinding machines for our plane bricks and equipment for our mineral wool-filled bricks as well as investments to reduce energy consumption and increase the use of renewable energy. In 2009 we cut normal capex to the necessary minimum as a reaction to the crisis and concentrated these activities in our plants without postponing any investments. We carried out all necessary measures to keep our production equipment operating at the expected high technical standards. In 2011 we spent nearly € 102 million on normal capex, including € 57 million for replacements and € 45 million for upgrading. Nearly half of these expenditures were focused on technical extensions to our production equipment. For 2012 we have budgeted roughly 60% of depreciation for normal capex and will again focus on the technological improvement of our plants.

Operational excellence is one of the most important key words in the organic growth strategy. What steps have you taken in this area?

Our main goal is cost optimization, which we intend to meet with continuous process improvement. At Wienerberger we concentrate on three core areas: the continuous optimization of sales processes, the implementation of groupwide supply chain management and the optimization of production processes. In the area of supply chain management, we launched a project two years ago to improve Group processes ranging from the receipt of orders to warehouse management and production planning up to delivery and invoicing. In Belgium and the Netherlands, this project has been successfully implemented in the facing brick business and will now be rolled out to the other product segments and to our companies in Germany, France, Poland and Great Britain. Our focus for production lies on the further development of the plant network to support cost-optimized capacity utilization and on the development of an action plan to cut energy consumption and reduce our dependency on fossil fuels. We also see operational excellence as the continuous improvement of working conditions and workplace safety in our companies. Last year Wienerberger started a wide-ranging initiative that will be introduced in all our country organizations. In our French plants, this program has already led to a reduction of roughly 25% in accidents.



Central-West Europe

Central-West Europe covers our business activities in Germany, Italy and Switzerland. Revenues in this segment rose by 15% year-on-year to € 435.1 million in 2011. In Germany, the recovery in new residential construction and renovation continued. Italy again faced a highly competitive market and a slight decline in demand during 2011, while Switzerland recorded stable development. Wienerberger outperformed the building materials markets in Germany and Italy with its premium products, increasing clay block volumes by 6% and roof tile volumes by 8%. The facing brick segment registered a 15% volume increase over the low prior year level. This growth and the subsequent improvement in capacity utilization combined with higher average prices supported a 31% year-on-year increase in operating EBITDA to € 46.2 million. The increase in total investments shown in the following table consists entirely of normal capex, which includes maintenance investments and technical upgrades. Central-West Europe generated 22% of revenues and 18% of operating EBITDA for the Wienerberger Group in 2011.

Central-West Europe ¹⁾		2010	2011	Chg. in %
Revenues	in € mill.	379.4	435.1	+15
Operating EBITDA ²⁾	in € mill.	35.2	46.2	+31
EBIT	in € mill.	1.1	16.5	>100
CFROI ³⁾	in %	4.5	5.8	-
CVA ^{3) 4)}	in € mill.	-54.4	-45.8	+16
Total investments	in € mill.	19.8	32.9	+66
Capital employed	in € mill.	352.7	349.2	-1
Ø Employees		2,026	2,067	+2
Sales volumes clay blocks	in mill. NF	1,392	1,472	+6
Sales volumes facing bricks	in mill. WF	109	125	+15
Sales volumes clay roof tiles ⁵⁾	in mill. m ²	8.38	9.02	+8

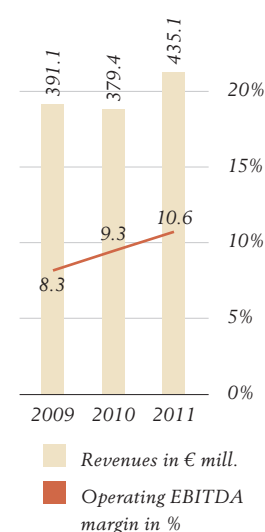
1) The cross-border trading activities of the Netherlands and Germany were reclassified to Central-West Europe beginning in 2011 (previously: North-West Europe); the comparative prior year data were adjusted accordingly

2) Adjusted for non-recurring income and expenses

3) Calculation based on average historical capital employed

4) Hurdle rate = 11.5%

5) Sales volumes of clay roof tiles include accessories



Germany (16% of Group revenues)

The construction industry continued to recover during 2011, whereby the demand for building materials did not match the strong rise in building permits during the first half-year. This reflected the decisions of construction companies not to expand capacity, but to handle projects successively. Wienerberger grew faster than the market in this environment and realized better average prices to offset cost inflation, in part through a shift in the product mix to premium products. An important role in this successful development was played by a further increase in the share of infill bricks, which are not only filled with perlite but now also with mineral wool, and have been well received by the market.

**Continued recovery
on new residential
construction market
in Germany**

German renovation market also shows positive development

Slight positive development was also noted on the renovation market, which is a key driver for sales of clay roof tiles (approx. 70% of German clay roof tiles are used in renovation). Wienerberger was successful with its premium KoraTech® solution for roofers and generated above-average growth in volumes of clay roof tiles as well as ceramic and non-ceramic accessories.

Significant improvement in results for Germany during 2011

A higher share of premium products, better capacity utilization and a slight improvement in average prices led to a significant year-on-year increase in revenues and earnings for Germany in 2011.

Continued positive trend in new residential construction and renovation expected for 2012

The backlog of building permits from 2011 leads us to expect a further moderate increase in the demand for building materials during the first half of 2012. However, the development of new residential construction over the entire year will depend on the general economic environment and consumer confidence. We see positive impulses from the energy savings directive, which should drive sales of our high thermal insulating infill bricks through increased use in energy-efficient new residential construction and also support sales of roof tiles through the trend toward renovation. In this environment, we intend to further increase our share of innovative and premium products and thereby strengthen our competitive position. We are also scheduled to launch new products on the German market in 2012 that will offer our customers easier handling and modern design. The introduction of several large-sized roof tiles and our Dryfix® system is planned for the first half of 2012. Based on the success of Dryfix® in other countries, we assume we will also be able to increase our market shares in Germany with this system.

Slight volume and price increases in Switzerland

Switzerland (4% of Group revenues)

Housing starts in Switzerland remained at a high level in 2011. The strong renovation market supported a slight increase in volumes and prices, above all for clay roof tiles. Wienerberger also plans to protect its competitive position in the future by focusing on innovative premium products. We are expecting a stable new residential construction market in 2012 as well as sound development in renovation. With a renovation package developed especially for this market segment – a composite thermal insulation system for load-bearing walls – and our clay roof tiles, we intend to realize further growth.

Slight price increases through premium products in Italy

Italy (2% of Group revenues)

The Italian market remained difficult during 2011, with a further decline in housing starts. With a steady focus on premium products, Wienerberger increased average prices slightly in this still highly competitive environment. Clay block volumes were lower, but the decline was less than the market. We are expecting a difficult operating environment in 2012 that will be negatively influenced by structural excess capacity. The continued pursuit of our strategy to increase the share of premium products will help to protect our market position during the coming year, and the optimization of production in our plants will further strengthen our cost structure.

North-West Europe

The North-West Europe segment, which covers the Netherlands, Belgium, France, Great Britain and Scandinavia, again made the largest contribution to Group results with revenues of € 808.1 million and operating EBITDA of € 136.2 million in 2011. The healthy market environment was used for volume growth, price increases and market share gains during the reporting year, above all in France. However, Wienerberger also outperformed the market in less dynamic areas and recorded higher revenues and earnings in all countries of the region. This segment increased revenues by 12% and operating EBITDA by 20%, and generated 40% of Group revenues and 53% of operating EBITDA in 2011.

North-West Europe ¹⁾		2010	2011	Chg. in %
Revenues	in € mill.	721.4	808.1	+12
Operating EBITDA ²⁾	in € mill.	113.5	136.2	+20
EBIT	in € mill.	44.9	66.8	+49
CFROI ³⁾	in %	6.1	7.1	-
CVA ^{3) 4)}	in € mill.	-101.6	-83.1	+18
Total investments	in € mill.	35.3	53.3	+51
Capital employed	in € mill.	1,106.6	1,119.3	+1
Ø Employees		4,041	4,254	+5
Sales volumes clay blocks	in mill. NF	972	1,096	+13
Sales volumes facing bricks	in mill. WF	1,150	1,214	+6
Sales volumes clay roof tiles ⁵⁾	in mill. m ²	15.11	17.18	+14

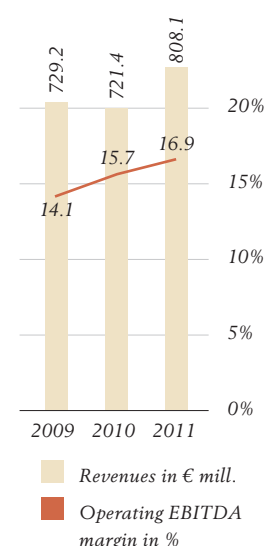
1) The cross-border trading activities of the Netherlands and Germany were reclassified to North-West Europe beginning in 2011 (previously: Central-West Europe); the comparative prior year data were adjusted accordingly

2) Adjusted for non-recurring income and expenses

3) Calculation based on average historical capital employed

4) Hurdle rate = 11.5%

5) Sales volumes of clay roof tiles include accessories



Belgium (12% of Group revenues)

New residential construction ended the year on a generally positive note, with a good start in the first six months offsetting slight weakness during the second half-year. The renovation market remained at a sound level, not least due to tax incentives for renovation projects. Wienerberger recorded higher volumes in all product groups: clay block sales increased by a moderate amount; the strong renovation market supported growth in the roofing area; and facing bricks gained further market shares, in part from the integration of Heylen Bricks during the second quarter. Cost inflation was offset by an increase in average prices. Belgium recorded a year-on-year improvement in revenues and earnings for 2011. In 2012 new residential construction will most likely weaken due to the declining consumer confidence, but we expect positive impulses for the roofing segment from the strong renovation sector. With the introduction of innovative products like our new facade systems and plane bricks, we intend to outperform the Belgian market and counter the expected cost inflation with minor price adjustments.

Higher volumes and prices in all product groups

Volume growth in all product groups in the Netherlands

Netherlands (10% of Group revenues)

Declining housing prices and the limited availability of financing continued to have a negative effect on the real estate market in the Netherlands. However, estimates by our local management point to a slight increase in new residential construction during 2011. The renovation market remained stable at a sound level throughout the year. In this environment, all Wienerberger product groups reported higher volumes. Double-digit volume growth was registered in the roofing segment, which benefited from sound renovation activity. More moderate growth rates were recorded by clay pavers, which are used largely for public infrastructure projects, and by facing bricks. In 2012 the new residential construction market should remain stable or decline as a result of the weak consumer confidence and limited financing. We expect continued stability on the renovation market, while our roofing business should benefit from the introduction of new roof tiles and a renovation package developed especially for roofers.

Rising demand for building materials leads to higher volumes of clay blocks and roof tiles

France (8% of Group revenues)

Developments on the new residential construction and renovation markets were positive in 2011. The strong demand for clay blocks was also triggered by an increase in the market share of ceramic building materials which, for the first time, held the largest share in the single- and two-family house segment. In this positive environment Wienerberger recorded a significant increase in volumes for both product groups and, subsequently, also in revenues and earnings. For 2012 we expect stable new residential construction in France as well as a further increase in market shares for our clay blocks, while the roofing segment should benefit from a sound renovation market.

Market share gains and positive mix effects in UK

Great Britain (8% of Group revenues)

Despite a slight year-on-year decline in housing starts, the increase in completions points toward slight growth in new residential construction during 2011. Wienerberger grew faster than the market in the facing brick business and, above all, in the roofing segment and recorded an increase in volumes. In 2012 we are expecting flat development for the construction sector in Great Britain. Subsidies for first-time homebuyers may support slight growth in private residential construction, but social housing construction is expected to weaken because of budget cutbacks. The demand for bricks could be positively influenced by the continuing trend toward detached and semi-detached houses (in place of apartments), which require a higher number of bricks per unit.

Revenue and earnings improvement in the Scandinavian countries

Scandinavia (2% of Group revenues)

Wienerberger recorded higher revenues and earnings in all Scandinavian countries – Denmark, Sweden and Norway – during the reporting year. In Sweden and Norway, the slight recovery in new residential construction that took hold in 2011 should continue into 2012, but the outlook for Denmark is a weaker one. We have implemented targeted marketing and sales initiatives to increase our market shares in this region.

North America

In the USA, the modest recovery forecasted for new residential construction failed to materialize. New housing starts rose slightly to 607,000, but this development was driven primarily by an increase in apartment construction. Single- and two-family housing construction, the relevant markets for Wienerberger, fell by 9%. Lower facing brick volumes led to a decline in revenues and earnings for the North America segment. Revenues fell slightly from € 144.5 million to € 135.3 million based on a slight rise in average prices, while operating EBITDA amounted to € -8.7 million due to weaker capacity utilization. This segment generated 7% of revenues and -3% of operating EBITDA for the Wienerberger Group in 2011.

North America		2010	2011	Chg. in %
Revenues	in € mill.	144.5	135.3	-6
Operating EBITDA ¹⁾	in € mill.	4.5	-8.7	<-100
EBIT	in € mill.	-22.2	-32.0	-44
CFROI ²⁾	in %	0.6	-1.2	-
CVA ^{2) 3)}	in € mill.	-76.5	-91.4	-19
Total investments	in € mill.	7.8	8.1	+4
Capital employed	in € mill.	500.8	501.2	0
Ø Employees		1,104	1,127	+2
Sales volumes facing bricks	in mill. WF	291	266	-9

1) Adjusted for non-recurring income and expenses

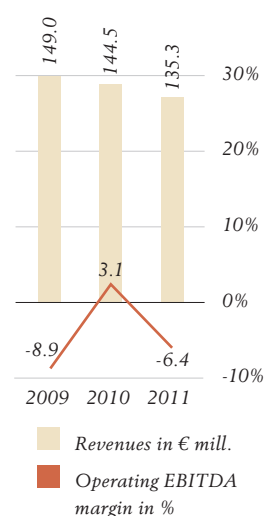
2) Calculation based on average historical capital employed

3) Hurdle rate = 11.5%

Further cost reduction measures were implemented during the second half of 2011 to deal with the continuing market weakness in the USA. In addition to extended temporary standstills, the administrative and sales staffs were again cut back. We also expanded our program to include additional merchandise in the form of products for garden design and hobby gardening, and offer these products through our sales companies to improve fixed cost coverage.

A slight easing in new residential construction was noted towards the end of 2011, in part due to the unusually mild winter. In spite of positive forecasts for US new residential construction – the National Association of Homebuilders (NAHB) is projecting growth of over 15% – our estimates for the coming year remain cautious. Notwithstanding market developments, we expect the previously implemented restructuring measures and the introduction of new products will lead to significantly better, positive operating EBITDA in 2012. Impulses for this improvement should also come from our recently launched facade systems, which are especially well-suited for renovation. These systems consist of small, but structurally strong facade bricks that make homes, above all, more resistant to storms and earthquakes.

Single- and two-family housing construction declined by a further 9% in 2011



Further cost reduction measures implemented in H2 2011

Positive operating EBITDA expected in 2012, in part due to new products

Investments and Other

Holding company costs, pipe systems investments, Indian brick activities and non-core real estate in this segment

The Investments and Other segment comprises the corporate headquarters and related costs, the Wienerberger brick business in India and our pipe systems investments. The Steinzeug-Keramo Group, the largest producer of ceramic pipe systems in Europe, was acquired at the end of 2010 and has been included in this segment's results since the beginning of 2011. The Pipelife Group (50/50 joint venture with Solvay), one of the largest European producers of plastic pipe systems, has been part of our portfolio for many years. This company is consolidated at equity and therefore not included in the operating results of this segment. Our 25% roofing investment – Tondach Gleinstätten – was also consolidated at equity and reported under this segment during the first half of 2011. Following the acquisition of a further 25% stake in Tondach Gleinstätten, we consolidated this investment on a proportionate basis of 50% as of June 30 and, in accordance with the company's market focus, have reported these results under the Central-East Europe segment since the third quarter. The Investments and Other segment also includes all real estate that is classified as non-core assets, which had a total carrying amount of € 68 million at year-end 2011.

Strong increase in revenues due to initial consolidation of the Steinzeug Group

Revenues in this segment rose from € 12.6 million in 2010 to € 111.4 million and operating EBITDA improved from € -28.7 million to € -17.6 million due to the initial consolidation of Steinzeug. Euroceramic, which was acquired at mid-year, did not make a significant contribution to earnings in 2011 because of integration costs.

Pipelife increases revenues by 12% and operating EBITDA by 25% in 2011

Pipelife can look back on a successful year in 2011 with an increase of 12% in revenues to € 805 million and 25% in EBITDA to € 69 million. The improvement in margins resulted from better capacity utilization based on volume growth as well as higher average prices due to a greater share of innovative products and cost savings from restructuring measures implemented during the crisis years. In February 2012 Wienerberger acquired the remaining 50% of Pipelife and, after the transaction is approved by the antitrust authorities, will fully consolidate the company. We believe this transaction has an interesting potential for growth in several areas. There is a substantial need for the renovation of water supply and sewage systems in Western Europe and considerable pent-up demand in Eastern Europe. In addition, plastic pipes continue to gain market shares over competing metal and concrete products in nearly all applications. Additional growth impulses are also expected from the joint development of consumer markets, in particular with innovative products like the wall heating system for residential construction (special plastic pipes that are integrated in our bricks and release heat through the wall surface).

Investments and Other ¹⁾		2010	2011	Chg. in %
Revenues	<i>in € mill.</i>	12.6	111.4	>100
Operating EBITDA ²⁾	<i>in € mill.</i>	-28.7	-17.6	+39
EBIT	<i>in € mill.</i>	-33.9	3.0	>100
Capital employed	<i>in € mill.</i>	73.4	73.5	0
Ø Employees		252	746	>100

1) The East European holding companies are reported under the Investments and Other segment beginning in 2011 (previously: Central-East Europe); the comparative prior year data were adjusted accordingly

2) Adjusted for non-recurring income and expenses

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Income Statement

Notes		2011 <i>in TEUR</i>	2010 <i>in TEUR</i>
(9)	Revenues	2,023,706	1,744,752
(10-12, 16)	Cost of goods sold	-1,372,979	-1,238,821
	Gross profit	650,727	505,931
(10-12, 14, 16)	Selling expenses	-453,798	-394,014
(10-12, 14, 16)	Administrative expenses	-130,536	-120,495
(14)	Other operating expenses	-76,345	-50,507
(15)	Other operating income	58,396	69,752
	Profit/loss before deconsolidation result and impairment charges to goodwill	48,444	10,667
	Deconsolidation result	33,213	0
(11)	Impairment charges to goodwill	-2,565	0
	Profit/loss after deconsolidation result and impairment charges to goodwill	79,092	10,667
(3)	Income from investments in associates	6,002	-4,269
(17)	Interest and similar income	13,032	14,065
(17)	Interest and similar expenses	-50,841	-57,490
(17)	Other financial results	2,258	-3,793
	Financial results	-29,549	-51,487
	Profit/loss before tax	49,543	-40,820
(18)	Income taxes	-8,787	5,881
	Profit/loss after tax	40,756	-34,939
	Thereof attributable to non-controlling interests	-699	-466
	Thereof attributable to hybrid capital holders	32,500	32,500
	Thereof attributable to equity holders	8,955	-66,973
(19)	Earnings per share (in EUR)	0.08	-0.57
(19)	Diluted earnings per share (in EUR)	0.08	-0.57

Statement of Comprehensive Income

Notes		2011 <i>in TEUR</i>	2010 <i>in TEUR</i>
	Profit/loss after tax	40,756	-34,939
(7, 25)	Foreign exchange adjustments	-31,250	80,366
	Foreign exchange adjustments to investments in associates	-2,415	3,251
(23, 25)	Changes in the fair value of available-for-sale financial instruments	-896	-28
(25)	Changes in hedging reserves	-4,549	-25,507
	Other comprehensive income	-39,110	58,082
	Total comprehensive income	1,646	23,143
	Thereof comprehensive income attributable to non-controlling interests	-712	-455
	Thereof attributable to hybrid capital holders	32,500	32,500
	Thereof comprehensive income attributable to equity holders	-30,142	-8,902

Cash Flow Statement

Notes		2011 in TEUR	2010 in TEUR
	Profit/loss before tax	49,543	-40,820
(11)	Depreciation and amortization	193,771	189,708
(11)	Impairment charges to goodwill	2,565	0
	Impairment of assets	17,313	10,527
	Write-ups of fixed and financial assets	-188	-252
	Increase/decrease in long-term provisions	-5,347	-11,073
(3)	Income from investments in associates	-6,002	4,269
	Gain/loss from the disposal of fixed and financial assets	-42,061	-11,005
(17)	Interest result	37,809	43,425
	Interest paid	-41,016	-43,776
	Interest received	10,571	11,193
	Income taxes paid	-12,903	-856
	Gross cash flow	204,055	151,340
	Increase/decrease in inventories	-12,647	5,452
	Increase/decrease in trade receivables	-19,770	35,250
	Increase/decrease in trade payables	6,384	16,674
	Increase/decrease in other net current assets	11,350	16,824
	Changes in non-cash items resulting from foreign exchange translation	-10,176	4,898
	Cash flow from operating activities	179,196	230,438
	Proceeds from the sale of assets (including financial assets)	20,155	18,717
	Purchase of property, plant and equipment and intangible assets	-122,371	-98,562
	Payments made for investments in financial assets	-507	-320
	Increase/decrease in securities and other financial assets	1,214	-10,696
	Net payments made for the acquisition of companies	-35,900	-50,868
	Net proceeds from the sale of companies	43,657	0
(20)	Cash flow from investing activities	-93,752	-141,729
	Increase/decrease long-term financial liabilities	-255,484	-107,065
	Increase/decrease short-term financial liabilities	283,979	49,822
(25)	Dividends paid by Wienerberger AG	-11,741	0
(25)	Hybrid coupon paid	-32,500	-32,500
	Dividends paid to and other changes in non-controlling interests	0	0
	Dividend payments from associates	2,541	3,050
(25)	Capital increase Wienerberger AG	0	0
(25)	Purchase of treasury stock	-20,866	0
	Cash flow from financing activities	-34,071	-86,693
	Change in cash and cash equivalents	51,373	2,016
	Effects of exchange rate fluctuations on cash held	-393	1,775
	Cash and cash equivalents at the beginning of the year	453,403	449,612
	Cash and cash equivalents at the end of the year	504,383	453,403

Balance Sheet

Notes		31.12.2011 in TEUR	31.12.2010 in TEUR
	Assets		
(21)	Intangible assets and goodwill	680,039	676,304
(21)	Property, plant and equipment	1,836,198	1,872,214
(21)	Investment property	67,559	58,231
(21)	Investments in associates	98,476	114,909
(21)	Other financial assets	5,440	5,715
(28)	Deferred tax assets	41,571	32,246
	Non-current assets	2,729,283	2,759,619
(22)	Inventories	608,299	569,646
(23)	Trade receivables	113,489	87,366
(24)	Other current receivables	87,669	102,928
(23, 32)	Securities and other financial assets	79,209	86,304
	Cash and cash equivalents	504,383	453,403
	Current assets	1,393,049	1,299,647
	Total Assets	4,122,332	4,059,266
	Equity and Liabilities		
	Issued capital	117,527	117,527
	Share premium	1,084,180	1,085,605
	Hybrid capital	492,896	492,896
	Retained earnings	941,083	943,869
	Other reserves	-154,874	-115,777
	Treasury stock	-24,434	-3,568
	Controlling interests	2,456,378	2,520,552
	Non-controlling interests	3,546	5,123
(25)	Equity	2,459,924	2,525,675
(26, 27)	Employee-related provisions	69,329	73,001
(26, 28)	Deferred taxes	88,544	79,778
(26)	Other non-current provisions	60,199	68,507
(29, 31, 32)	Long-term financial liabilities	566,633	775,308
(29)	Other non-current liabilities	13,885	22,278
	Non-current provisions and liabilities	798,590	1,018,872
(26)	Other current provisions	53,777	63,245
(29, 31, 32)	Short-term financial liabilities	459,425	138,892
(29)	Trade payables	193,119	180,974
(29)	Other current liabilities	157,497	131,608
	Current provisions and liabilities	863,818	514,719
	Total Equity and Liabilities	4,122,332	4,059,266

Changes in Equity Statement

Notes	in TEUR	Issued capital	Share premium	Hybrid capital	Retained earnings
	Balance on 31.12.2009	117,527	1,115,896	492,896	1,010,842
	Profit/loss after tax				-34,473
(7, 25)	Foreign exchange adjustments				
	Foreign exchange adjustments to investments in associates				
	Changes in hedging reserves				
	Changes in other reserves				
	Total comprehensive income				-34,473
(25)	Dividend payment/hybrid coupon				-32,500
	Capital increase/decrease	0	0		
	Increase/decrease in non-controlling interests		-5,232		
	Changes in treasury stock		-25,059		
	Balance on 31.12.2010	117,527	1,085,605	492,896	943,869
	Profit/loss after tax				41,455
(7, 25)	Foreign exchange adjustments				
	Foreign exchange adjustments to investments in associates				
	Changes in hedging reserves				
	Changes in other reserves				
	Total comprehensive income				41,455
(25)	Dividend payment/hybrid coupon				-44,241
	Capital increase/decrease	0	0		
	Increase/decrease in non-controlling interests		-1,425		
	Changes in treasury stock		0		
	Balance on 31.12.2011	117,527	1,084,180	492,896	941,083

1) AfS (available-for-sale) financial instruments

Other Reserves						Total
AfS reserve ¹⁾	Hedging reserve	Translation reserve	Treasury stock	Controlling interests	Non-controlling interests	
-898	78,337	-251,287	-40,697	2,522,616	24,416	2,547,032
				-34,473	-466	-34,939
		80,355		80,355	11	80,366
		3,251		3,251	0	3,251
	-25,507			-25,507	0	-25,507
-28				-28	0	-28
-28	-25,507	83,606		23,598	-455	23,143
				-32,500	0	-32,500
				0	0	0
				-5,232	-18,838	-24,070
			37,129	12,070	0	12,070
-926	52,830	-167,681	-3,568	2,520,552	5,123	2,525,675
				41,455	-699	40,756
		-31,237		-31,237	-13	-31,250
		-2,415		-2,415	0	-2,415
	-4,549			-4,549	0	-4,549
-896				-896	0	-896
-896	-4,549	-33,652		2,358	-712	1,646
				-44,241	0	-44,241
				0	0	0
				-1,425	-865	-2,290
			-20,866	-20,866	0	-20,866
-1,822	48,281	-201,333	-24,434	2,456,378	3,546	2,459,924

Table of Non-Current Assets

<i>in TEUR</i>	Acquisition or Production Costs						Balance on 31.12.2011
	Balance on 1.1.2011	Change in consolidation range	Foreign exchange incr./decr.	Additions	Disposals	Transfers	
Goodwill	752,619	4,708	7,798	0	975	0	764,150
Other intangible assets	122,245	207	444	2,325	1,844	1,292	124,669
Intangible assets and goodwill	874,864	4,915	8,242	2,325	2,819	1,292	888,819
Land and buildings	1,233,106	49,785	-16,369	17,213	25,782	-8,151	1,249,802
Machinery and equipment	2,381,849	-13,809	-31,455	51,660	63,193	53,047	2,378,099
Fixtures, fittings, tools and equipment	116,292	-6,503	-1,577	7,936	8,977	-7,785	99,386
Prepayments and assets under construction	45,064	50	-580	43,205	657	-35,759	51,323
Property, plant and equipment	3,776,311	29,523	-49,981	120,014	98,609	1,352	3,778,610
Investment property	142,448	-2,741	-610	32	3,526	-2,644	132,959
Investments in associates	60,622	-9,505	-2,389	0	0	0	48,728
Investments in subsidiaries	828	-35	0	504	6	0	1,291
Other investments	5,071	234	-5	3	37	0	5,266
Other financial assets	5,899	199	-5	507	43	0	6,557
	4,860,144	22,391	-44,743	122,878	104,997	0	4,855,673

<i>in TEUR</i>	Acquisition or Production Costs						Balance on 31.12.2010
	Balance on 1.1.2010	Change in consolidation range	Foreign exchange incr./decr.	Additions	Disposals	Transfers	
Goodwill	716,466	15,152	21,001	0	0	0	752,619
Other intangible assets	110,485	8,843	4,248	1,695	1,607	-1,419	122,245
Intangible assets and goodwill	826,951	23,995	25,249	1,695	1,607	-1,419	874,864
Land and buildings	1,221,021	20,326	29,601	16,275	15,233	-38,884	1,233,106
Machinery and equipment	2,321,279	8,219	49,413	39,416	72,434	35,956	2,381,849
Fixtures, fittings, tools and equipment	108,161	1,385	1,806	6,955	9,096	7,081	116,292
Prepayments and assets under construction	87,559	17	2,743	34,163	54	-79,364	45,064
Property, plant and equipment	3,738,020	29,947	83,563	96,809	96,817	-75,211	3,776,311
Investment property	66,551	331	1,933	58	3,055	76,630	142,448
Investments in associates	57,425	0	3,197	0	0	0	60,622
Investments in subsidiaries	872	-52	1	7	0	0	828
Other investments	18,947	-13,705	31	313	515	0	5,071
Other financial assets	19,819	-13,757	32	320	515	0	5,899
	4,708,766	40,516	113,974	98,882	101,994	0	4,860,144

Note: Rounding differences may arise from the automatic processing of data.

Depreciation and amortization

Balance on 1.1.2011	Change in consolidation range	Foreign exchange incr./decr.	Depreciation/ amortization	Impairments	Write-ups	Disposals	Transfers	Balance on 31.12.2011	Carrying amount 31.12.2011
145,770	0	2,618	0	2,565	0	0	0	150,953	613,197
52,790	-1,055	-94	7,963	0	0	1,783	6	57,827	66,842
198,560	-1,055	2,524	7,963	2,565	0	1,783	6	208,780	680,039
430,486	-13,344	-4,647	40,002	6,348	3	19,625	-4,881	434,336	815,466
1,387,842	-43,500	-18,119	135,001	10,027	183	61,587	28,749	1,438,230	939,869
85,655	-7,622	-1,027	9,660	0	2	8,470	-8,652	69,542	29,844
114	-42	3	445	0	0	141	-75	304	51,019
1,904,097	-64,508	-23,790	185,108	16,375	188	89,823	15,141	1,942,412	1,836,198
84,217	-1,360	-926	700	0	0	2,084	-15,147	65,400	67,559
-54,287	7,974	26	0	0	6,002	-2,541	0	-49,748	98,476
176	0	0	0	0	0	0	0	176	1,115
8	0	-5	0	938	0	0	0	941	4,325
184	0	-5	0	938	0	0	0	1,117	5,440
2,132,771	-58,949	-22,171	193,771	19,878	6,190	91,149	0	2,167,961	2,687,712

Depreciation and amortization

Balance on 1.1.2010	Change in consolidation range	Foreign exchange incr./decr.	Depreciation/ amortization	Impairments	Write-ups	Disposals	Transfers	Balance on 31.12.2010	Carrying amount 31.12.2010
140,679	0	5,091	0	0	0	0	0	145,770	606,849
45,163	0	857	8,635	0	70	1,326	-469	52,790	69,455
185,842	0	5,948	8,635	0	70	1,326	-469	198,560	676,304
435,480	0	4,763	34,220	3,117	3	11,810	-35,281	430,486	802,620
1,319,337	0	24,473	134,704	7,325	179	70,643	-27,175	1,387,842	994,007
77,694	0	1,225	9,732	0	0	8,495	5,499	85,655	30,637
72	0	-7	99	0	0	0	-50	114	44,950
1,832,583	0	30,454	178,755	10,442	182	90,948	-57,007	1,904,097	1,872,214
25,279	0	655	2,318	0	0	1,511	57,476	84,217	58,231
-61,552	0	-54	0	0	-4,269	-3,050	0	-54,287	114,909
91	0	0	0	85	0	0	0	176	652
478	0	27	0	0	0	497	0	8	5,063
569	0	27	0	85	0	497	0	184	5,715
1,982,721	0	37,030	189,708	10,527	-4,017	91,232	0	2,132,771	2,727,373

Operating Segments

Operating segments	Central-East Europe ³⁾		Central-West Europe ⁴⁾		North-West Europe ⁴⁾	
<i>in TEUR</i>	2011	2010	2011	2010	2011	2010
Third party revenues	583,464	529,244	411,479	360,271	794,680	707,648
Inter-company revenues	4,179	2,417	23,644	19,135	13,446	13,710
Total revenues	587,643	531,661	435,123	379,406	808,126	721,358
Operating EBITDA ¹⁾	102,474	86,281	46,219	35,173	136,232	113,485
Depreciation and amortization	75,107	65,488	29,681	34,037	69,464	68,561
Deconsolidation result	0	0	0	0	0	0
Impairment charges to goodwill	2,565	0	0	0	0	0
EBIT	24,802	20,793	16,539	1,136	66,767	44,924
Income from investments in associates	0	0	0	0	-1,309	-678
Investments in associates	2,202	2,306	1,882	1,882	-144	1,165
Interest results	-18,786	-20,681	-9,723	-7,191	-30,684	-24,126
Income taxes	-4,852	-11,499	-1,856	2,999	783	4,623
Profit/loss after tax	-11,640	-20,825	-2,210	-8,615	42,915	33,906
Liabilities	515,298	463,385	390,858	358,492	956,537	979,212
Capital employed	755,315	745,971	349,185	352,740	1,119,313	1,106,654
Assets	981,051	963,358	554,039	531,716	1,864,313	1,855,991
Normal capex	29,851	27,053	20,104	8,355	42,591	17,642
Growth capex ²⁾	16,076	22,042	12,761	11,390	10,701	17,615
Ø Employees	4,624	4,425	2,067	2,026	4,254	4,041

Products	Revenues		Operating EBITDA ¹⁾		Capital employed	
<i>in TEUR</i>	2011	2010	2011	2010	2011	2010
Wall ⁵⁾	691,562	624,652	86,727	78,235	930,637	1,001,477
Facade	511,109	487,478	40,893	43,316	911,076	920,214
Roof	520,627	440,551	124,064	92,764	652,305	558,525
Pavers	207,678	191,530	27,098	22,806	249,664	254,217
Other	92,730	541	-20,192	-26,304	54,792	45,111
Wienerberger Group	2,023,706	1,744,752	258,590	210,817	2,798,474	2,779,544

Revenues	Central-East Europe ³⁾		Central-West Europe ⁴⁾		North-West Europe ⁴⁾	
<i>in TEUR</i>	2011	2010	2011	2010	2011	2010
Austria	98,668	90,666				
Czech Republic	78,603	66,810				
Hungary	42,691	43,116				
Poland	173,352	163,882				
Other Eastern Europe	190,228	164,785				
Germany			291,450	249,462		
Switzerland			81,264	72,761		
Italy			40,111	38,700		
Belgium					244,164	215,987
Netherlands					192,409	176,737
France					168,295	140,793
Great Britain					156,631	144,129
Scandinavia					33,296	30,201
North America						
Other						
Wienerberger Group	583,542	529,259	412,825	360,923	794,795	707,847

1) Adjusted for deconsolidation result

2) Including investments in financial assets

3) The East European holding companies are reported under the Investments and Other segment beginning in 2011 (previously: Central-East Europe); comparable figures from the prior year period were adjusted accordingly.

North America		Investments and Other ^{3) 5)}		Reconciliation ⁶⁾		Wienerberger Group	
2011	2010	2011	2010	2011	2010	2011	2010
135,308	144,493	97,092	2,151	0	0	2,022,023	1,743,807
0	0	14,266	10,455	-53,852	-44,772	1,683	945
135,308	144,493	111,358	12,606	-53,852	-44,772	2,023,706	1,744,752
-8,663	4,531	-17,672	-28,653	0	0	258,590	210,817
23,385	26,724	12,509	5,340	0	0	210,146	200,150
0	0	33,213	0	0	0	33,213	0
0	0	0	0	0	0	2,565	0
-32,048	-22,193	3,032	-33,993	0	0	79,092	10,667
0	0	7,311	-3,591	0	0	6,002	-4,269
0	0	94,536	109,556	0	0	98,476	114,909
-24,359	-29,607	45,743	38,180	0	0	-37,809	-43,425
379	9,195	-3,241	563	0	0	-8,787	5,881
-57,037	-43,340	121,696	114,589	-52,968	-110,654	40,756	-34,939
492,838	573,265	1,100,655	1,132,937	-1,793,778	-1,973,700	1,662,408	1,533,591
501,168	500,814	73,493	73,365	0	0	2,798,474	2,779,544
547,930	536,735	4,439,886	4,586,204	-4,264,887	-4,414,738	4,122,332	4,059,266
6,519	7,813	3,462	826	0	0	102,527	61,689
1,596	0	15,117	37,014	0	0	56,251	88,061
1,127	1,104	746	252	0	0	12,818	11,848

Total investments	
2011	2010
52,445	54,431
41,153	20,876
32,033	10,385
15,170	26,930
17,977	37,128
158,778	149,750

North America		Investments and Other ^{3) 5)}		Wienerberger Group	
2011	2010	2011	2010	2011	2010
				98,668	90,666
				78,603	66,810
				42,691	43,116
				173,352	163,882
				190,228	164,785
				291,450	249,462
				81,264	72,761
				40,111	38,700
				244,164	215,987
				192,409	176,737
				168,295	140,793
				156,631	144,129
				33,296	30,201
135,308	144,493			135,308	144,493
		97,236	2,230	97,236	2,230
135,308	144,493	97,236	2,230	2,023,706	1,744,752

4) The cross border trading activities of the Netherlands and Germany are reported under North-West Europe beginning in 2011 (previously: Central-West Europe); comparable figures from the prior year period were adjusted accordingly.

5) India is assigned to the operating segment Investments and Other, but is reported under the wall product segment.

6) The reconciliation comprises the elimination between Group companies.

Notes to the Financial Statements

General Information

1. Basis for preparation of the consolidated financial statements

Wienerberger AG, which is headquartered in Vienna, Austria, is the parent company of an international building materials Group whose business activities are classified into five segments according to the responsibilities of the Management: Central-East Europe, Central-West Europe, North-West Europe, and North America as well as Investments and Other. The address of Wienerberger AG is Wienerbergstrasse 11, 1100 Vienna, Austria.

The consolidated financial statements were prepared pursuant to § 245a of the Austrian Commercial Code in accordance with the International Financial Reporting Standards (IFRSs) and Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) that were valid as of the balance sheet date and had been adopted by the European Union (EU). Wienerberger applied all International Financial Reporting Standards that were announced by the IASB and required mandatory application in 2011.

Independent auditors have examined the annual financial statements of all major Austrian and foreign companies to confirm their agreement with International Financial Reporting Standards. The financial statements of all consolidated companies were principally based on historical acquisition and production costs and prepared as of the balance sheet date. An exception to this policy is the accounting treatment applied to certain financial instruments as defined in IAS 39, which are recorded at fair value. The amounts reported in the consolidated financial statements and notes are rounded to thousand euros, while some amounts in the risk report and in the supplementary report are rounded to hundred thousand euros. Certain items on the balance sheet and income statement are grouped together to simplify presentation. The notes provide detailed information on all such items.

2. Effects of new and revised standards

The following new or revised standards have no effect on the consolidated financial statements: the 2010 improvements to IFRS (February 18, 2011), the changes to IAS 24 (2009) Related Party Disclosures (January 1, 2011), IAS 32 concerning the classification of issued rights (February 1, 2010) and IFRS 1 concerning limited exemptions for first-time adopters (July 1, 2010) as well as the new interpretation IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (July 1, 2010) and the changes to IFRIC 14 concerning voluntary payments in connection with minimum funding requirements (January 1, 2011).

The changes to IFRS 7 Financial Instruments: Disclosures concerning the transfer of financial assets (July 1, 2011) did not require mandatory application during the reporting year.

3. Consolidation range

An overview of fully or proportionately consolidated companies and companies valued at equity is provided in the List of Companies at the end of the notes. The subsidiaries, joint ventures and associates included in the consolidated financial statements of the Wienerberger Group changed as follows during the reporting year:

Consolidation range	Full consolidation	Proportionate consolidation	Equity consolidation
Balance on 31.12.2010	112	15	6
Change in consolidation method	1	0	-1
Included during reporting year for the first time	6	11	0
Merged/liquidated during reporting year	-3	0	0
Divested during reporting year	-1	-13	0
Balance on 31.12.2011	115	13	5
Thereof foreign companies	94	11	4
Thereof domestic companies	21	2	1

Subsidiaries

Including Wienerberger AG, the 2011 financial statements comprised 21 (2010: 19) Austrian and 94 (2010: 93) foreign subsidiaries in which Wienerberger AG is able to directly or indirectly govern financial and operating policies through the majority of voting rights. The investments in subsidiaries are fully consolidated as of the date control is obtained and deconsolidated when control ceases to exist. Sixteen subsidiaries were not consolidated in 2011 (2010: 20) because their influence on the financial position and financial performance of the Group is immaterial.

Joint ventures

Joint ventures under common control are included in the consolidated financial statements on a proportionate basis. This applies to 13 (2010: 15) companies in Schlagmann and the Tondach Group.

The following tables show the pro rata values for the joint ventures included in the financial statements at their proportional share. The results of the Bramac Group, which was deconsolidated as of June 30, 2011, are included for the first half-year.

<i>in TEUR</i>	2011	2010
Revenues	108,848	81,366
Operating EBITDA	19,587	12,046
EBIT	9,774	5,690
Profit after tax	-2,637	-744

Assets			Equity and Liabilities		
<i>in TEUR</i>	31.12.2011	31.12.2010	<i>in TEUR</i>	31.12.2011	31.12.2010
Non-current assets	110,154	69,692	Equity	34,036	48,164
Current assets	55,129	36,643	Non-current provisions and liabilities	13,686	17,115
			Current provisions and liabilities	117,561	41,056
	165,283	106,335		165,283	106,335

Investments in associates

Five (2010: 6) holdings over which Wienerberger exercises significant influence are included in the consolidated financial statements at equity. The following table shows the proportional values for companies valued at equity (above all, the Pipelife Group), whereby results for the Tondach Group, which was initially consolidated at 50% as of June 30, 2011, are included for the first half-year.

<i>in TEUR</i>	2011	2010
Revenues	422,302	407,695
Operating EBITDA	34,739	36,768
EBIT	16,923	7,615
Profit after tax	6,002	-4,269

Assets			Equity and Liabilities		
<i>in TEUR</i>	31.12.2011	31.12.2010	<i>in TEUR</i>	31.12.2011	31.12.2010
Non-current assets	109,130	172,368	Equity	94,607	110,017
Current assets	129,050	134,089	Non-current provisions and liabilities	25,801	66,653
			Current provisions and liabilities	117,772	129,787
	238,180	306,457		238,180	306,457

Pipelife is an independent corporate group with autonomous management, and the possibilities for Wienerberger to influence management decisions are limited. In spite of the 50% stake held, this company is not considered to be under joint control but only subject to significant influence. The Pipelife Group is therefore carried at equity in accordance with IAS 28.

4. Acquisitions and disposals

The following companies were consolidated for the first time in 2011:

Name of Company	Based in	Issued capital	Currency	Share in %
Kerafin NV	Lanaken-Veldwezelt	6,380,700	EUR	100.00%
Steenfabriek Heylen NV	Lanaken-Veldwezelt	7,000,000	EUR	100.00%
Euroceramic B.V.	Belfeld	2,722,681	EUR	100.00%
Euroceramic GmbH	Viersen	12,782	EUR	100.00%
Euroceramic SARL	Pontoise	38,125	EUR	100.00%
Tondach Group				
Tondach Gleinstätten AG	Gleinstätten	500,000	EUR	50.00%
Ziegelwerk Polsterer GmbH	Leobersdorf	36,336	EUR	25.00%
Tondach Slovensko spol. s.r.o.	Nitrianske Pravno	14,937,263	EUR	50.00%
Tondach Slovenija d.o.o.	Krizevci pri Ljutomeru	5,195,293	EUR	50.00%
Potisje Kanjiza d.d.	Kanjiza	607,284,000	RSD	49.81%
Tondach Makedonija d.d.	Vinica	472,081,630	MKD	50.00%
Tondach Bulgaria EOOD	Sofia	198,000	BGN	50.00%
Tondach Ceska republika s.r.o.	Hranice	250,100,000	CZK	50.00%
Tondach Magyarorszag Rt.	Csorna	5,483,550,00	HUF	50.00%
Tondach Romania GmbH	Sibiu	58,320,655	RON	50.00%
Tondach Hrvatska d.d.	Bedekovcina	116,715,500	HRK	50.00%
Tondach Bosna i Hercegovina d.o.o.	Sarajevo	200,000	KM	40.00%

Dryfix GmbH, which was previously reported under other financial assets, was initially consolidated as of January 1, 2011. As of April 1, 2011 Kerafin NV, Belgium, which was acquired at the end of March together with its subsidiary Steenfabriek Heylen NV, Belgium, was included in the consolidated financial statements.

In June 2011 Wienerberger received the approval of the responsible antitrust authorities for the takeover of a further 25% stake in Tondach Gleinstätten as part of an equity swap with the now former joint venture partner Monier. Tondach Gleinstätten was initially consolidated at 50% (previously at equity) as of June 30, 2011 based on preliminary values and has therefore been included in operating results at 50% since July 1, 2011. The Bramac Group was deconsolidated as of June 30, 2011. The results attributable to this company group are included in the consolidated financial statements for the first half of the reporting year on a proportionate basis at 50%.

The Euroceramic Group, which includes Euroceramic B.V. in the Netherlands, Euroceramic GmbH in Germany and Euroceramic SARL in France, was initially consolidated on the basis of preliminary values as of August 1, 2011.

Ziegelwerk B GmbH, a German company, was sold and deconsolidated at the end of December 2011. The consolidated financial statements for 2011 include the results from this company up to the date of deconsolidation.

The following table shows the net cash outflows for business combinations and the acquisition of the proportionately consolidated Tondach Group. This data is derived from the opening balance sheets of the acquired companies and companies included through proportionate consolidation for the first time as well as the purchase prices for the acquisition of non-controlling interests:

<i>in TEUR</i>	Carrying amount	Adjustments	Total
Non-current assets	115,501	4,333	119,834
Current assets	62,471	-3,873	58,598
Non-current provisions and liabilities	70,686	-5,483	65,203
Current provisions and liabilities	73,744	-2,690	71,054
Net assets	33,542	8,633	42,175
Addition to non-controlling interests			-245
Goodwill			1,693
Badwill			-2,232
Net debt			-8,025
Payments made for companies acquired			33,366
Acquisition of non-controlling interests			2,534
Net payments made for the acquisition of companies			35,900

The identified negative differences between the fair value of acquired net assets and the purchase price for the respective business combinations are reported on the income statement under other operating income. The valuation effect from the change in the method used to consolidate Tondach Gleinstätten, which was previously included at equity, is presented net of the negative difference.

Companies acquired and initially consolidated during the reporting year generated revenues of TEUR 125,830 and operating EBITDA of TEUR 18,904.

The effects of the above-mentioned changes in the consolidation range on the 2011 income statement and balance sheet are as follows (from/as of the date of initial consolidation or deconsolidation):

<i>in TEUR</i>	2011
Revenues	120,084
Operating EBITDA	20,247
EBIT	11,779

Assets		Liabilities	
<i>in TEUR</i>	31.12.2011	<i>in TEUR</i>	31.12.2011
Non-current assets	79,627	Non-current provisions and liabilities	48,792
Current assets	14,236	Current provisions and liabilities	45,071
	93,863		93,863

Deconsolidated companies were released from the consolidation range at the following carrying amounts in 2011:

Assets		Liabilities	
<i>in TEUR</i>	31.12.2011	<i>in TEUR</i>	31.12.2011
Non-current assets	29,048	Non-current provisions and liabilities	18,574
Current assets	8,216	Current provisions and liabilities	18,690
	37,264		37,264

5. Basis of consolidation

The acquisition method of accounting is applied to all companies included through full or proportionate consolidation. Under this method, the acquisition value of the investment is compared with the revalued net assets (shareholders' equity) on the date of purchase. All identifiable assets, liabilities and contingent liabilities are initially recognized at fair value in accordance with IFRS 3; any remaining positive difference between the purchase price and revalued equity is recognized in local currency as goodwill in the relevant segment. Negative differences are recognized to the income statement under other operating income. Goodwill and the cash-generating unit to which it is allocated are tested for impairment at least once each year and reduced to the lower applicable fair value in the event of impairment. Impairment tests are also performed more frequently if there are indications of a lasting decline in value of a cash-generating unit (see note 8, Significant accounting policies).

For associates consolidated at equity, the same basic methodology applied to subsidiaries and joint ventures is used to consolidate shareholders' equity. Local valuation methods are retained if the variances are immaterial.

All revenues, income and expenses as well as receivables and liabilities arising between companies consolidated at 100% or their proportionate share are eliminated in line with the respective investment. Discounts and other unilateral transactions affecting profit and loss are eliminated, and the related deferred taxes are recognized. Inter-company gains and losses on the sale of goods or services between Group companies that affect current or non-current assets are eliminated unless they are immaterial.

A put option granted to the sellers in connection with a business combination that allows for the transfer of the remaining non-controlling interest in a Group company to Wienerberger is recognized at fair value and recorded as a liability. The non-controlling interest in Sandtoft Ltd., which was acquired in 2008, is reported under non-current financial liabilities.

6. Operating segments

The Wienerberger Group manages its business based on geographic criteria and, in accordance with the internal reporting structure, has designated the following regions as strategic operating segments: Central-East Europe, Central-West Europe, North-West Europe, North America as well as the Investment and Other segment. This last segment includes the corporate headquarters and investments as well as the Wienerberger business in India and pipe activities. The definition of business segments and the presentation of segment results are based on the management approach prescribed in IFRS 8, and follow internal reports to the Managing Board of Wienerberger AG as the chief operating decision maker who decides on the allocation of resources to the individual segments.

Reports to the responsible chief operating decision maker include operating EBITDA as the key indicator for the management of the business segments as well as revenues, EBIT, financial results and profit after tax. Accordingly, these indicators are also presented in the segment report. The allocation of revenues, operating EBITDA, EBIT, financial results, income taxes, profit/loss after tax, assets, liabilities, capital employed and total investments is based on the headquarters of the individual companies.

The reconciliation of segment results to Group results only includes the elimination of revenues, income and expenses as well as receivables and liabilities arising between the operating segments. Wienerberger does not generate more than 10% of revenues with any single external customer.

7. Foreign exchange translation

The accounts of foreign companies are translated into the 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. All balance sheet positions, with the exception of equity, are translated at the closing rate at the end of the reporting year (i.e. December 31, 2011). Goodwill is recorded as an asset in local currency and is also translated at the closing rate on the balance sheet date for the financial statements. Expense and revenue items are translated at the average exchange rate for the year.

Unrealized currency translation differences arising from non-current Group loans are offset against the translation reserve without recognition to profit or loss. Currency translation differences arising from the use of the closing rate for the balance sheet and the average exchange rate for the income statement are also reported under other comprehensive income.

Foreign currency swaps are used to limit the translation risk arising from the Group's brick activities in the USA, Switzerland, Great Britain and individual East European countries. These transactions involve the conclusion of a foreign currency-euro swap equal to the value of the foreign currency assets to be hedged.

Currency translation differences (including the translation differences related to non-controlling interests) of TEUR -33,665 were recorded under other comprehensive income (2010: TEUR 83,617) in 2011. A total of TEUR -4,549 (2010: TEUR -25,507) related to hedges was recognized through other comprehensive income.

The major exchange rates used for foreign currency translation developed as follows during the reporting year:

in EUR	Closing rate on		Average rate for the year	
	31.12.2011	31.12.2010	2011	2010
100 British Pound	119.71747	116.17775	115.22639	116.55545
100 Bulgarian Lev	51.12997	51.12997	51.12997	51.12996
100 Danish Krone	13.45135	13.41652	13.42163	13.42773
100 Canadian Dollar	75.67159	75.06380	72.67798	73.22379
100 Croatian Kuna	13.26788	13.54463	13.44298	13.71912
100 Norwegian Krone	12.89657	12.82051	12.83137	12.49151
100 Polish Zloty	22.43158	25.15723	24.27157	25.03070
100 Romanian Lei	23.13048	23.46316	23.58949	23.74026
100 Russian Ruble	2.39435	2.44978	2.44593	2.48298
100 Swedish Krone	11.22083	11.15387	11.07469	10.48215
100 Swiss Franc	82.26390	79.97441	81.12445	72.42478
100 Czech Koruna	3.87792	3.99026	4.06643	3.95435
100 Hungarian Forint	0.31788	0.35978	0.35795	0.36303
100 US Dollar	77.28573	74.83910	71.85255	75.40567

8. Significant accounting policies

The consolidated financial statements were prepared in accordance with the following accounting policies:

Realization of revenue: Revenue arising from the provision of goods or services is realized when all major risks and opportunities arising from the delivered objects have been transferred to the buyer.

Intangible assets: Identifiable intangible assets purchased by the Group are recorded at acquisition cost less amortization and any necessary impairment charges.

Property, plant and equipment: Property, plant and equipment are recorded at acquisition cost less straight-line depreciation or usage-based depletion (clay pits). The recognition of internally generated plant or equipment includes an appropriate component of material and production overheads, but excludes general administrative and selling expenses. In accordance with IAS 23, borrowing costs incurred during the production of qualified assets are capitalized as part of acquisition cost and depreciated over the applicable useful life.

Depreciation is based on the useful economic lives of the various assets (component approach) as shown in the following table:

Production plants (incl. warehouse)	40 years	Kilns and dryers	8 – 20 years
Administrative buildings	40 – 50 years	Other machinery	5 – 15 years
Residential buildings	40 – 50 years	Fittings, furniture and office equipment	3 – 10 years
Building infrastructure	15 – 30 years	Other intangible assets	3 – 10 years

Repairs that do not increase the presumed useful life of assets are expensed as incurred. In accordance with IFRS 5, scheduled depreciation is discontinued when assets are classified as held for sale.

When plant or equipment is shut down, sold or retired, the gain or loss arising from the difference between the proceeds on sale and the remaining carrying amount is recorded under other operating income or expenses if the transaction reflects similar annually recurring events.

In accordance with IAS 17 Leases, leased fixed assets that represent purchases with long-term financing (finance leases) are recorded at the price that would have been paid if the asset had been purchased. Depreciation is calculated over the lesser of the useful life of the asset or the term of the lease.

Goodwill: In accordance with IFRS 3, goodwill arising through a business combination is allocated to cash-generating units and not reduced through scheduled amortization, but tested at least once each year for indications of impairment.

Impairment of goodwill and assets: The Wienerberger Group aggregates plants into cash-generating units based on the country in which they are located. In accordance with IAS 36, these cash-generating units – together with other assets – are tested for impairment on a regular basis or additionally when there are indications of a lasting decline in value. These tests are performed at least once each year in the cash-generating unit. They involve comparing the carrying amount of the goodwill and assets allocated to the unit with the sum of the present values (discounted at the weighted average cost of capital after tax – WACC) of the expected future cash flows to be derived from the asset (value in use) and, if necessary, reducing the carrying amount to the value in use or to a possible sale price or liquidation value. The after-tax WACC for the Wienerberger Group is calculated on the basis of recognized financial methods.

The expected future cash flows are based on the latest internal forecasts, which were recently prepared for the following four years (2012-2015). The quality of these forecasts is evaluated on a regular basis through a variance analysis that compares the data with actual figures, and the results of the analysis are incorporated into the subsequent planning process. The calculation reflects detailed planning for the period from 2012 to 2015, whereby the future cash inflows in later planning periods are assumed to be realizable over the long-term based on the going concern principle and form the basis for determining a perpetual yield. Wienerberger tests its assets for impairment at least once each year after the conclusion of the corporate planning process. If interim forecasts or analyses show a possible negative variance from the original plan, the involved cash-generating unit is tested again for impairment. In such cases, the impairment tests are recalculated on the basis of updated planning data and expanded to include stress tests.

The decisive factor for determining the value in use is formed by assumptions for the future development of the local market, sales volumes and prices. Therefore, the value in use is determined on the basis of forecasts published by statistical agencies (e.g. Euroconstruct) and the experience of management. Estimates for cost structures in the Wienerberger Group reflect the extrapolation of values from past experience and also incorporate macroeconomic forecasts.

The carrying amount of a fixed asset that was previously written down is increased to the recoverable amount if the reasons for impairment cease to exist or a possible use is found for the item. In accordance with IFRS 36 and IFRIC 10, previously recognized impairment losses to goodwill are not reversed.

Investment property is carried at depreciated cost.

Investments in associates and other companies: Investments in associates are carried at equity, unless these investments are immaterial. Investments in other companies are recognized at cost, and are only written down to reflect impairment. Impairment losses and write-ups are included under financial results.

Inventories: Inventories are carried at the lower of cost or net realizable value, whereby valuation is based on the moving average method. Cost includes direct expenses as well as allocated overhead and depreciation based on normal capacity usage (between 85 and 100% of capacity). Interest charges as well as selling and administrative expenses are not included in the production cost of current assets. Risks resulting from the length of storage or other impairments in value are reflected through appropriate write-downs.

Emission certificates: In accordance with IAS 20 and IAS 38, Wienerberger records the emission certificates allocated free of charge based on EU Emission Trading Directives 2003/87/EC and 2009/29/EC at an acquisition cost of zero. If actual emissions exceed the free certificates, the additional certificates required are recognized at their market price on the balance sheet date. Purchased certificates are recorded at their market price on the balance sheet date.

Financial instruments: A financial instrument is a contract that gives rise to a financial asset in one company and a financial liability or equity instrument in another company. IAS 39 distinguishes between the category of loans and receivables, financial instruments held to maturity, financial instruments available for sale and financial instruments at fair value through profit or loss which, in turn, are classified further into financial assets/liabilities held for trading and financial instruments designated as at fair value through profit or loss upon initial recognition.

Cash transactions relating to financial assets are recognized as of the settlement date. A financial asset is derecognized when the contractual rights to receive any related cash flows expire.

Loans and receivables are carried at cost, whereby recognizable individual risks are reflected in appropriate valuation adjustments. Non-interest bearing receivables with a remaining term in excess of one year are recorded at their discounted present value. Foreign exchange receivables are translated at the exchange rate in effect on the balance sheet date.

Wienerberger has no **held-to-maturity financial assets**.

Financial instruments held for trading are measured at fair value, with any gains and losses resulting from changes in fair value recognized to profit or loss. Wienerberger holds no primary financial instruments for trading purposes.

Wienerberger has not elected to use the option provided by IAS 39, which permits the initial recognition of financial assets at fair value through profit or loss. Therefore, the primary financial instruments held by the Group that are not classified as liquid funds and cash equivalents or loans and receivables are recognized as **available-for-sale financial instruments**. These assets are measured at fair value, and any gains and losses resulting from changes in fair value are recorded under other comprehensive income without recognition to profit or loss up to the date of derecognition. An exception to this procedure is formed by impairment losses that are recognized to reflect significant and lasting impairment. The fair value of listed securities is based on the relevant market prices, whereby non-quoted financial assets are carried at cost less any changes in market value. When a financial instrument is derecognized, all gains and losses accumulated in other comprehensive income are immediately recognized to profit or loss.

Cash and cash equivalents include cash on hand and checks received as well as demand and fixed-term deposits with financial institutions.

Provisions: The provisions for severance payments – primarily for employees of the Austrian companies – are calculated according to actuarial principles based on a retirement age of 65 (men) and 60 (women), using a discount rate of 4.75% (2010: 4.8%). The projected unit credit method is used for this calculation.

The Wienerberger Group has both defined contribution and defined benefit pension plans. Defined contribution plans carry no further obligation after the payment of premiums. Under defined benefit plans, the employee is promised a certain retirement benefit. The risk related to the actual retirement benefit is carried by the company up to the point of payment. The provisions for defined benefit pension plans are calculated according to the projected unit credit method. The valuation of pension commitments includes future wage/salary increases as well as increases in defined benefit commitments. These calculations are based on a country-specific discount rate that lies between 3.2% and 5.0% (2010: 4.0% – 6.0%), an expected increase of 1.8% – 3.0% in income (2010: 2.0% – 5.0%), an expected increase of 2.4% – 7.5% in pensions (2010: 2.0% – 8.0%), average employee turnover of 1.5% – 2.3% (2010: 2.0% – 4.0%) and an expected return of 4.2% – 7.5% on plan assets (2010: 4.0% – 8.0%). The provisions for pensions are calculated by actuaries.

Commitments by US companies to cover medical costs for retired employees are recorded under provisions for pensions because of their pension-like character.

The provisions for pensions are netted out with the pension plan assets that are held to cover commitments. The market values of fund assets that exceed pension obligations are shown under other current receivables.

Significant actuarial gains and losses are not recognized to income in the year they arise, but are amortized over the remaining service time of active employees in accordance with the corridor method.

In accordance with IAS 16, a provision for site restoration is created when a clay pit is purchased. The underlying assumptions for these obligations are generally based on the regulations applicable in the countries where the Group is active. The provisions for site restoration on clay pits purchased before 2005 are based on depletion and reflect the transition rule to IAS 16. Other liabilities whose due dates or amounts are uncertain are recorded as liabilities in accordance with IAS 37.

Deferred taxes: In accordance with IAS 12, the provision for deferred taxes includes all temporary valuation and accounting differences arising between the financial statements prepared for tax purposes and the IFRS financial statements. The provision for deferred taxes is calculated using the tax rate expected to be in effect when these differences reverse in the future, and is based on the local tax rate of the relevant Group company. Future changes in tax rates are included if the relevant legal amendment has been enacted as of the balance sheet date.

Liabilities: Liabilities are stated at the actual amount received, less transaction costs. Any premium, discount or other difference between the amount received and the repayment amount is distributed over the term of the liability according to the effective interest rate method and recorded under financial results. Therefore, the measurement of these items reflects amortized cost. Foreign currency liabilities are translated at the exchange rate in effect on the balance sheet date. Wienerberger has not elected to use the option provided by IAS 39, which permits the initial recognition of a financial liability at fair value through profit or loss.

Government grants: Wienerberger records government grants at their fair value under liabilities, and reports their release during the relevant accounting period under other income.

Hedges: Wienerberger applies the IAS 39 rules for hedges to transactions that serve as hedges for translation risk as well as the transaction risk associated with future cash flows. A cash flow hedge is defined as an instrument that provides protection against fluctuations in the future cash flows attributable to recognized assets or liabilities. Changes in the market value of an effective hedge are recognized in other comprehensive income (hedging reserve), while the non-effective components are recognized to profit or loss and shown under financial results. The accounting treatment applied to a hedge of a net investment in a foreign operation is similar: changes in the effective portion of the hedge are charged or credited to the hedging reserve, while any gain or loss on the foreign currency translation of the hedged instrument is recorded under equity through other comprehensive income. The accounting treatment applied to fair value hedges differs in that the change in the value of the derivative used as a hedging instrument and any gain or loss on the hedged item attributable to the hedged risk are recognized to profit or loss.

Derivative financial instruments are concluded only to hedge the risks arising from business operations. Interest rate and foreign exchange swaps as well as foreign exchange contracts are recorded at cost when the contract is concluded, and measured at fair value in subsequent periods. The fair value of quoted securities is based on the actual market price. The fair value of non-quoted interest instruments is based on the discounted value of future payments, and is calculated using a current market interest rate. Derivative financial instruments that are not included in a hedge are classified as held for trading in accordance with IAS 39. For derivative financial instruments included in a hedge, only the derivatives that are not part of an effective hedge (ineffective portion) are valued through profit or loss; the relevant amounts are reported under financial results.

Earnings per share: The calculation of earnings per share is based on Group profit after tax less non-controlling interests and the planned component of earnings attributable to hybrid capital holders, divided by the weighted number of shares outstanding (less treasury stock). Wienerberger managers were granted option rights based on the terminated stock option plan, and these rights generally have a diluting effect on earnings per share.

Estimates: In preparing the consolidated financial statements, management must estimate certain figures and make assumptions that influence the recognition and measurement of assets and liabilities, the disclosure of other obligations as of the balance sheet date, and the recognition of revenues and expenses during the reporting period. The actual figures that become known at a later date may differ from these estimates.

The valuation of pension plans and severance claims by actuaries includes assumptions concerning the expected discount rate, increase in salaries and pensions, employee turnover rates and the development of the costs for medical care. Determining the useful life of property, plant and equipment involves the use of estimates that are derived from the operation of comparable equipment. The provisions for site restoration are based on the best possible estimate of the expected costs to restore clay pits as well as a long-term discount rate. In assessing whether deferred taxes will actually be realized, management also makes estimates concerning the utilization of deferred tax assets.

In particular, the impairment testing of goodwill and other assets involves estimates and forward-looking assumptions by management concerning the expected cash surpluses and the cost of capital for the Wienerberger Group and its cash-generating units during the planning period. The estimates made during the preparation of these consolidated financial statements reflect the best knowledge and belief of management in accordance with the going concern principle. They are based on experience and incorporate the remaining uncertainty in an appropriate form.

Transfer prices: The regional exchange of goods and services between the individual operating segments is immaterial. Prices for the sale of goods between Group companies are established at arm's length based on the resale price method. Prices for the provision of services between Group companies are established at arm's length based on the cost-plus method.

Notes to the Income Statement

9. Revenues

Consolidated revenues rose by 16% to TEUR 2,023,706 in 2011. An adjustment for changes in the consolidation range and currency translation effects results in organic growth of 9% (2010: -7%). In Central-East Europe, higher volumes and prices as well as the Bramac/Tondach equity swap supported an increase in revenues. Business in North-West Europe was favorably influenced by rising demand in France and Belgium. Central-West Europe also recorded a significant increase in revenues driven by higher volumes and prices in Germany. In North America, there were no signs of recovery and revenues fell below the prior year level due to weak demand. Revenues in the Investments and Other segment were higher, above all due to the acquisition of the Steinzeug Group in 2010. Group revenues were reduced by foreign exchange effects of TEUR 5,011, chiefly due to a decline in the Polish zloty and the US dollar. Detailed information on revenues by region is provided in the presentation of operating segments on pages 104 and 105.

10. Material expenses

The cost of goods sold, selling and administrative expenses include expenses for materials, maintenance, merchandise and energy totaling:

<i>in TEUR</i>	2011	2010
Cost of materials	288,121	251,684
Maintenance expenses	98,217	89,442
Cost of merchandise	147,534	135,635
Cost of energy	307,557	268,477
Total	841,429	745,238

The reported expenses were increased by a change of TEUR 6,646 in inventories of semi-finished and finished goods (2010: TEUR 17,940). This was contrasted by income of TEUR 2,894 (2010: TEUR 7,371) from the capitalization of own work and a proportional share of borrowing costs related to the construction of qualified plant and equipment.

The cost of materials includes expenses for clay, sand, sawdust and other additives, pallets and other packaging materials. Maintenance expenses involve the use of maintenance materials, other low-value spare parts and third party services.

11. Depreciation, amortization and impairment of assets and goodwill

Production, selling and administrative expenses and other operating expenses for the reporting year include TEUR 193,771 (2010: TEUR 189,708) of scheduled depreciation and amortization. Impairment charges to property, plant and equipment totaled TEUR 16,375 for the reporting year (2010: TEUR 10,442) and comprise special write-downs related to the shutdown of plants as well as impairment charges to real estate and other plant and equipment.

<i>in TEUR</i>	2011	2010
Depreciation of property, plant and equipment and amortization of intangible assets	193,771	189,708
Impairment charges to goodwill	2,565	0
Impairment charges to assets	16,375	10,442
Impairment charges	18,940	10,442
Depreciation, amortization and impairment charges to goodwill, other intangible assets and property, plant and equipment	212,711	200,150

In accordance with IFRS 3, goodwill is not amortized on a regular basis but tested at least once each year for indications of impairment together with the assets defined in IAS 36. Wienerberger defines plants as cash-generating units; these plants are aggregated by country and, in larger countries, further differentiated on the basis of regional criteria. This process led to the definition of roughly 50 cash-generating units in the Wienerberger Group for the reporting year.

Impairment tests carried out in December 2011 based on the latest medium-term planning data for 2012-2015 resulted in impairment charges of TEUR 2,565 to goodwill. An after-tax WACC of 6.98% (2010: 6.69%) was used for the Wienerberger Group in the impairment tests, whereby specific national WACC rates were applied to the USA (6.07%; 2010: 6.13%), Great Britain (5.69%; 2010: 5.46%), Russia (10.72%; 2010: 11.12%) and India (9.81%; 2010: 11.01%). The assumptions for the growth rates generally remained constant at 1%, but higher rates of up to 5% were again applied to the growth markets of Russia and India.

A change in individual macroeconomic parameters as part of a sensitivity analysis indicated a possibility for an impairment charge of approx. MEUR 25. This change in parameters would involve an increase of 100 basis points in the risk-free interest rate underlying the cost of capital and a reduction of one-half in the growth rates on all Wienerberger markets.

12. Personnel expenses

The cost of goods sold, selling and administrative expenses include the following personnel expenses:

<i>in TEUR</i>	2011	2010
Wages	214,786	186,365
Salaries	197,980	175,287
Leased personnel (permanently)	15,758	12,080
Expenses for severance payments	8,732	6,889
Expenses for pensions	3,366	7,317
Expenses for mandatory social security and payroll-related taxes and contributions	101,325	89,670
Other employee benefits	12,877	11,729
Personnel expenses	554,824	489,337

The remuneration for the members of the Managing Board totaled TEUR 3,567 in 2011 (2010: TEUR 1,592). Of this amount, TEUR 1,621 (2010: TEUR 1,592) represents fixed components and TEUR 1,946 (2010: TEUR 0) variable components. For the active members of the Managing Board, pension expenses in the form of contributions to pension funds (defined contribution plans) totaled TEUR 495 (2010: TEUR 644). Payments of TEUR 794 (2010: TEUR 776) were made to former members of the Managing Board or their surviving dependents.

The members of the Supervisory Board received remuneration of TEUR 174 in 2011 for their activities during the 2010 financial year (2010: TEUR 170).

The company has not provided any guarantees for loans, and no companies in the Wienerberger Group have granted loans to the members of the Managing Board or Supervisory Board.

13. Employees

The average number of employees in 2011 and 2010 is shown in the following table:

	2011		2010	
	Total	Thereof joint ventures	Total	Thereof joint ventures
Employees in production	8,697	649	7,906	325
Employees in administration	1,086	106	1,004	59
Employees in sales	3,035	171	2,938	201
Total employees	12,818	926	11,848	585
Thereof apprentices	63	2	44	1

Changes in the consolidation range increased the number of employees in the Wienerberger Group by 419. Employees of companies included at their proportionate share are reflected in this calculation based on the holdings in these companies.

14. Other operating expenses

The cost of goods sold, selling and administrative expenses include the following other operating expenses:

<i>in TEUR</i>	2011	2010
Non-income based taxes	23,944	23,620
Loss on the disposal of fixed assets, excluding financial assets	2,477	1,872
Transportation costs for customer deliveries	135,700	107,577
Internal transport	53,140	46,748
Environmental protection measures	6,439	6,854
Uncollectible receivables	1,702	2,418
Services	102,127	90,493
Rental and leasing charges	40,179	37,837
Miscellaneous	63,922	55,061
Other operating expenses	429,630	372,480

A reconciliation of expenses under the total cost method to expenses under the cost of sales method is provided on page 122.

The cost of services is comprised primarily of expenses for business trips and travel, legal advising and consulting, advertising, insurance and telecommunications. Expenses for the auditor and members of the auditor's network totaled TEUR 1,242 TEUR (2010: TEUR 1,253) for the audit of the consolidated financial statements in 2011 and TEUR 228 (2010: TEUR 125) for other services.

Miscellaneous other expenses consist mainly of commissions, patent and trademark rights, business entertainment, customer claims and research and development. Research and development expenses at Wienerberger also include the costs for product development, process technology, the improvement of environmental standards and laboratory activities. The development costs for successful research programs are generally capitalized under the related asset category. Research expenses amounted to TEUR 2,114 for the reporting year (2010: TEUR 1,821). A total of TEUR 572 was capitalized for internally generated intangible assets in 2011 (2010: TEUR 977).

15. Other operating income

<i>in TEUR</i>	2011	2010
Income from the disposal and write-up of tangible assets, excluding financial assets	11,383	13,059
Income from rental and leasing contracts	3,821	3,727
Subsidies	4,232	3,572
Insurance compensation	563	8,285
Miscellaneous	44,520	55,046
Other operating income	64,519	83,689

Miscellaneous other operating income represents sales-like revenues that are not part of the direct business activities of the Wienerberger Group.

16. Reconciliation of results according to the cost of sales and total cost method

In the income statement prepared according to the cost of sales method, expenses are classified by functional area. Under the total cost method, the amounts for each individual category of expenses are shown and then adjusted to reflect the increase or decrease in finished and semi-finished goods in order to present the expenses related to the actual volume of goods sold. The relationship of these two methods is explained below, whereby changes in inventories and the capitalization of costs relating to the construction of qualified fixed assets are included under the cost of materials:

2011 <i>in TEUR</i>	Cost of freight	Cost of materials	Cost of merchandise	Depreciation	Cost of energy	Personnel expenses	Other income	Other expenses	Total
Cost of goods sold	0	375,005	146,791	159,495	295,867	320,464	-2,610	77,967	1,372,979
Selling expenses	136,180	15,085	743	7,793	7,324	152,549	-2,967	137,091	453,798
Administrative expenses	0	0	0	8,469	1,265	81,811	-546	39,537	130,536
Other operating expenses	0	0	0	34,389	3,101	0	0	38,855	76,345
Other operating income	0	0	0	0	0	0	-58,396	0	-58,396
	136,180	390,090	147,534	210,146	307,557	554,824	-64,519	293,450	1,975,262

2010 in TEUR	Cost of freight	Cost of materials	Cost of merchandise	Depreciation	Cost of energy	Personnel expenses	Other income	Other expenses	Total
Cost of goods sold	0	335,775	135,027	157,140	259,818	278,353	-11,132	83,840	1,238,821
Selling expenses	107,930	15,920	608	7,394	4,656	138,840	-2,219	120,885	394,014
Administrative expenses	0	0	0	10,226	855	72,144	-586	37,856	120,495
Other operating expenses	0	0	0	25,390	3,148	0	0	21,969	50,507
Other operating income	0	0	0	0	0	0	-69,752	0	-69,752
	107,930	351,695	135,635	200,150	268,477	489,337	-83,689	264,550	1,734,085

17. Interest and other financial results

In accordance with the categories defined by IAS 39, interest and other financial results comprise the following items:

2011 in TEUR	Total	Loans and receivables	FLAC ¹⁾	AfS ²⁾	Derivatives
Interest and similar income	13,032	9,674	0	1,380	1,978
Interest and similar expense	-50,841	0	-49,687	0	-1,154
Interest result	-37,809	9,674	-49,687	1,380	824
Income from third parties (dividends)	131	0	0	131	0
Income from subsidiaries	8	0	0	8	0
Income from subsidiaries	139	0	0	139	0
Gains on the disposal of financial instruments	-209	0	-341	132	0
Valuation of fair value hedges	2,306	0	0	0	2,306
Impairment of financial instruments	-938	0	0	-938	0
Valuation of financial instruments held for trading	-444	0	0	0	-444
Foreign exchange differences	4,641				
Net result	5,356	0	-341	-806	1,862
Banking fees	-3,237				
Other financial results	2,258	0	-341	-667	1,862
Total	-35,551	9,674	-50,028	713	2,686

1) Financial liabilities at amortized cost

2) Available-for-sale financial instruments

2010 <i>in TEUR</i>	Total	Loans and receivables	FLAC ¹⁾	AfS ²⁾	Derivatives
Interest and similar income	14,065	8,653	0	1,415	3,997
Interest and similar expense	-57,490	0	-55,049	0	-2,441
Interest result	-43,425	8,653	-55,049	1,415	1,556
Income from third parties (dividends)	131	0	0	131	0
Income from subsidiaries	0	0	0	0	0
Income from subsidiaries	131	0	0	131	0
Gains on the disposal of financial instruments	152	0	0	152	0
Valuation of fair value hedges	-612	0	0	0	-612
Impairment of financial instruments	-104	0	0	-104	0
Valuation of financial instruments held for trading	444	0	0	0	444
Foreign exchange differences	-533				
Net result	-653	0	0	48	-168
Banking fees	-3,119				
Miscellaneous	-152				
Other financial results	-3,793	0	0	179	-168
Total	-47,218	8,653	-55,049	1,594	1,388

1) Financial liabilities at amortized cost

2) Available-for-sale financial instruments

Losses of TEUR 896 on available-for-sale financial assets were recorded under other comprehensive income without recognition through profit or loss (2010: TEUR 28). The sale of securities generated income of TEUR 132 (2010: TEUR 152). Available-for-sale financial instruments also include losses of TEUR 938 (2010: TEUR 104) that were recognized to profit or loss and resulted from lasting impairment. The loss resulting from the repurchase of bonds is reported under financial liabilities at amortized cost and amounted to TEUR 341 (2010: TEUR 0). The market valuation of the fair value hedges contributed TEUR 2,306 to net profit (2010: TEUR -612). The market valuation of financial instruments held for trading (TEUR: -444) resulted from the measurement of a derivative liability in connection with the purchase of the remaining 25% stake in the Semmelrock Group.

Transaction costs and discounts incurred in connection with the issue of bonds are released over the terms of the respective financial liabilities and reported under interest result in accordance with the effective interest rate method.

18. Income taxes

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

<i>in TEUR</i>	2011	2010
Current tax expense	17,508	3,763
Deferred tax income	-8,721	-9,644
Income taxes	8,787	-5,881

The effective tax rate for 2011 was 17.7% (2010: 14.4%). This rate represents a weighted average of the effective local income tax rates of all companies included in the consolidation.

The difference between the applicable Austrian corporate tax rate of 25% (2010: 25%) and the Group tax rate shown in these statements is due to the following factors:

<i>in TEUR</i>	2011	2010
Profit/loss before tax	49,543	-40,820
Tax expense at tax rate of 25%	-12,386	10,205
Other foreign tax rates	6,331	7,111
Tax income and expense from prior periods	-3,211	6,407
Effect of tax free income from investments in associates	1,549	-1,073
Change in valuation allowance for deferred tax assets	-22,609	-35,054
Non-temporary differences	19,938	21,039
Changes in tax rates	1,601	-2,754
Effective tax expense	-8,787	5,881
Effective tax rate in %	17.7	14.4

Tax effects were not calculated on the other components of comprehensive income that are presented after tax, e.g. for the fair value measurement of available-for-sale financial instruments and changes resulting from hedges. These transactions only involve Wienerberger AG and Wienerberger Finanzservice GmbH, which are headquartered in Vienna, and presently have an effective tax rate of 0% due to tax loss carryforwards from prior periods.

19. Earnings per share, recommendation for the distribution of profit/loss

The number of shares issued totaled 117,526,764 as of December 31, 2011. The number of shares held as treasury stock equaled 2,472,706 as of this same date (2010: 113,603). The calculation of earnings per share for 2011 was based on a weighted average of 116,757,783 shares outstanding, and reflects the deduction of treasury shares.

<i>Number of shares</i>	2011	2010
Outstanding	117,526,764	117,526,764
Treasury stock	2,472,706	113,603
Weighted average	116,757,783	116,528,229

In accordance with the definition provided in IAS 33, the options granted in 2006 and 2007 did not have a diluting effect.

Earnings per share of EUR 0.08 were calculated by dividing the after-tax profit of the parent company by the weighted average number of shares outstanding. Diluted earnings per share of EUR 0.08 represent basic earnings per share for 2011.

In accordance with the provisions of the Austrian Stock Corporation Act, the financial statements of Wienerberger AG as of December 31, 2011 form the basis for the dividend payment. These financial statements show net profit of EUR 15,000,396.23.

The Managing Board recommends the Annual General Meeting approve a dividend payment of EUR 0.12 per share, for a total payment of EUR 14,103,211.68 on issued capital of EUR 117,526,764, less a proportional amount of EUR 295,696.56 for treasury stock, or a total distribution of EUR 13,807,515.12 from retained earnings of EUR 15,000,396.23. The Managing Board also recommends that the Annual General Meeting approve the carryforward of the remaining EUR 1,192,881.11.

Notes to the Statement of Comprehensive Income

The statement of comprehensive income provides a reconciliation of profit after tax to comprehensive income as defined in IAS 1. The reconciliation items consist primarily of foreign exchange adjustments, changes to the hedging reserve and the results from the valuation of available-for-sale securities. The components of comprehensive income are presented after tax (see note 18, Income taxes).

Currency translation differences of TEUR -33,665 (2010: TEUR 83,617) were generated primarily by the Polish zloty, Czech koruna and Hungarian forint. Of this total, currency translation differences of TEUR 4,727 (2010: TEUR 0) that were previously reported under the translation reserve were recognized to the income statement. These reclassification adjustments consisted primarily of currency translation differences related to capital measures carried out by Group companies in a foreign currency and the realization of accumulated differences in connection with the deconsolidation of the Bramac Group.

The market valuation of hedges of net investments in foreign operations and cash flow hedges reduced the hedging reserves by a total of TEUR 4,549 after tax. This decline resulted primarily from the strong Swiss franc. In 2011 there were no transfers of market value changes in hedges or available-for-sale financial instruments from other comprehensive income to the income statement.

Based on after-tax profit of TEUR 40,756 for 2011 (2010: TEUR -34,939), total comprehensive income after tax resulted in an increase of TEUR 1,646 in equity for the reporting year (2010: TEUR 23,143).

Notes to the Cash Flow Statement

The cash flow statement for the Wienerberger Group shows the changes in cash and cash equivalents resulting from the inflow and outflow of funds during the reporting year. Cash and cash equivalents (liquid funds) include cash on hand and deposits with banks. Securities and current liabilities owed to financial institutions are not part of cash and cash equivalents. The effects of company acquisitions and disposals are eliminated and shown separately under net payments made for the acquisition of companies. Data from foreign Group companies are generally translated at the average exchange rate for the year. In contrast to this practice, cash and cash equivalents are valued at the exchange rate in effect on the balance sheet date.

20. Cash flow from investing activities

The acquisition of property, plant and equipment and intangible assets resulted in an outflow of funds totaling TEUR 122,371 (2010: TEUR 98,562). This amount includes TEUR 102,527 (2010: TEUR 61,689) for normal capex which includes maintenance and investments in technical upgrades as well as TEUR 19,844 (2010: TEUR 36,873) for plant expansions and environmental investments. Net payments of TEUR 35,900 (2010: TEUR 50,868) for the acquisition of companies include the purchase price for the proportional share of equity as well as any debt assumed in connection with the transaction (debt-free company). Investments of TEUR 507 (2010: TEUR 320) were made in financial assets.

Net payments for the acquisition of companies totaled:

<i>in TEUR</i>	2011	2010
Payments made for companies acquired	33,366	38,868
Acquisition of non-controlling interests	2,534	12,000
Net payments made for the acquisition of companies	35,900	50,868

Cash inflows from the disposal of fixed and financial assets amounted to TEUR 20,155 (2010: TEUR 18,717). These disposals generated net gains of TEUR 8,848 (2010: TEUR 11,005). The sale of companies resulted in net cash inflows of TEUR 43,657 (2010: TEUR 0).

The reconciliation of total investments to normal capex and growth capex in the Wienerberger Group is as follows:

<i>in TEUR</i>	2011	2010
Payments made for investments in tangible and intangible assets	122,371	98,562
Net payments made for the acquisition of companies	35,900	50,868
Investments in financial assets	507	320
Total investments including financial assets	158,778	149,750
Maintenance and investments in technical upgrades	102,527	61,689
Normal capex	102,527	61,689
Payments made for plant expansions and environmental investments	19,844	36,873
Net payments made for the acquisition of companies	35,900	50,868
Growth capex	55,744	87,741
Investments in financial assets	507	320
Growth capex including financial assets	56,251	88,061

Notes to the Balance Sheet

21. Non-current assets

The development of non-current assets is shown on pages 102 and 103. The effects of changes in the consolidation range are shown in a separate column. The figures shown for foreign exchange rate increases and decreases 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.

Goodwill is distributed among the individual segments of business as follows:

<i>in TEUR</i>	2011	2010
Central-East Europe	58,647	63,221
Central-West Europe	54,703	55,678
North-West Europe	308,489	304,470
North America	177,404	170,110
Investments and Other	13,954	13,370
Goodwill	613,197	606,849

The goodwill in the North-West Europe segment resulted primarily from the acquisition of brick activities in Great Britain (TEUR 58,823) and the clay roof tile producer Sandtoft (TEUR 27,166) as well as the roof tile business in Belgium, the Netherlands and France (total: TEUR 222,500). In North America goodwill arose from the purchase of General Shale in the (TEUR 165,455) and Arriscraft in Canada (TEUR 11,949).

Miscellaneous non-current intangible assets are comprised primarily of acquired trademark rights, patents and concessions.

Non-current assets include land with a value of TEUR 393,464 (2010: TEUR 363,009). Borrowing costs and foreign exchange differences capitalized up to the completion of new plant construction amounted to TEUR 172 (2010: TEUR 0) in 2011.

In addition to operating leases, the Wienerberger Group also uses *finance leases* to a limited extent. Property, plant and equipment include the following assets obtained through finance leases:

<i>in TEUR</i>	2011	2010
Acquisition costs	12,638	15,095
Depreciation (accumulated)	3,048	3,931
Carrying amount	9,590	11,164

Obligations arising from operating leases, license agreements and rental contracts for the use of property, plant and equipment not shown on the balance sheet represent liabilities of:

<i>in TEUR</i>	2011	2010
For the following year	16,914	16,220
For the next two to five years	38,250	44,076
Over five years	34,050	17,010

Payments arising from operating leases, license and rental agreements totaled TEUR 40,179 (2010: TEUR 37,837).

The balance sheet item investment property includes real estate and buildings with a carrying amount of TEUR 67,559 (2010: TEUR 58,231), which are not used in current business operations. These assets are scheduled for sale over the medium- to long-term, and are therefore classified as *investment property*. Based on comparable transactions, the fair value of these assets is estimated at TEUR 117,101 (2010: TEUR 84,033). This property generated rental and other income of TEUR 638 in 2011 (2010: TEUR 444). In 2011 Wienerberger sold investment property with a carrying amount of TEUR 1,442 (2010: TEUR 1,544). Of the total non-current assets, assets with a combined carrying amount of TEUR 508 and a fair value of TEUR 739 is designated for sale; the majority of these items represent land and buildings at plant locations that have been permanently closed. However, management does not expect to conclude a sale within the next 12 months because of the generally unfavorable situation on the industrial property market. Therefore, these assets were not classified as *non-current assets held for sale and discontinued operations* in accordance with IFRS 5.

22. Inventories

<i>in TEUR</i>	2011	2010
Raw materials and consumables	96,471	86,219
Semi-finished goods	77,688	76,668
Finished goods and merchandise	432,392	404,764
Prepayments	1,748	1,995
Inventories	608,299	569,646

Palettes are included under raw materials and consumables. Clay purchased from third parties is shown together with clay extracted from Group pits under semi-finished goods. Impairment losses of TEUR 10,559 (2010: TEUR 10,285) were recognized to products in cases where the net realizable value (selling price less selling and administrative expenses) was less than the acquisition or production cost. Inventories written down to net realizable value totaled TEUR 39,316 as of December 31, 2011 (2010: TEUR 33,746).

23. Receivables, securities and other financial assets

Loans and receivables

<i>in TEUR</i>	2011			2010		
	Total	Remaining term <1 year	Remaining term >1 year	Total	Remaining term <1 year	Remaining term >1 year
Trade receivables from third party	112,791	112,653	138	86,580	83,866	2,714
Trade receivables from subsidiaries	698	698	0	786	786	0
Trade receivables	113,489	113,351	138	87,366	84,652	2,714
Financial receivables from subsidiaries	20,300	20,300	0	21,967	21,967	0
Receivables arising from loans	10,050	9,028	1,022	4,931	4,608	323
Loans granted	30,350	29,328	1,022	26,898	26,575	323
Loans and receivables	143,839	142,679	1,160	114,264	111,227	3,037

Loans and receivables are carried at amortized cost, which is adjusted to reflect any necessary individual valuation adjustments. Any necessary individual valuation adjustments to receivables and other assets are deducted directly from the carrying amount. In 2011 individual valuation adjustments totalled TEUR 1,702 (2010: TEUR 2,418). Individual valuation adjustments to receivables during the reporting year equaled 1.2% of trade receivables and originated loans as well as less than 2% of total receivables, and are therefore not shown separately. Sold receivables (factoring) are derecognized as required by IAS 39. Trade receivables totalled TEUR 63,040 (2010: TEUR 45,291) were sold to third party as of 31.12.2011. The receivables due from Group companies result primarily from loans granted to companies included in the consolidation on a proportionate basis or at equity. Trade receivables totaling TEUR 4,820 (2010: TEUR 4,645) are secured by notes payable.

Available-for-sale financial instruments

	2011				2010			
	Carrying amount	Market value	Market value changes recog. to equity	Ø Effective interest rate	Carrying amount	Market value	Market value changes recog. to equity	Ø Effective interest rate
	in TEUR	in TEUR	in TEUR	in %	in TEUR	in TEUR	in TEUR	in %
Shares in funds	6,780	6,780	100	0.46	5,448	5,448	-356	0.63
Corporate bonds	28,970	28,970	-996	5.01	20,988	20,988	328	6.78
Stock	6,452	6,452	0	-	6,452	6,452	0	-
Other	936	936	0	-	1,780	1,780	0	-
Available-for-sale financial instruments	43,138	43,138	-896		34,668	34,668	-28	

In addition to the available-for-sale financial instruments included under securities and other financial assets, other non-current financial assets include TEUR 5,440 (2010: TEUR 5,715) that are also assigned to this category. The resulting total of available-for-sale financial instruments is TEUR 48,578 (2010: TEUR 40,383).

Financial instruments held for trading

	2011		2010	
	Carrying amount	Market value	Carrying amount	Market value
	in TEUR	in TEUR	in TEUR	in TEUR
Derivatives from cash flow hedges	1,969	1,969	24,183	24,183
Derivatives from fair value hedges	3,292	3,292	0	0
Other derivatives	460	460	555	555
Derivatives with positive market value	5,721	5,721	24,738	24,738

The carrying amounts of securities and other financial assets totaled TEUR 79,209 (2010: TEUR 86,304). This amount includes TEUR 30,350 (2010: TEUR 26,898) of loans granted, TEUR 43,138 (2010: TEUR 34,668) of available-for-sale financial instruments and TEUR 5,721 (2010: TEUR 24,738) of derivatives with a positive market value.

24. Other receivables, prepaid expenses and deferred charges

<i>in TEUR</i>	2011			2010		
	Total	Remaining term <1 year	Remaining term >1 year	Total	Remaining term <1 year	Remaining term >1 year
Market value of plan assets in excess of pension obligations	7,025	7,025	0	5,906	5,906	0
Prepaid expenses and deferred charges	13,529	13,529	0	12,250	12,250	0
Miscellaneous receivables	67,115	63,806	3,309	84,772	81,566	3,206
Other current receivables, prepaid expenses and deferred charges	87,669	84,360	3,309	102,928	99,722	3,206

Miscellaneous receivables consist primarily of receivables due from tax authorities and social security carriers.

25. Capital and reserves

The development of capital and reserves in 2011 and 2010 is shown on pages 100 and 101.

The Annual General Meeting of Wienerberger AG on May 14, 2009 approved the creation of authorized capital at an amount equal to 50% of current share capital (which then equaled EUR 83,947,689). This approval covers an ordinary capital increase in exchange for contributions in cash or in kind within a period of five years, contingent upon the consent of the Supervisory Board. Share capital can be increased by a maximum of EUR 41,973,844 or 50% of share capital through the issue of up to 41,973,844 new bearer or registered shares. This increase can also be carried out in multiple segments. The type of shares, the issue price and the issue conditions are to be determined by the Managing Board and approved by the Supervisory Board. The legal subscription rights of shareholders are given, but the Managing Board is authorized to exclude these subscription rights in two special cases with the approval of the Supervisory Board: first, for contributions in kind for the granting of shares to acquire companies, segments of companies or investments in companies; and second, for multiple allotments in connection with the placement of new shares by the company (greenshoe).

The Annual General Meeting on May 14, 2009 also authorized the Managing Board to issue convertible bonds in one or more segments with the approval of the Supervisory Board. These bonds are to include subscription or exchange rights or subscription or exchange obligations for up to 41,973,844 shares or 50% of the company's share capital. The shares can be drawn from conditional capital and/or from treasury stock. The issue price and terms are to be determined by the Managing Board with the approval of the Supervisory Board. This authorization is valid up to May 13, 2014. It authorizes the Managing Board, contingent upon the approval of the Supervisory Board, to exclude the legal subscription rights of shareholders. The Managing Board is also authorized to carry out a conditional capital increase for the issue of new shares to the holders of the convertible bonds. Share capital can be increased by a maximum of EUR 41,973,844 by the issue of up to 41,973,844 new bearer or registered shares. Share capital may only be increased to the extent that the holders of the convertible bonds utilize their subscription or exchange rights to shares in the company and in accordance with a decision by the Managing Board to service the exercise of these rights with new shares. The exercise of subscription or exchange rights by the holders of the convertible bonds may also be serviced by treasury stock.

The number of new shares issued in connection with the above-mentioned capital measures may not exceed 41,973,844 (50% of share capital in 2009). Authorized capital totaled EUR 8,394,769 (7% of share capital in 2011) after the capital increase of 33,579,075 shares in 2009; this authorized capital may be increased through the issue of up to 8,394,769 new bearer or registered shares.

The 140th Annual General Meeting also authorized the Managing Board, contingent upon the approval of the Supervisory Board, to issue participation rights in one or more segments with a total nominal value of up to EUR 200,000,000 through the issue of up to 200,000 participation certificates and to determine the terms of issue. This authorization is valid up to May 13, 2014.

The 141st Annual General Meeting of Wienerberger AG on May 20, 2010 authorized the Managing Board to repurchase up to 10% of share capital within a period of 30 months at a maximum price equal to twice the stock market quotation on May 20, 2010. Wienerberger used this authorization between August 22, 2011 and November 17, 2011 to repurchase 2,350,535 of its shares.

Group equity totaled TEUR 2,459,924 as of December 31, 2011, compared to TEUR 2,525,675 in the previous year. Equity was increased, above all, by profit recorded for the reporting year and the subsequent rise in retained earnings. Equity was reduced by the payment of the hybrid coupon and the dividend as well as negative currency translation differences, the recognition of the difference connected with the purchase of non-controlling interests in Wienerberger Opekarna Ormoz d.d. in Slovenia and the share buyback.

The share capital of Wienerberger AG totaled EUR 117,526,764 as of December 31, 2011 and is divided into 117,526,764 zero par value shares that all carry the same rights. All shares are fully paid in.

On February 9, 2011 Wienerberger AG paid the TEUR 32,500 coupon for the hybrid bond that was issued on February 9, 2007 and is reported as hybrid capital in the balance sheet. This hybrid bond is subordinated to all other creditors, and is a perpetual bond with a volume of TEUR 500,000 and a coupon of 6.5%, which can also be suspended if the dividend is postponed. After ten years Wienerberger AG may call the hybrid bond or extend the term at a variable interest rate (EURIBOR +325 bps). This instrument meets the criteria defined by IAS 32 for classification as equity, and the coupons are shown as part of the use of earnings on the changes in equity statement. In accordance with IAS 32, this data is presented after tax. Wienerberger AG has an effective tax rate of 0% due to loss carryforwards from prior periods, and the distribution after tax therefore equals TEUR 32,500. In 2011 the coupon interest reduced earnings per share by EUR 0.28.

Retained earnings of TEUR 941,083 TEUR (2010: TEUR 943,869) include the retained earnings of Wienerberger AG and the retained earnings of subsidiaries not eliminated during the capital consolidation. Group results for 2011, excluding the share of profit due to non-controlling interests, are shown under retained earnings.

The translation reserve includes all differences from foreign currency translation that are recognized under other comprehensive income, whereby the differences from associates are shown separately. The hedging reserve includes changes in the value of hedges that are reported under other comprehensive income. These instruments comprise hedges of net investments in foreign operations (net investment hedges) as well as hedges for foreign currency transactions (cash flow hedges).

Change of control clauses are included in the employment contracts with the members of the Managing Board, in the terms of the 2005, 2010 and 2011 corporate bonds, in the 2007 hybrid bond and in the syndicated term loans and other loans concluded in 2006 and 2008.

Free float is distributed among Austrian and international investors, with the US firm Dodge & Cox Inc. in San Francisco holding more than 10% and the First Eagle Investment Management LLC in New York holding more than 5% of the Wienerberger company's shares in 2011. The Wienerberger share is traded in the Prime Market Segment of the Vienna Stock Exchange as well as an ADR Level 1 Program of the Bank of New York on the OTC market in the USA.

26. Provisions

<i>in TEUR</i>	1.1.2011	Foreign exchange incr./decr.	Chg. in consolidation range	Release	Use	Addition	31.12.2011
Provisions for severance payments	17,604	-36	1,765	440	4,440	5,997	20,450
Provisions for pensions	51,308	491	534	4,595	5,741	3,332	45,329
Provisions for service anniversary bonuses	4,089	-81	-241	177	1,114	1,074	3,550
Employee-related provisions	73,001	374	2,058	5,212	11,295	10,403	69,329
Deferred taxes	79,778	528	3,513	17,001	0	21,726	88,544
Provisions for warranties	25,784	12	-8,173	560	2,309	2,287	17,041
Provisions for site restoration	40,163	-811	2,227	2,521	2,672	3,834	40,220
Provisions for environmental measures	2,560	21	0	0	172	529	2,938
Other non-current provisions	68,507	-778	-5,946	3,081	5,153	6,650	60,199
Non-current provisions	221,286	124	-375	25,294	16,448	38,779	218,072
Provisions for current taxes	10,596	28	-1,066	393	8,711	3,353	3,807
Other current provisions	52,649	-310	-2,095	7,556	12,233	19,515	49,970
Current provisions	63,245	-282	-3,161	7,949	20,944	22,868	53,777
Provisions	284,531	-158	-3,536	33,243	37,392	61,647	271,849

27. Pensions and employee benefits

Wienerberger has made pension commitments to selected managers as well as employees in the Netherlands, Great Britain, Scandinavia, the USA and Switzerland. Defined contribution plans represent the goal for future pension agreements. In 2004 a number of *defined benefit* pension agreements with active managers were converted to *defined contribution* pension models through the transfer of previously earned claims to a pension fund. Wienerberger has also made a number of defined pension commitments mainly to former managers, which are not tied to plan assets; the length of service forms the basis for retirement benefits under these plans. General Shale Inc. (USA) employees have a funded defined benefit pension plan as well as unfunded health insurance; the amount by which the fair value of pension plan assets exceeds pension obligations is shown under other receivables. ZZ Wancor (Switzerland) has a defined contribution pension plan through an external pension fund. Claims earned by Dutch employees are satisfied primarily through contributions to an industry-wide pension fund in the Netherlands. In Great Britain a defined contribution pension plan covers all employees. The member companies of the brickbusiness, which was acquired during 2004, had a defined benefit model up to the end of 2003; a provision was created to reflect these obligations. The acquisition of Baggeridge in 2007 also led to the takeover of a defined benefit pension plan. The employees of the Steinzeug Group have two defined benefit pension plans. The acquisition of Euroceramic led to an increase in the net pension obligation during the reporting year because of two defined benefit pension models. In 2011 the provisions for pensions equaled TEUR 45,329 and the total provisions for post-employment benefits TEUR 65,779.

The major actuarial parameters and relevant accounting principles are described on pages 116 and 118.

Total pension expenses for 2011 cover both defined contribution and defined benefit pension plans, and include the following components:

<i>in TEUR</i>	2011	2010	2009
Defined contribution plans			
Expenses for defined contribution pension plans	5,028	5,290	4,721
Defined benefit plans			
Service costs for defined benefit pension plans	276	1,581	2,287
Interest cost	9,463	9,409	9,345
Expected income from plan assets	-7,855	-7,125	-5,957
Actuarial gain/loss	879	823	4,564
Past service cost	-4,425	-40	-20
Effects of plan curtailments and settlements	0	-2,621	-3,948
Income/expenses for defined benefit plans	-1,662	2,027	6,271
Total expenses for pensions	3,366	7,317	10,992

Gross pension obligations represent the present value of pension commitments as calculated by actuaries. Total pension obligations of TEUR 198,716 (2010: TEUR 192,947) include TEUR 182,998 (2010: TEUR 177,566) that are covered in part or in full by investments in funds (plan assets). The gross pension obligations can be reconciled with net obligations as shown on the balance sheet by deducting unrecognized past service cost and unrecognized actuarial gains and losses as well as the fair value of pension plan assets.

Of the total net obligations, TEUR 12,905 are related to the US (retirement) health insurance program. A change in the cost trend for medical services would not have any major impact on the interest cost or defined benefit pension obligation.

The components of pension obligations and their coverage through plan assets are shown below:

<i>in TEUR</i>	Defined benefit obligations			Market value of plan assets		
	2011	2010	2009	2011	2010	2009
Value as of 1.1.	192,947	168,238	158,858	127,820	107,226	92,827
Changes in consolidation range	534	12,093	471	0	4,626	632
Foreign exchange increase/decrease	5,211	7,957	442	4,317	7,728	1,868
Service cost for defined benefit pension plans	276	1,581	2,287	0		
Interest cost	9,463	9,409	9,345	0		
Expected income from plan assets	0			7,855	7,125	5,957
Effects of plan curtailments and settlements	0	-2,621	-3,960	0	0	0
Actuarial gain/loss	4,477	3,643	10,066	-830	2,800	10,260
Past service cost	-4,379	0	0	0		
Payments to retirees	-9,997	-8,230	-9,424	-9,591	-8,230	-9,424
Payments received from employees	184	877	153	184	877	153
Payments received from employers	0	0	0	5,413	5,668	4,953
Value as of 31.12.	198,716	192,947	168,238	135,168	127,820	107,226
Fair value of plan assets (funded)	-135,168	-127,820	-107,226			
Present value of unfunded obligations as of 31.12.	63,548	65,127	61,012			
Unrecognized past service cost	262	250	239			
Unrecognized actuarial gains/losses (off-balance sheet risk)	-25,506	-19,975	-21,581			
Net pension obligations recorded as of 31.12.	38,304	45,402	39,670			
Thereof provision for pensions (p. 134)	45,329	51,308	44,970			
Thereof market value of plan assets in excess of pension obligations (p. 132)	7,025	5,906	5,300			

Pension plan assets are comprised of assets from the defined benefit pension plans in the USA and the defined benefit pension plan in Great Britain. In 2011 the expected return on plan assets was TEUR 7,855 and the realized income was TEUR 7,928. The plan assets are invested in stocks (49%), bonds (43%) and other assets (8%). The parameters underlying the plan in Great Britain were changed during 2011, which led to a reduction of TEUR 4,379 in the pension obligations.

The major components of the pension obligations are shown in the following table:

<i>in TEUR</i>	2011	2010	2009	2008	2007
Defined benefit obligations	198,716	192,947	168,238	158,858	179,318
Fair value of plan assets (funded)	135,168	127,820	107,226	92,827	129,680
Present value of unfunded obligations	63,548	65,127	61,012	66,031	49,638

Legal regulations grant Austrian employees the right to a lump-sum payment at retirement or termination by the employer, whereby the amount of the payment is dependent on the length of service. These future obligations are reflected in provisions for severance payments. There are similar obligations in France and Italy.

28. Deferred taxes

Deferred tax assets and deferred tax liabilities as of December 31, 2011 and December 31, 2010 are the result of the following temporary valuation and accounting differences between carrying amounts in the consolidated financial statements and the respective tax bases:

<i>in TEUR</i>	2011		2010	
	Assets	Equity and Liabilities	Assets	Equity and Liabilities
Intangible assets	5,059	-26,488	5,826	-23,412
Property, plant and equipment	7,376	-123,108	8,484	-116,235
Inventories	3,174	-4,295	1,794	-11,526
Receivables	4,921	-7,483	8,343	-12,863
Deferred charges	36,443	-65	26,642	-65
	56,973	-161,439	51,089	-164,101
Untaxed reserves	0	-18,028	0	-17,251
Provisions	15,192	-2,069	20,294	-2,173
Liabilities	7,108	-1,779	9,322	-3,699
Deferred income	2,092	-1,378	2,048	-1,367
	24,392	-23,254	31,664	-24,490
Tax loss carryforwards	189,924		169,266	
Deferred tax assets/provisions	271,289	-184,693	252,019	-188,591
Valuation allowance for deferred tax assets	-133,569		-110,960	
Offset within legal tax units and jurisdictions	-96,149	96,149	-108,813	108,813
Net deferred tax assets and provisions	41,571	-88,544	32,246	-79,778

In the consolidated financial statements, deferred tax assets were not calculated on temporary differences and tax loss carryforwards of TEUR 433,629 (2010: TEUR 378,884) because medium-term planning did not reliably demonstrate their use as tax relief. This resulted in a valuation allowance of TEUR 133,569 (2010: TEUR 110,960).

In accordance with IAS 12.39, deferred taxes were not calculated on temporary differences related to shares owned in subsidiaries. The cumulative value of shares in subsidiaries exceeds the proportional share of equity owned in these subsidiaries by TEUR 444,356 (2010: TEUR 362,774).

29. Liabilities

Liabilities are generally measured at amortized cost. An exception is formed by derivatives with negative market values, which are measured at fair value. The remaining terms of the various categories of liabilities are shown in the following tables:

2011 in TEUR	Total	Remaining term <1 year	Remaining term 1-5 years	Remaining term >5 years	Thereof secured by collateral
Interest-bearing loans	1,023,055	456,587	394,978	171,490	3,637
Finance leases	2,890	2,725	165	0	0
Financial liabilities owed to subsidiaries	113	113	0	0	0
Financial liabilities	1,026,058	459,425	395,143	171,490	3,637
Trade payables owed to third parties	192,707	192,435	218	54	0
Trade payables owed to subsidiaries	412	412	0	0	0
Trade payables	193,119	192,847	218	54	0
Prepayments received on orders	3,884	3,884	0	0	0
Amounts owed to tax authorities and social security carriers	56,953	56,594	302	57	0
Deferred income	12,177	7,482	4,106	589	0
Miscellaneous	98,368	89,537	8,784	47	0
Other liabilities	171,382	157,497	13,192	693	0
Total liabilities	1,390,559	809,769	408,553	172,237	3,637

2010 in TEUR	Total	Remaining term <1 year	Remaining term 1-5 years	Remaining term >5 years	Thereof secured by collateral
Interest-bearing loans	907,404	135,075	758,085	14,244	0
Finance leases	4,306	1,327	2,665	314	0
Financial liabilities owed to subsidiaries	2,490	2,490	0	0	0
Financial liabilities	914,200	138,892	760,750	14,558	0
Trade payables owed to third parties	180,303	176,066	4,128	109	0
Trade payables owed to subsidiaries	671	671	0	0	0
Trade payables	180,974	176,737	4,128	109	0
Prepayments received on orders	2,673	1,766	907	0	0
Amounts owed to tax authorities and social security carriers	44,597	42,679	1,691	227	0
Deferred income	16,381	6,270	9,672	439	0
Miscellaneous	90,235	80,893	8,771	571	0
Other liabilities	153,886	131,608	21,041	1,237	0
Total liabilities	1,249,060	447,237	785,919	15,904	0

Non-current financial liabilities include put options, whose exercise could result in the transfer of non-controlling interests in Group companies to Wienerberger (see 5. Basis of consolidation) as well as a derivative liability connected with the purchase of the remaining 25% stake in the Semmelrock Group in 2010.

Other liabilities include TEUR 42,118 (2010: TEUR 36,807) due to employees and TEUR 34,188 (2010: TEUR 28,384) of accruals for bonuses and other sales deductions due to customers. Deferred income includes TEUR 4,297 (2010: TEUR 6,265) of subsidies and investment allowances granted by third parties, which are released to the income statement over the useful life of the related assets. The amounts owed to tax authorities and social security carriers include tax liabilities totaling TEUR 36,874 (2010: TEUR 22,793).

Financial liabilities also include derivative financial instruments with negative market values.

Financial instruments held for trading

in TEUR	2011	2010
Derivatives from cash flow hedges	11,620	14,149
Derivatives from fair value hedges	0	0
Other derivatives	5,919	4,584
Derivatives with negative market value	17,539	18,733

Total liabilities include TEUR 1,373,020 of liabilities at amortized cost, TEUR 11,620 of derivatives in hedges, a derivative liability of TEUR 5,000 connected with the purchase of the remaining 25% stake in the Semmelrock Group and TEUR 919 of other derivatives.

In 2011 Wienerberger held no financial liabilities carried at fair value through profit or loss, with the exception of the derivatives with negative market values.

Liabilities are expected to result in the following cash flows:

Analysis of contractual cash flows

2011 <i>in TEUR</i>	Total	<6 months	6-12 months	1-2 years	2-5 years	>5 years
Bonds	-674,890	-251,576	-17,438	-17,438	-277,938	-110,500
Commercial papers	0	0	0	0	0	0
Liabilities to banks	-489,932	-136,824	-122,398	-55,564	-149,143	-26,003
Liabilities to non-banks	-57,547	-116	-2,211	-14,954	-25,347	-14,919
Primary financial instruments	-1,222,369	-388,516	-142,047	-87,956	-452,428	-151,422
Interest rate derivatives	9,493	-1,044	1,649	1,482	4,442	2,964
Forward exchange contracts, swaps and derivative liability	15,162	29,652	-239	-5,000	-9,251	0
Derivative financial instruments	24,655	28,608	1,410	-3,518	-4,809	2,964
Contractual cash flows	-1,197,714	-359,908	-140,637	-91,474	-457,237	-148,458

Analysis of contractual cash flows

2010 <i>in TEUR</i>	Total	<6 months	6-12 months	1-2 years	2-5 years	>5 years
Bonds	-577,397	-23,397	-12,188	-267,437	-274,375	0
Commercial papers	0	0	0	0	0	0
Liabilities to banks	-377,248	-19,880	-85,983	-152,625	-116,400	-2,360
Liabilities to non-banks	-31,258	-114	-6,933	-267	-16,613	-7,331
Primary financial instruments	-985,903	-43,391	-105,104	-420,329	-407,388	-9,691
Interest rate derivatives	-18	-18	0	0	0	0
Forward exchange contracts, swaps and derivative liability	-18,733	-452	-5,640	-4,557	-6,090	-1,994
Derivative financial instruments	-18,751	-470	-5,640	-4,557	-6,090	-1,994
Contractual cash flows	-1,004,654	-43,861	-110,744	-424,886	-413,478	-11,685

30. Contingent liabilities and guarantees

Contingent liabilities result from obligations to third parties, and are comprised of:

<i>in TEUR</i>	31.12.2011	31.12.2010
Sureties	49	190
Guarantees	2,924	3,455
Other contractual obligations	2,328	2,329
Contingent liabilities	5,301	5,974

All events recorded under contingent liabilities reflect possible future obligations whose existence can only be confirmed by the occurrence of a future event that is completely uncertain as of the balance sheet date.

The only financial obligations above and beyond these contingent liabilities and guarantees (*off balance sheet risks*) are the unrecognized actuarial losses arising from pension obligations (see page 136).

Financial Instruments

31. Financial instruments

Financial liabilities comprise the following items:

	Currency	Nominal value <i>in 1,000 local currency</i>	Market value <i>in TEUR</i>	Carrying amount as of 31.12.2011 <i>in TEUR</i>	Effective interest rate <i>in %</i>
Loans	EUR	130,675	147,726	130,783	5.40
	HRK	4,000	512	531	5.25
			148,238	131,314	
Current loans	EUR	91,275	91,874	91,312	3.11
	CHF	3,884	3,230	3,195	2.03
	GBP	16	20	19	7.95
			95,124	94,526	
Fixed interest loans due to financial institutions			243,362	225,840	

	Currency	Nominal value <i>in 1,000 local currency</i>	Market value <i>in TEUR</i>	Carrying amount as of 31.12.2011 <i>in TEUR</i>	Effective interest rate <i>in %</i>
Loans	EUR	65,462	66,177	65,487	2.42
			66,177	65,487	
Current loans	EUR	79,067	79,266	85,666	4.01
	USD	1,095	846	846	0.00
	Other	-	201	201	-
			80.313	86.713	
Derivatives	EUR	12,539	12,539	12,539	-
			12,539	12,539	
Variable interest loans due to financial institutions			159,029	164,739	

	Currency	Nominal value <i>in 1,000 local currency</i>	Market value <i>in TEUR</i>	Carrying amount as of 31.12.2011 <i>in TEUR</i>	Effective interest rate <i>in %</i>
Bonds - fixed interest	EUR	350,000	355,872	346,413	4.98
	EUR	241,228	241,228	241,228	3.88
	EUR	14,859	14,859	14,859	-
Loans - fixed interest	EUR	14,997	13,785	10,446	6.23
	USD	296	314	343	0.00
Loans - variable interest	GBP	11,850	16,047	14,187	-
Derivative liability	EUR	5,000	5,000	5,000	-
Financial liabilities due to non-banks			647,105	632,476	

In July 2011 Wienerberger AG placed a new bond with a volume of TEUR 100,000 and a term of seven years to refinance part of the financial liabilities that will become due in 2012. A further TEUR 18,000 of the bond issued in 2005 were also repurchased during the reporting year. These bonds are recorded under non-current or current borrowings in accordance with the remaining term. The related expenses of TEUR 14,656 (bank charges and interest rate hedges) were recorded together with the respective bond and not recognized to profit or loss. These differences will be recognized as interest expense or bank charges over the term of the bond in accordance with the effective interest rate method. The carrying amount of the bonds includes accrued interest of TEUR 14,859.

Interest rates (variable, fixed) can be exchanged through the conclusion of interest rate swaps. The structure of financial liabilities (variable and fixed interest rates), including the effects of interest rate swaps, is shown on page 148.

IFRS 7 requires the classification of financial instruments in three levels of disclosure that reflect the significance of the items. Wienerberger uses the following hierarchy to classify financial instruments at fair value to a valuation method:

Level 1: Valuation based on the market price for a specific financial instrument

Level 2: Valuation based on the market prices for similar instruments or on valuation models that only use parameters that can be monitored on the market

Level 3: Valuation based on models with significant parameters that cannot be monitored on the market

All financial instruments carried at fair value by the Wienerberger Group are classified under level 1 (shares in funds, corporate bonds and stock; see note 23) or level 2 (derivatives; see note 32). There were no reclassifications between hierarchy levels during the reporting year.

32. Derivative financial instruments

Forward exchange contracts in the form of individual OTC contracts are valued in line with the prices for comparable transactions. The fair value for interest rate swaps represents the value the company would receive or be required to pay on settlement as of the balance sheet date. Current market conditions, above all current interest rates and the credit standing of the swap partner, are taken into account in the determination of value. These valuation parameters can be monitored on the market and are available to all market participants.

	2011			2010		
	Currency	Nominal value	Market value	Currency	Nominal value	Market value
		31.12.2011 in 1,000 local currency	31.12.2011 in TEUR		31.12.2010 in 1,000 local currency	31.12.2010 in TEUR
Forward exchange contracts	EUR	41,707	134	EUR	38,202	341
	CZK	80,000	88	CZK	145,000	-19
	DKK	11,000	0	DKK	0	0
	GBP	37,343	-1,205	GBP	19,458	580
	HUF	130,000	15	HUF	420,000	-5
	PLN	15,000	18	PLN	40,000	53
	USD	0	0	USD	152,500	-415
Interest rate swaps	EUR	50,000	3,292	EUR	0	0
Cross currency swaps	CAD/EUR	42,500	-1,575	CAD/EUR	0	0
	CZK/EUR	351,800	662	CZK/EUR	0	0
	CHF/EUR	80,000	-9,313	CHF/EUR	100,000	-13,724
	GBP/EUR	4,320	-256	GBP/EUR	90,000	23,751
	DKK/EUR	78,000	26	DKK/EUR	0	0
	HUF/EUR	96,000	15	HUF/EUR	0	0
	PLN/EUR	50,000	1,281	PLN/EUR	0	0
Derivative liability	EUR	5,000	-5,000	EUR	5,000	-4,557
			-11,818			6,005

Risk Report

Principles of risk management

The conduct of global operations exposes the Wienerberger Group to a variety of risks that are inseparable from entrepreneurial activities. These risks have an effect on the business segments of the Group and on its assets, liabilities and planned commercial decisions.

The Wienerberger Group follows a policy that is designed to identify and actively manage risks in the operating environment. This policy is based on principles, which are defined by the Managing Board and monitored by the Supervisory Board. The implementation of the risk strategy and the use of hedging instruments are coordinated centrally for the entire Group.

Risk situation and operating risks relating to the Group's markets

As a producer of building materials, Wienerberger operates in a cyclical branch and is therefore affected by developments in the major economies that form the backdrop for its business activities. The building material industry is affected above all by macroeconomic factors as well as developments in building construction in general and new residential construction and renovation in particular. The development of business is also influenced by consumer confidence, the unemployment rate, long-term interest rates, the availability of financing, tax policies, building regulations and subsidies for housing construction as well as other factors outside the Group's control.

The unfavorable development of any or all of these factors can have a negative influence on the demand for Wienerberger products, both in terms of the volumes sold and the price levels. Cyclical fluctuations in demand lead to a risk of excess capacity, which may result in increased pressure on prices as well as a decline in margins and/or revenues that fails to cover production costs. The building materials industry – and, as a part of this industry, also Wienerberger – is characterized by a high share of fixed costs as a percentage of total costs due to its capital-intensive nature, and active capacity management therefore represents a central instrument for corporate management. Production capacity is analyzed on a continuous basis, and adjusted to reflect market demand through medium-term measures that include temporary or permanent plant closings as well as the relocation of production to more efficient facilities.

Wienerberger views the markets in Central and Eastern Europe – including Hungary, the Czech Republic, Poland, Slovakia, Slovenia, Croatia and above all Bulgaria, Romania and Russia – as long-term growth markets due to the high pent-up demand for new residential construction. Weaker demand and increased pressure on prices in these growth markets can lead to increased risk for the Wienerberger Group.

Furthermore, Wienerberger products compete with other roof and wall materials such as concrete, wood, limestone, glass, steel and aluminum, which exposes the Group to a risk of substitution. Our strong position as a quality leader and investments in the development of premium products should allow us to minimize price and substitution risks. In particular, these developments involve improvements in the physical properties (thermal insulation, sound protection, earthquake safety and stability) as well as the economy of our products.

The building materials industry is subject to seasonal fluctuations, whereby substantially higher volumes are sold during the months from April to October than in the rest of the year. Similar to the building materials industry, the earnings of the Wienerberger Group are in part dependent on the weather, with the result that long frost and rain periods have a negative influence on demand through a decline in construction activity.

In order to avoid earnings fluctuations wherever possible, Wienerberger pursues a strategy of geographical diversification with parallel concentration on the core business. Our activities are subject to the usual risks inherent in local markets, where positions must be repeatedly defended against competitors and substitute products. The Group's most important customer group is the building materials sector, and further market concentration in this branch is expected to increase pressure on prices in the future. Specific market situations can also have a negative impact on price levels, and Wienerberger therefore monitors its price strategy on a continuous basis.

As a multinational corporation, Wienerberger operates in countries that are in different stages of economic and social development. Unfavorable changes in political or economic conditions therefore represent additional sources of risk. The activities of the Wienerberger Group could also be materially affected by the following factors: changes in tax laws on individual markets, in the taxation of energy sources or in labor law; the effect of language and cultural differences on the coordination of international activities; the limitation of opportunities for the repatriation of profits; an increase in legal requirements for the utilization of raw materials; product standards and product liability law; and environmental and safety standards. The growth markets of Russia and India also carry a risk that production equipment may be expropriated without proper compensation. Especially in these markets, Wienerberger is additionally exposed to tax risks that could arise from a change in tax laws or the interpretation of existing tax laws. However, the company is not able to quantify the probability of occurrence or the extent of these potential risks at the present time.

Procurement, production, investment and acquisition risks

The majority of the Wienerberger plants were constructed or modernized in recent years, and many older plants were permanently closed as part of the 2008 and 2009 action plan. Therefore, the risk of operating breakdowns or a longer loss of production due to technical problems is low. Supplies of clay raw materials for the production of bricks and clay roof tiles are safeguarded on a lasting basis by sufficient deposits and long-term supply contracts.

The cost of energy for the firing of bricks represents a significant percentage of the Group's cost structure. In 2011 energy costs for the Wienerberger Group totaled TEUR 307,557 (2010: TEUR 268,477), or 15.2% (2010: 15.4%) of revenues. These expenses consist of 64% for natural gas, 27% for electricity, 5% for oil and 4% for coal and other materials. Energy prices are dependent on international and local market developments, and are subject to fluctuations.

Wienerberger works to minimize the risk connected with rising energy prices in liberalized markets (in total, 80% of energy costs) by concluding futures contracts as well as fixed-price agreements or other contracts with national and international suppliers, in which prices are determined using formulas that are tied to substitute products (such as heating oil). These prices are in part established for longer periods of time. Therefore, futures can be concluded as a hedge against risk using a link to these substitute products. In numerous East European countries (in total, 20% of energy costs) the prices for natural gas are regulated by the federal government and contracts with local suppliers are negotiated each year.

Wienerberger was awarded carbon leakage status in 2011, and the Group expects the resulting allocation of CO₂ certificates will be sufficient to cover emissions. This status will be reviewed in 2014.

In addition to price risk Wienerberger is also exposed to an energy supply risk, in particular with respect to natural gas and electricity. Any disruption of energy supplies would invariably lead to the standstill of production, and could therefore have a negative effect on operating profit if demand cannot be met from inventories.

Continuing optimization (operational excellence), product innovations as well as internal and external growth projects are required to increase the value of Wienerberger. The future profitability of these projects is dependent to a large degree on the investment volume and/or acquisition price as well as the development of the market. For this reason, all growth projects must meet the defined return on investment criteria for the Group's bolt-on and strategic projects. The entry into new markets is also connected with risks involving competition, planning accuracy and the evaluation of the political situation as well as the successful, profitable development of business. New projects are therefore analyzed extensively in advance, both from a qualitative and quantitative standpoint.

Financial risks

In addition to financing risk, operating activities expose Wienerberger to interest rate and exchange rate risks. Derivative financial instruments, in particular forward exchange contracts and interest swaps, are used to limit and manage this risk. All cash flow hedges and hedges of investments in foreign operations are classified as highly effective in accordance with IAS 39.88 as a means of offsetting the hedged risks in keeping with risk management objectives. No derivatives are held for speculative purposes.

The refinancing sources open to Wienerberger are determined by numerous financial, macroeconomic and other factors beyond the control of management. These factors include covenants in the existing and future debt arrangements as well as the maintenance of the current rating. These covenants imply that the ratio of net debt to operating EBITDA may not exceed 3.5 years; this indicator equaled 1.7 years as of December 31, 2011. Moreover, operating EBITDA/net interest result equaled 6.8 for the reporting year and substantially exceeded the threshold of 3.75 that was defined in 2011. Part of earnings is used for the payment of interest on debt and is therefore not available for other purposes. If the Group's rating should deteriorate or covenants are not met, interest expense could increase due to an increase in the credit risk premium and lead to higher financing costs and lower cash flow. The failure to comply with covenants could also result in a loan becoming due immediately.

Exchange rate risks

A significant portion of the revenues and earnings of the Wienerberger Group are generated by subsidiaries whose headquarters are not located in the euro zone. Wienerberger recorded 43% of its revenues for the reporting year in currencies other than the euro, predominately East European currencies (21%) and the US dollar (7%). The exchange rate risk connected with cash flows is immaterial due to the local nature of the building materials business. Cash flows into or out of the euro region are almost entirely related to Group dividends or loans. The foreign exchange risk on these intra-group cash flows is managed by the holding company.

Credit financing for the purchase of current assets is concluded in the local currency of the individual companies because of the decentralized structure of the Wienerberger Group. Foreign exchange risk in the financing area is therefore reduced to a minimum, since the Group companies generally issue their invoices in local currency and these transactions form a natural hedge. The exposure of financial liabilities to foreign exchange risk is discussed under note 31.

However, the translation of foreign company financial statements into the euro results in currency translation differences (translation risk), which are recorded in other comprehensive income under foreign exchange adjustments. The revenues, earnings, and balance sheet items of companies not headquartered in the euro region are therefore dependent on the relevant euro exchange rate.

The Wienerberger risk strategy calls for minimizing the translation risk arising from net investments in foreign subsidiaries to a certain extent through hedging. The following table shows Group revenues and capital employed by currency, whereby the calculation of capital employed includes the effects of forward exchange contracts and foreign currency swaps.

Revenues	2011		2010	
	<i>in € mill.</i>	<i>share in %</i>	<i>in € mill.</i>	<i>share in %</i>
Euro	1,161.9	57	971.3	55
East European currencies	414.0	21	379.1	22
US Dollar	142.3	7	116.1	7
Other	305.5	15	278.3	16
Group revenues	2,023.7	100	1,744.8	100

Capital employed	2011		2010	
	<i>in € mill.</i>	<i>share in %</i>	<i>in € mill.</i>	<i>share in %</i>
Euro	1,619.6	58	1,610.9	58
East European currencies	441.8	16	633.7	23
US Dollar	473.7	17	334.4	12
Other	263.4	9	200.5	7
Capital employed after hedging effect	2,798.5	100	2,779.5	100

The effects of a hypothetical change in foreign exchange rates on earnings and equity are shown in the form of sensitivity analyses. For the purpose of this presentation, change is defined as the year-on-year increase or decrease in the relevant exchange rate versus the euro as of the balance sheet date. As of December 31, 2011, an increase of one annual volatility calculated on the basis of daily changes in the relevant exchange rates against the euro would have led to a decrease of MEUR 113.0 (2010: MEUR 87.4) in equity and a decrease of MEUR 1.0 (2010: MEUR 1.2) in profit after tax. A decline in the euro compared with the major currencies would have led to a similar increase in equity and profit after tax.

Interest rate risks

Interest rate risk is comprised of two components: the relevant value (minimum or maximum) of the average term for the Group's financing and the separation into fixed and variable interest rates. The risk associated with fixed interest rates lies in a possible decline in interest rate levels, while the risk associated with variable interest rates arises from the possibility of an increase in interest rates. A parallel upward shift of 100 basis points in interest rates would have decreased profit after tax by MEUR 0.5 (2010: MEUR 1.0) and, through this change in the income statement, also decreased equity by the same amount. A decrease of 100 basis points in interest rates would have increased profit after tax and equity by a similar amount.

The risk position of Wienerberger AG with respect to the interest rate risks arising from liabilities with fixed and variable interest rates is explained below.

In order to analyze interest rate risk (fixed and variable interest rates), financial liabilities (see pages 141 to 143) are adjusted for the effects of derivative instruments (hedging) and short-term fixed-interest financial liabilities are treated as variable interest items. Sensitivity analyses were carried out on fixed interest and variable interest financial liabilities to estimate the impact on earnings and equity.

	2011		2010	
	Fixed interest rate	Variable interest rate	Fixed interest rate	Variable interest rate
<i>in TEUR</i>				
Interest-bearing loans	839,129	183,926	717,286	190,118
Reclassification of short-term fixed interest rate loans	-350,614	350,614	-10,083	10,083
Effects of derivative instruments (hedging)	49,371	-49,371	943	-943
Interest-bearing loans after hedging effects	537,886	485,169	708,146	199,258

Credit risks

Wienerberger has established strict requirements for the credit standing of its financial partners, which are defined in internal financial and treasury guidelines. The credit risk connected with the investment of liquid funds and securities is limited because Wienerberger works only with financing partners whose credit rating leads to expectations of a sound financial standing. However, financial partners with an excellent rating can also pose a credit risk and Wienerberger therefore continuously monitors developments on financial markets.

The following table shows the maximum exposure of trade receivables and other receivables to credit risks as of December 31, 2011, classified by region:

Credit risk	2011		2010	
	<i>in € mill.</i>	<i>share in %</i>	<i>in € mill.</i>	<i>share in %</i>
Western Europe	103.3	57	99.3	58
Central-East Europe	29.3	16	33.4	19
North America	18.6	10	16.3	9
Other	29.4	17	23.6	14
Credit risk for the Group	180.6	100	172.6	100

Trade receivables, of which MEUR 89 are insured against default, consist primarily of receivables due from building material retailers and large customers because the Group sells almost no products to final customers. Impairment charges to receivables equaled less than 2% of trade receivables, originated loans and other current receivables in 2011, and were not classified separately for this reason.

Liquidity risks

The protection of liquidity and preservation of a healthy financial base represent the focal point of the Wienerberger strategy. Accordingly, Wienerberger took actions to strengthen its financial position with the issue of a new bond to refinance financial liabilities that will become due in 2012. The most important instruments in this respect are the maximization of free cash flow through cost reduction, active working capital management and a cutback in investments to the necessary minimum. Liquidity risks arise, above all, when cash flows from revenues fall below expectations because of weaker demand and the measures to reduce working capital and cash outflows for fixed costs (active capacity management) are not sufficient or can only be implemented with a delay.

Liquidity management is based, among others, on rolling monthly liquidity forecasts as well as a regular analysis of the cash conversion cycle, which is based on average accounts payable turnover, inventory turnover and receivables conversion.

The receivables conversion period averaged 25 days in 2011 (2010: 24), inventory turnover 123 days (2010: 126) and accounts payable turnover 40 days (2010: 51). This resulted in a cash conversion cycle of 108 days in 2011 compared with 99 days in the prior year.

Liquidity risks arising from liabilities are shown under the analysis of contractual cash flows on page 140.

Legal risks

Business combinations may be subject to the approval of antitrust authorities, depending on the market position in individual countries and/or the size of the planned acquisition. These approval procedures could lead to delays or, in individual cases, to the prohibition of specific acquisitions or mergers. Wienerberger evaluates the antitrust risk associated with an acquisition together with national and international legal and business experts during the early stages of work on a project in order to minimize this risk. No acquisitions planned by the Group have ever been prohibited.

Due to the position of Wienerberger on individual regional markets, the pricing policies of Group subsidiaries are actively monitored by competition authorities. Antitrust proceedings are pending in Germany, and a conviction would result in a fine. A provision of TEUR 10,000 was created for this impending penalty as of December 31, 2008, but the proceedings are not expected to start before 2012. It should be noted that price-fixing agreements are not part of Wienerberger business policies; internal guidelines expressly prohibit such activities and call for sanctions in the event of violations.

In India, Wienerberger is exposed to a risk that previously granted reductions in customs duties may be subsequently disallowed if the related conditions cannot be met.

Other risks

Wienerberger is subject to extensive and increasingly strict environmental, health and safety laws in many countries, which can lead to investments for compliance with these regulations. The failure to comply with these regulations could result in administrative fines, the assessment of damages or the suspension of operating permits. In Italy the authorities have launched an investigation into possible environmental pollution at the Wienerberger locations, which has not produced any results to date.

Wienerberger plants exceed current legal requirements for the prevention of environmental damage, but the intensification of environmental standards presents the Group with a continuous range of new challenges. Legal commitments are identified and met through knowledge of current legal and contractual requirements as well as cooperation with experts and external consultants. Risks arising from the restoration of clay pits are part of the company's operating risk and are monitored continuously.

The risks associated with a breakdown of our centralized Group data processing system as the result of natural disasters have been minimized through the installation of redundant systems at facilities in different locations.

In recent years, a number of building materials companies with operations in the USA became the subject of class action suits from patients with asbestos-related diseases. After an examination of our US activities, we have classified this risk as minimal because none of our American subsidiaries has ever produced or sold asbestos products.

The Wienerberger Group also competes with other firms on the labor market. In order to train future managers and prepare these persons for management positions, Wienerberger has created curricula that include the Sales Academy, the Plant Manager Program and the Ready4Excellence Program. Wienerberger uses these programs and individual training measures to optimally train its employees and to also strengthen their ties to the company (see the Wienerberger Sustainability Report for additional information).

Other Information

33. Significant events occurring after the balance sheet date (supplementary report)

Wienerberger AG placed a MEUR 200 bond on January 11, 2012, which was recognized as a financial liability on February 1, 2012. This new bond has a term of 3.5 years and is due on August 1, 2015. It is available in a denomination of EUR 1,000 and carries a fixed coupon of 5%.

On February 15, 2012 Wienerberger announced the acquisition of the 50% stake in Pipelife from the joint venture partner Solvay for MEUR 162. After the approval of the transaction by the antitrust authorities and subsequent increase in the investment to 100%, Wienerberger will fully consolidate Pipelife. This will represent a change from the previous at equity consolidation of the 50% stake. Wienerberger expects this transaction will increase revenues by approx. MEUR 800 and operating EBITDA by approx. MEUR 70 per year.

34. Related party transactions

The following companies and persons are considered to be related parties: the members of the Supervisory and Managing Boards, associated companies, joint ventures and non-consolidated subsidiaries of Wienerberger AG as well as the ANC private foundation and its subsidiaries. Transactions with companies in which members of the Supervisory Board of Wienerberger AG are active reflect third-party conditions and are immaterial in scope. Business relationships between the company and related parties, in particular members of the Managing and Supervisory Boards of Wienerberger AG, are disclosed in note 12 if any payments to these persons are involved. Information on the stock options held by members of the Managing Board is provided in note 35. Transactions between companies included in the consolidated financial statements and one member of the Supervisory Board of Wienerberger AG are related primarily to clay deliveries of TEUR 157 (2010: TEUR 114), rentals of TEUR 2,144 (2010: TEUR 1,596) and license payments of TEUR 2,755 (2010: TEUR 2,454) for the use of brand names.

Wienerberger AG successively transferred non-operating real estate and non-core business activities to the ANC private foundation and its subsidiaries in 2001. This foundation is directed by a three-member management board and has no advisory board. The beneficiaries of the foundation are the shareholders of Wienerberger AG, at an amount equal to their proportional holdings. The members of the Managing Board of Wienerberger AG hold no positions on the management boards of the foundation or its subsidiaries. Wienerberger has no influence on the foundation's business activities and is not obliged to make any further contributions to the assets of the foundation or its subsidiaries. Based on the scope of services exchanged between Wienerberger AG and the ANC private foundation and in accordance with SIC 12, the requirements for consolidation as defined in IAS 27 are not met. The acquisition of the Steinzeug Group from ANC Vermögensverwaltungs GmbH in 2010 dissolved all financial connections between Wienerberger AG and ANC Privatstiftung.

Wienerberger AG and its subsidiaries finance joint ventures, associates and non-consolidated subsidiaries through loans granted at ordinary market conditions. The outstanding receivables due from associates amounted to TEUR 8,152 as of December 31, 2011 (2010: TEUR 9,063). The comparable amounts for non-consolidated subsidiaries and joint ventures were TEUR 5,886 (2010: TEUR 7,733) and TEUR 6,251 (2010: TEUR 5,152), respectively.

35. Share-based payment

On May 11, 2010 the Supervisory Board of Wienerberger AG approved the implementation of a new share-based remuneration program for the members of the Managing Board and key managers. This new program is a long-term variable compensation system, which replaces the stock option plan that was discontinued in 2009. The long-term incentive (LTI) program is a remuneration plan with cash settlement. It is designed to meet the requirements of the Austrian Corporate Governance Code, which call for a sustainable increase in the value of a company. Accordingly, the model is linked to the development of CFROI in the Wienerberger Group as well as the development of the Wienerberger share. The calculation basis for the LTI is formed by virtual shares, so-called performance share units (PSUs), which are allocated to the program participants in accordance with their position in the company. The monetary value of the PSUs is determined at the end of a three-year performance period, at which time CFROI must exceed the minimum defined for the respective program. The average price of the Wienerberger share on the last 20 ATX trading days of the performance period is used as a multiplier. The resulting variable remuneration is paid out in three tranches over a two-year period, with cash settlement made in equal parts over a target corridor. If CFROI falls below the achievement corridor, the payments are cancelled. A condition for participation by the members of the Managing Board is an investment in Wienerberger shares equal to the number of virtual shares allocated. This investment must be retained till maturity for the particular program.

In 2010 48,000 virtual shares were allocated to the Managing Board (CEO: 8,000, board member: 6,000) and the members of management (executive managing director: 2,500, holding company top management and managing directors of larger companies: 1,000).

In 2011 60,000 virtual shares were allocated to the Managing Board (CEO: 8,000, board member: 6,000) and the members of management (executive managing director: 3,000, holding company top management and managing directors of larger companies: 1,000, respectively 2,000). The performance period for the 2011 LTI plan ends with the 2013 financial year.

The options were valued using the Black-Scholes option-pricing model, with the shares carrying a strike price of zero. A provision for the plans for the years 2010 and 2011 was not created at year-end in 2011.

The previous stock option plan was terminated in 2009 and, accordingly, no options were granted in 2011. The options from the 2008 program expired in that year.

The development of issued stock options is shown in the following tables:

	2011		2010	
Development of options	Number of options	Average exercise price per option	Number of options	Average exercise price per option
Total at the beginning of the year	576,500	41.98	760,873	40.89
Options granted	0	0.00	0	0.00
Options exercised	0	0.00	0	0.00
Options forfeited	-290,000	38.50	-184,373	37.50
Options subsequently accepted by employees	0	0.00	0	0.00
Total at the end of the year	286,500	45.50	576,500	41.98
Eligible for exercise at year-end	286,500	45.50	576,500	41.98

Number of options granted <i>in pieces</i>	From 2007	From 2006
Total for the Managing Board	60,500	63,000
Other key employees	226,000	230,000
Total number of options granted	286,500	293,000
Expired	0	-293,000
Options exercised	0	0
Existing options	286,500	0
Eligible for exercise at year-end	286,500	0

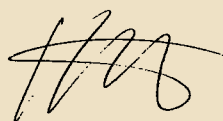
Valuation of options		From 2007	From 2006
Major parameters for options granted			
Market price at granting	<i>in EUR</i>	45.57	42.20
Exercise price	<i>in EUR</i>	45.50	38.50
Term of options	<i>in years</i>	5	5
Risk-free interest rate	<i>in %</i>	4.01	3.32
Expected volatility	<i>in %</i>	28	28
Present value of options	<i>in EUR</i>	10.54	10.77
Fair value of stock options at grant date	<i>in TEUR</i>	3,019	2,965

The options were valued using the Black-Scholes option-pricing model. The interpretation of market information necessary for the estimation of market values also requires a certain degree of subjective judgment. The expected volatility was extrapolated based on the historical development of the price of the Wienerberger share. Therefore, the figures shown here may differ from the values subsequently realized on the marketplace.

The Managing Board of Wienerberger AG released the consolidated financial statements on February 20, 2012 for distribution to the Supervisory Board. The Supervisory Board is responsible for examining and approving the consolidated financial statements.

Vienna, February 20, 2012

The Managing Board of Wienerberger AG



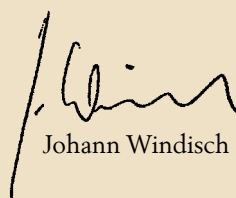
Heimo Scheuch

Chief Executive Officer



Willy Van Riet

Chief Financial Officer



Johann Windisch

Chief Operating Officer

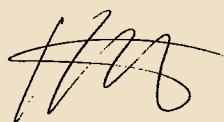
Statement by the Managing Board

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group management report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

We confirm to the best of our knowledge that the separate financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

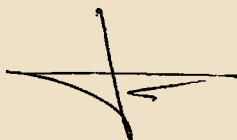
Vienna, February 20, 2012

The Managing Board of Wienerberger AG



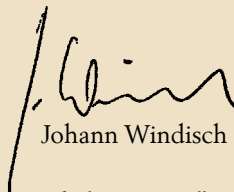
Heimo Scheuch

Chief Executive Officer



Willy Van Riet

Chief Financial Officer



Johann Windisch

Chief Operating Officer

Group Companies

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
Wienerberger International N.V.	Zaltbommel	50,000	EUR	100.00%	VK	
Wienerberger Ziegelindustrie GmbH	Hennersdorf	5,000,000	EUR	100.00%	VK	
Salzburger Ziegelwerk GmbH & Co KG	Oberndorf	438,000	EUR	100.00%	VK	
Wienerberger zRt.	Budapest	2,140,000,000	HUF	100.00%	VK	
Wienerberger Management Service Szolgáltató és Tanácsadó Kft.	Budapest	3,000,000	HUF	100.00%	OK	1)
Wienerberger cihlarský průmysl, a.s.	Ceske Budejovice	50,000,000	CZK	100.00%	VK	
Cihelna Kinsky, spol. s r.o.	Kostelec nad Orlicí	2,000,000	CZK	73.20%	VK	
Wienerberger cihelna Jezernice, spol. s r.o.	Ceske Budejovice	200,000	CZK	100.00%	VK	
Wienerberger cihelna Brozany, spol. s r.o.	Ceske Budejovice	75,000,000	CZK	100.00 %	VK	
Wienerberger cihelna Hodonín, spol. s r.o.	Ceske Budejovice	50,000,000	CZK	100.00%	VK	
Wienerberger eurostroj, spol. s r.o.	Ceske Budejovice	32,100,000	CZK	100.00%	VK	
Wienerberger euroform, spol. s r.o.	Ceske Budejovice	44,550,000	CZK	100.00%	VK	
Silike keramika, spol. s r.o.	Ceske Budejovice	100,000	CZK	50.00%	EQ	
Wienerberger Slovenske tehelne spol. s r.o.	Zlate Moravce	3,319,392	EUR	100.00%	VK	
Wienerberger Ceramika Budowlana Sp. z o.o.	Warszawa	374,324,808	PLN	100.00%	VK	
Handel Ceramika Budowlana Sp. z o.o.	Warszawa	50,000	PLN	40.00%	OK	1)
Wienerberger Zeslawice Sp. z o.o.	Warszawa	29,490,000	PLN	93.90%	VK	
Wienerberger Ilovac d.d.	Karlovac	8,988,040	HRK	99.92%	VK	
Wienerberger Cetera IGM d.d.	Karlovac	359,240	HRK	99.70%	VK	
IGM Ciglanja d.o.o. Petrinja	Petrinja	12,756,900	HRK	100.00%	VK	
WIENERBERGER Industrija opeke d.j.l.	Sarajevo	2,000	KM	100.00%	VK	
Wienerberger Opekarna Ormoz d.d.	Ormoz	951,986	EUR	100.00%	VK	
Opekarna Pragersko d.d.	Pragersko	1,022,743	EUR	100.00%	VK	
Wienerberger Backa d.o.o.	Mali Idos	651,652	RSD	100.00%	VK	
WIENERBERGER Systeme de Caramizi S.R.L.	Bucuresti	39,147,100	RON	100.00%	VK	
WZI FINANZ-S.à.r.l.	Luxembourg	73,963,917	USD	100.00%	VK	
Wienerberger TOV	Kyiv	3,000,000	UAH	100.00%	VK	
Semmelrock International GmbH	Wien	3,000,000	EUR	100.00%	VK	
Semmelrock Baustoffindustrie GmbH	Klagenfurt	1,000,000	EUR	100.00%	VK	
Semmelrock Stein + Design GmbH	Klagenfurt	35,000	EUR	62.50%	VK	
Lusit Betonelemente GmbH & Co.KG	Klagenfurt	3,052,259	EUR	62.50%	VK	
Lusit Betonelemente GmbH	Klagenfurt	36,336	EUR	62.50%	VK	
Semmelrock Stein + Design GmbH & CoKG	Klagenfurt	100,000	EUR	62.50%	VK	
Semmelrock Industriebeteiligungsverwaltung GmbH	Wien	35,000	EUR	100.00%	VK	
Semmelrock Stein & Design Kft.	Ócsa	983,000,000	HUF	100.00%	VK	
SEMMELOCK STEIN + DESIGN Dlazby s.r.o.	Sered	3,027,286	EUR	100.00%	VK	
Semmelrock Stein & Design d.o.o.	Ogulin	15,520,000	HRK	100.00%	VK	
Semmelrock Stein & Design Sp. z o.o.	Kolbiel	42,070,000	PLN	100.00%	VK	
Semmelrock Stein + Design S.R.L.	Bolintin-Vale	46,113,300	RON	100.00%	VK	
Semmelrock Tlakovci d.o.o.	Ormoz	8,763	EUR	100.00%	OK	1)
Semmelrock Stein+Design Dlazby a.s.	Praha	2,000,000	CZK	100.00%	VK	
Semmelrock Stein und Design EOOD	Sofia	9,785,500	BGN	100.00%	VK	

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
Tondach Gleinstätten AG	Gleinstätten	500,000	EUR	50.00%	QUE	3)
Ziegelwerk Polsterer GmbH	Leobersdorf	36,336	EUR	25.00%	QUE	
Tondach Slovensko spol. s.r.o.	Nitrianske Pravno	14,937,263	EUR	50.00%	QUE	
Tondach Slovenija d.o.o.	Krizevci pri Ljutomeru	5,195,293	EUR	50.00%	QUE	
Potisje Kanjiza d.d.	Kanjiza	607,284,000	RSD	49.81%	QUE	
Tondach Makedonija d.d.	Vinica	472,081,630	MKD	50.00%	QUE	
Tondach Bulgaria EOOD	Sofia	198,000	BGN	50.00%	QUE	
Tondach Ceska republika s.r.o.	Hranice	250,100,000	CZK	50.00%	QUE	
Tondach Magyarorszag Rt.	Csorna	5,483,550,000	HUF	50.00%	QUE	
Tondach Romania GmbH	Sibiu	58,320,655	RON	50.00%	QUE	
Tondach Hrvatska d.d.	Bedekovcina	116,715,500	HRK	50.00%	QUE	
Tondach Bosna i Hercegovina d.o.o.	Sarajevo	200,000	KM	40.00%	QUE	
Wienerberger GmbH	Hannover	9,500,000	EUR	100.00%	VK	
ArGeTon GmbH	Hannover	1,600,000	EUR	100.00%	VK	
Schlagmann Beteiligungs GmbH	Zeilarn	26,000	EUR	50.00%	OK	1)
Schlagmann Baustoffwerke GmbH & Co KG	Zeilarn	10,300,000	EUR	50.00%	QU	
Tongruben Verwaltungs GmbH	Hannover	26,000	EUR	100.00%	OK	1)
KORAMIC Verwaltungs-GmbH	Hannover	26,000	EUR	100.00%	OK	1)
Bockhorner Rohstoffgesellschaft mbH & Co. KG	Bockhorn	100,000	EUR	60.00%	OK	1)
Bockhorner Rohstoff Verwaltungs GmbH	Bockhorn	25,000	EUR	60.00%	OK	1)
Tongrube Lobenfeld GmbH	Oldenburg	25,000	EUR	100.00%	OK	1)
RM 2964 Vermögensverwaltungs GmbH	München	25,000	EUR	100.00%	OK	1)
MR Erwerbs GmbH & Co KG	München	100	EUR	100.00%	VK	
ZZ Wancor AG	Regensdorf	1,000,000	CHF	100.00%	VK	
Wienerberger S.p.A.	Bubano	10,000,000	EUR	100.00%	VK	
Fornaci Giuliane S.p.A.	Cormons	1,900,000	EUR	30.00%	EQ	
Wienerberger NV	Kortrijk	13,091,395	EUR	100.00%	VK	
Wienerberger Asset Management	Zonnebeke	8,599,827	EUR	100.00%	VK	
Deva-Kort NV	Kortemark	247,894	EUR	100.00%	VK	
Wienerberger Building Solutions	Kortrijk	34,466,350	EUR	100.00%	VK	
Soltech NV	Tienen	2,772,634	EUR	41.19%	EQ	
EUCOSO Sp. z o.o.	Zlotorya	60,000	PLN	49.00%	EQ	
Kerafin NV	Lanaken-Veldwezelt	6,380,700	EUR	100.00%	VKE	
Steenfabriek Heylen NV	Lanaken-Veldwezelt	7,000,000	EUR	100.00%	VKE	

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
Wienerberger B.V.	Zaltbommel	36,778,680	EUR	100.00%	VK	
Van Hesteren & Janssens B.V.	Zaltbommel	363,024	EUR	100.00%	VK	
Desimpel AK1 B.V.	Zaltbommel	70,000	EUR	100.00%	VK	
BrickTrading Holland B.V.	Zaltbommel	18,000	EUR	100.00%	VK	
German Brick Trading B.V.	Zaltbommel	249,700	EUR	100.00%	VK	
Oostergrachstwal Holding B.V.	Zaltbommel	45,378	EUR	100.00%	VK	
Feikema B.V.	Zaltbommel	45,378	EUR	100.00%	VK	
Gelsing Oosterhout B.V.	Zaltbommel	18,200	EUR	100.00%	VK	
Gelsing en Verbaan B.V.	Zaltbommel	18,151	EUR	100.00%	VK	
Bos & Vermeer B.V.	Zaltbommel	22,689	EUR	100.00%	VK	
Aberson B.V.	Zwolle	60,000	EUR	100.00%	VK	
Steencentrale Neerbosch B.V.	Deest	45,400	EUR	100.00%	VK	
Leeuwis B.V.	Deest	91,210	EUR	100.00%	VK	
Steinzentrale Nord Leeuwis GmbH	Rellingen	52,500	EUR	100.00%	VK	
Straatsbaksteen Nederland B.V.	Zaltbommel	18,000	EUR	100.00%	VK	
Wienerberger Limited	Cheshire	63,002,552	GBP	100.00%	VK	
Galileo Brick Limited	Cheshire	2,000,000	GBP	100.00%	VK	
Chelwood Group Unlimited	Cheshire	5,975,506	GBP	100.00%	VK	
The Brick Business Limited	Cheshire	900,002	GBP	100.00%	VK	
Building Trade Products Limited	Cheshire	1	GBP	100.00%	VK	
Galileo Trustee Limited	Cheshire	1	GBP	100.00%	VK	
Sandtoft Roof Tiles Limited	Sandtoft	11,029	GBP	73.64%	VK	
Sandtoft Trading Limited	Sandtoft	1,000	GBP	73.64%	VK	
WIENERBERGER PARTICIPATIONS SAS	Achenheim	36,000,000	EUR	100.00%	VK	
WIENERBERGER SAS	Achenheim	75,000,000	EUR	100.00%	VK	
Soci��t�� du Terril d'Hulluch (STF) SNC	Achenheim	300,000	EUR	100.00%	OK	1)
Desimpel Briques SAS	Cauchy �� la Tour	3,821,410	EUR	100.00%	VK	
Briqueterie de Rouffach SAS	Rouffach	336,120	EUR	100.00%	VK	
Wienerberger A/S	Helsing��	107,954,000	DKK	100.00%	VK	
Wienerberger AS	Lunde	43,546,575	NOK	100.00%	VK	
Wienerberger AB	Bj��rred	17,550,000	SEK	100.00%	VK	
General Shale, Inc	Johnson City	5,491	USD	100.00%	VK	
General Shale Brick, Inc.	Johnson City	1,000	USD	100.00%	VK	
General Shale Finance S.��r.l.	Luxemburg	12,500	EUR	100.00%	OK	1)
General Shale Building Materials, Inc.	Johnson City	1,000	USD	100.00%	VK	
General Shale Canada Acquisitions Inc.	Halifax	28,500,000	CAD	100.00%	VK	
Arriscraft International LP	Cambridge	1	CAD	100.00%	VK	
General Shale Canada GP Inc.	Halifax	1	CAD	100.00%	OK	1)
Wienerberger EOOD	Sofia	12,500,000	BGN	100.00%	VK	
Uspeh AD	Sofia	1,471,040	BGN	99.51%	VK	
Agro Property Bulgaria EOOD	Sofia	355,000	BGN	100.00%	OK	1)

Company	Headquarters	Share capital	Currency	Interest	Type of consolidation	Notes
OOO "Wienerberger Kirpitsch"	Kiprewo	612,694,577	RUR	81.94%	VK	
OOO "Wienerberger Kurkachi"	Kurkachi	650,036,080	RUR	81.94%	VK	
OOO "Wienerberger Investitions- und Projektmanagement"	Kiprewo	356,000	RUR	99.82%	VK	
Wienerberger OY AB	Helsinki	1,000,000	EUR	100.00%	VK	
Wienerberger AS	Aseri	1,540,736	EUR	100.00%	VK	
UAB Wienerberger Statybine Keramika Sp. Z o.o.	Vilnius	3,135,000	LTL	100.00%	VK	
Wienerberger Brick Industry Private Limited	Bangalore	990,000,000	INR	100.00%	VK	
PIPELIFE International GmbH	Wr. Neudorf	29,000,000	EUR	50.00%	EQ	2)
Wienerberger Dach Beteiligungs GmbH	Wien	500,000	ATS	100.00%	VK	
WIBRA Tondachziegel Beteiligungs-GmbH	Wien	500,000	ATS	100.00%	VKE	
Wienerberger Beteiligungs GmbH	Wien	1,000,000	ATS	100.00%	VK	
Wienerberger Anteilsverwaltung GmbH	Wien	35,000	EUR	100.00%	VK	
Tondach Holding GmbH	Wien	35,000	EUR	100.00%	VK	
Wienerberger Industriebeteiligungsverwaltung GmbH	Wien	35,000	EUR	100.00%	VK	
Wienerberger Finance Service B.V.	Zaltbommel	18,000	EUR	100.00%	VK	
Wienerberger Finanz Service GmbH	Wien	25,435,492	EUR	100.00%	VK	
Wienerberger West European Holding GmbH	Wien	35,000	EUR	100.00%	VK	
Wienerberger ZZ Holding GmbH	Wien	35,000	EUR	100.00%	VK	
WK Services NV	Kortrijk	32,226,158	EUR	100.00%	VK	
V.L. Baustoff GmbH	Ehingen	52,000	EUR	100.00%	VK	
Wienerberger Beteiligungs GmbH	Hannover	26,000	EUR	100.00%	OK	
Dryfix GmbH	Hennersdorf	35,000	EUR	100.00%	VKE	
Wienerberger Gamma Asset Management	Wien	35,000	EUR	100.00%	VK	
Steinzeug-Keramo GmbH	Frechen	18,408,000	EUR	100.00%	VK	
Keramo Steinzeug NV	Hasselt	9,400,000	EUR	100.00%	VK	
Keramo Wienerberger Immo NV	Hasselt	14,068,558	EUR	100.00%	VK	
Societa del Gres	Sorisolet	2,000,000	EUR	100.00%	VK	
Keramo Steinzeug s.r.o	Ceske Budejovice	40,000,000	CZK	100.00%	OK	
Steinzeug-Keramo B.V.	Belfeld	2,722,681	EUR	100.00%	VKE	
Euroceramic GmbH	Viersen	12,782	EUR	100.00%	VKE	1)
Euroceramic SARL	Pontoise	38,125	EUR	100.00%	VKE	1)

VK..... Full consolidation

VKE..... First time full consolidation

QU..... Proportionate consolidation

QUE..... First time proportionate consolidation

EQ..... Equity consolidation

EQE..... First time equity consolidation

OK..... No consolidation

OKE..... No consolidation (first time)

1) Immaterial

2) Holding company of the Pipelife Group

3) Holding company of the Gleinstätten Group

Auditor's Report

Report on the Consolidated Financial Statements

We have audited the accompanying **consolidated financial statements** of Wienerberger AG, Vienna, for the year from **1 January 2011 to 31 December 2011**. These consolidated financial statements comprise the consolidated balance sheet as of 31 December 2011, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended 31 December 2011 and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements and for the Accounting System

The Company's management is responsible for the group accounting system and for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility and Description of Type and Scope of the Statutory Audit

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria as well as in accordance with International Standards on Auditing, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of 31 December 2011 and of its financial performance and its cash flows for the year from 1 January to 31 December 2011 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Report on the Management Report for the Group

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the management report for the Group is consistent with the consolidated financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, 20 February 2012

KPMG

Wirtschaftsprüfungs- und Steuerberatungs GmbH

signed by

Mag. Helmut Kerschbaumer
Wirtschaftsprüfer

Lieve Van Utterbeeck
Wirtschaftsprüferin

(Austrian Chartered Accountants)

Glossary

Acquisition Expenditure for the purchase of a company or share in a company (vs. investment – see below)

ADR American Depository Receipt: deposit certificates that confirm ownership of a foreign stock and are traded on US stock exchanges or over-the-counter as shares; US banks buy stock and issue ADR's in order to give foreign companies access to the US capital market

Asset coverage Equity divided by non-current assets; indicates to what percent land, buildings, machinery etc. are covered by equity

ATX Abbreviation for the “Austrian Traded Price Index” of the Vienna Stock Exchange

BB (S&P)/Ba1 (Moody's) Corporate ratings (see below); unfavorable economic developments could impair the ability of a company to make interest payments or repay debt

Bearer shares Shares that are not issued to a specific person; the rights to these securities accrue to the person who holds them

Bolt-on projects Construction of new plants, capacity upgrades or smaller acquisitions that carry synergy potential through integration in existing operations

CAGR Compound Annual Growth Rate

Call option Derivative financial instrument; option to purchase the underlying (asset, stock, etc.) for a certain price on a certain date or during a certain period of time

Capital Employed (CE) Equity plus interest-bearing debt (incl. net inter-company balance) less liquid funds and financial assets; the sum of capital engaged in a company

Capital Employed, historical Capital employed at historical purchase prices; capital employed plus accumulated depreciation

CFROI Cash Flow Return on Investment; ratio of operating EBITDA to average historical capital employed

Clay blocks Bricks made of burned clay, which are normally used as perforated bricks under plaster

Clay roof tiles Roof tiles made of burned clay in various shapes and colors

Common shares Shares that carry full rights in a stock corporation (including participation in the Annual General Meetings, voting rights and dividend rights)

Corporate governance Rules for the responsible management and control of companies that are set forth in the Austrian Corporate Governance Code

Covenant (financial) A clause in a credit agreement that obliges the borrower not to exceed or fall below a specific indicator

Cross currency swap Agreement between contract partners to exchange cash flows in two different currencies over a certain period of time; a hedge against foreign currency fluctuations

CSR Corporate social responsibility; voluntary activities of a company that support social interests and environmental issues

CVA Cash Value Added; operating EBITDA – (average historical capital employed x hurdle rate)

Deferred taxes The result of timing differences in the valuation of individual company financial statements prepared according to IFRS and tax law

Depreciation, economic The value that must be earned each year in order to cover expenses for replacement investments at the end of an asset's useful life

Depreciation ratio Depreciation (excluding impairment charges to goodwill and assets) as a percentage of revenues

EBIT Earnings before interest and taxes, or operating profit

EBITDA Earnings before interest, taxes, depreciation and amortization, or operating profit before depreciation and amortization = gross cash flow

EBITDA margin EBITDA divided by revenues

EPS Earnings per share, net profit divided by the weighted number of shares outstanding minus treasury stock

Equity method Valuation method used for the consolidation of investments between 20% and 50% in other companies

Equity ratio Equity divided by total assets

EVA Economic Value Added, or the difference between the return on capital employed and cost of capital; average capital employed x (ROCE – WACC)

Facing brick External brick layer of two-layer non-load bearing exterior walls for buildings (face wall – air layer below/above insulation – rear wall)

Forward exchange contract Foreign exchange transaction that is not realized at conclusion of the relevant contract, but at a later point in time; a hedge against exchange rate fluctuations

Free cash flow Cash flow from operating activities less cash flow from investing activities + growth capex; the amount of cash earned in the current year that is available for expansion projects, dividends and the repayment of debt or share buy-backs

Free float company Publicly traded corporation with a majority share of free float

GARP investor Growth at a reasonable price; investor who aims to identify only those growth stocks that meet his/her criteria for buying at reasonable prices

Gearing Debt indicator; financial liabilities less liquid funds (securities, cash on hand and in banks, net intra-Group receivables/liabilities) divided by equity including non-controlling interests; an indicator of financial security

Goodwill Surplus of the price paid for a company over the net assets acquired

Hedging Measures used in the management of financial risk to limit or avoid negative market changes in the areas of interest rates, foreign currency, market values or raw materials

Hurdle rate Return that must be earned to cover the cost of capital and economic depreciation; WACC before tax + economic depreciation (see above)

Hybrid capital Subordinated perpetual corporate bond, which is ranked between equity and debt as mezzanine capital

IFRS International Financial Reporting Standards

Interest cover operating EBIT divided by interest result; indicates the number of times operating income will cover interest result

Interest rate swap Agreement to exchange cash flows with different terms over a specific period of time; these cash flows are based on fixed and variable interest rates; provides security against interest rate fluctuations

Investment grade rating Rating (also see below) between AAA (Aaa) and BBB (Baa), which underscores the good credit standing of a debtor and is a sign of relatively low risk for the bondholder

Investments Additions to plant, property and equipment and intangible assets (vs. acquisitions – see above)

Joint venture Agreement by two or more companies to jointly operate a business enterprise

Net debt Net sum of financial liabilities less cash and cash at bank and securities

NF Abbreviation for “Normalformat”, the standard size for clay blocks (250 x 120 x 65 mm)

NOPAT Net operating profit after tax, or operating profit less taxes and adjusted taxes (tax effects from financial results)

Paver Product made of clay or concrete, which is used in the design of gardens and public areas

P/E ratio Price/earnings ratio; an indicator for the market valuation of a stock

Proportionate consolidation Method used to consolidate joint ventures in which a 50% stake is owned

Rating Standardized evaluation of the credit standing of a company, which indicates the probability of insolvency or delayed payments

Return on equity Net profit divided by equity, or the rate of return on shareholders' investments

ROCE Return on capital employed, or NOPAT divided by average capital employed = net yield on capital employed

Stock option Form of compensation that gives management and employees the right to purchase stock in their company at certain conditions if specific goals are reached

Strategic projects Acquisitions of larger competitors or companies with leading market positions or the construction of plants in new markets; these measures form the basis for future bolt-on projects (see above)

Translation risk Arises from the conversion of foreign currency items on the balance sheet; these foreign exchange fluctuations are not offset by balance sheet items in the same currency

Treasury Staff function to safeguard the financing, cash management and financial risk management of a company

UGB Unternehmensgesetzbuch (the Austrian Corporate Code)

WACC Weighted average cost of capital, or the average price a company must pay on financial markets for equity and debt

W/(m²K) Watt per sqm Kelvin; unit for thermal insulation value (R-value)

WF Abbreviation for “Waalformat”, the standard size for a facing brick (210 x 100 x 50 mm)

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Financial Calendar

January 31, 2012	<i>Start of the quiet period</i>
February 21, 2012	Results for 2011 Press and Analysts Conference in Vienna
February 22, 2012	Analysts Conference in London
March 29, 2012	Publication of 2011 Annual Report on the Wienerberger website
April 19, 2012	<i>Start of the quiet period</i>
May 9, 2012	First Quarter Results for 2012
May 11, 2012	143rd Annual General Meeting in the Austria Center Vienna
May 15, 2012	Deduction of dividends for 2011 (ex-day)
May 18, 2012	First day of payment for 2011 dividends
July 31, 2012	<i>Start of the quiet period</i>
August 21, 2012	Results for the First Six Months of 2012 Press and Analysts Conference in Vienna
August 22, 2012	Analysts Conference in London
September 2012	Capital Markets Day 2012
October 23, 2012	<i>Start of the quiet period</i>
November 13, 2012	Third Quarter Results for 2012

Information on the Company and the Wienerberger Share

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If you want to learn more about Wienerberger and there is no order card attached, you can ask for our annual or quarterly reports or add your name to our mailing list by contacting us at

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The Annual Report and Annual Financial Statements for 2011, which were released on March 29, 2012 and presented at the 143rd Annual General Meeting on May 11, 2012 in Vienna, are also available for download under www.wienerberger.com. Available in German and English.

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Ten-Year Review

Corporate Data		2002	2003	2004
Revenues	in € mill.	1,653.7	1,826.9	1,758.8
EBITDA	in € mill.	323.1	349.9	405.4
Operating EBITDA ¹⁾	in € mill.	302.6	349.9	405.4
EBITDA margin ¹⁾	in %	18.3	19.2	23.1
EBIT	in € mill.	151.9	190.2	257.5
Operating EBIT ¹⁾	in € mill.	151.6	190.2	257.5
Profit before tax	in € mill.	119.5	154.3	231.4
Profit after tax	in € mill.	85.9	113.1	181.8
Free cash flow	in € mill.	237.3	274.6	300.7
Total investments	in € mill.	181.3	392.6	632.6
Net debt	in € mill.	618.5	739.0	762.4
Capital employed	in € mill.	1,508.7	1,635.4	2,031.5
Gearing	in %	63.6	75.2	55.8
Interest cover ²⁾		4.4	5.3	7.7
Return on equity ³⁾	in %	9.0	11.5	13.3
ROCE ⁴⁾	in %	7.1	8.4	9.7
EVA ^{®4)}	in € mill.	1.4	22.4	43.8
CFROI ⁵⁾	in %	10.0	12.1	12.9
CVA ⁵⁾	in € mill.	-59.5	3.0	28.6
Ø Employees		11,478	12,237	12,154

Stock Exchange Data		2002	2003	2004
Earnings per share	in €	1.31	1.71	2.54
Adjusted earnings per share ¹⁾	in €	1.57	2.01	2.54
Dividend per share	in €	0.66	0.77	1.07
Dividends	in € mill.	42.7	49.8	78.7
Equity per share ⁶⁾	in €	15.1	15.2	19.6
Share price at year-end	in €	16.95	21.18	35.15
Shares outstanding (weighted) ⁷⁾	in 1,000	64,640	64,645	69,598
Market capitalization at year-end	in € mill.	1,106.5	1,382.6	2,607.0

Condensed Balance Sheet		2002	2003	2004
Non-current assets	in € mill.	1,460.9	1,601.9	2,012.7
Inventories	in € mill.	370.2	348.4	391.4
Other assets	in € mill.	491.1	598.2	461.8
Balance sheet total	in € mill.	2,322.2	2,548.5	2,865.9
Equity ⁸⁾	in € mill.	973.1	983.0	1,367.2
Provisions	in € mill.	310.1	307.0	271.0
Liabilities	in € mill.	1,039.0	1,258.5	1,227.7

1) Adjusted for non-recurring income and expenses

2) Operating EBIT / Interest result

3) Profit after tax / Equity

4) Since 2005 financial year, calculation based on average capital employed

5) Since 2005 financial year, calculation based on average historical capital employed and unrounded data

6) Equity including non-controlling interests; excluding hybrid capital

2005	2006	2007	2008	2009	2010	2011	CAGR 2002-2011
1,954.6	2,225.0	2,477.3	2,431.4	1,816.9	1,744.8	2,023.7	2%
429.3	476.6	551.2	396.6	157.5	210.8	291.8	-1%
428.4	471.9	551.2	440.1	208.6	210.8	258.6	-2%
21.9	21.2	22.3	18.1	11.5	12.1	12.8	
269.6	297.5	353.1	158.1	-258.1	10.7	79.1	-7%
270.3	303.1	353.1	239.8	19.0	10.7	48.5	-12%
251.3	277.3	358.4	123.1	-295.6	-40.8	49.5	-9%
196.4	218.3	295.8	103.3	-258.7	-34.9	40.8	-8%
212.5	272.1	293.8	195.4	250.8	176.8	141.7	-6%
338.7	530.4	645.6	505.6	134.2	149.8	158.8	-1%
934.4	1,159.8	566.8	890.2	408.0	374.5	442.5	-4%
2,289.4	2,598.2	3,060.2	3,252.2	2,816.8	2,779.5	2,798.5	7%
63.0	72.9	21.2	35.6	16.0	14.8	18.0	
6.2	6.2	8.2	5.7	0.5	0.2	1.3	
13.2	13.7	11.1	4.1	-10.2	-1.4	1.7	
9.4	9.4	10.1	6.2	0.2	0.2	1.1	
41.5	45.7	72.8	-27.8	-207.3	-182.4	-163.9	
12.9	12.6	13.0	9.3	4.3	4.3	5.2	
28.7	23.8	42.8	-103.0	-353.8	-354.2	-315.3	
13,327	13,639	14,785	15,162	12,676	11,848	12,818	1%

2005	2006	2007	2008	2009	2010	2011	CAGR 2002-2011
2.66	2.95	3.46	0.81	-3.17	-0.57	0.08	-27%
2.67	3.02	3.46	1.69	-0.34	-0.57	-0.19	-179%
1.18	1.30	1.45	0.00	0.00	0.10	0.12	-17%
86.4	95.3	120.5	0.0	0.0	11.7	14.1	-12%
20.3	21.7	28.9	24.2	22.5	17.4	16.8	1%
33.80	45.00	37.93	11.90	12.78	14.29	6.97	-9%
73,196	73,309	75,491	82,895	91,297	116,528	116,758	7%
2,506.9	3,337.6	3,184.1	999.0	1,502.0	1,679.5	819.2	-3%

2005	2006	2007	2008	2009	2010	2011	CAGR 2002-2011
2,232.1	2,531.6	2,915.8	3,011.0	2,726.0	2,727.4	2,687.7	7%
445.9	509.8	669.8	720.0	552.4	569.6	608.3	6%
591.6	632.9	744.3	652.9	809.0	762.3	826.3	6%
3,269.6	3,674.3	4,329.9	4,383.9	4,087.4	4,059.3	4,122.3	7%
1,483.1	1,591.4	2,672.7	2,497.2	2,547.0	2,525.7	2,459.9	11%
273.7	288.1	313.4	316.5	277.1	284.5	271.8	-1%
1,512.8	1,794.8	1,343.8	1,570.2	1,263.3	1,249.1	1,390.6	3%

7) Adjusted for treasury stock;
8) Equity including non-controlling interests and hybrid capital

Note: The above data reflect figures reported in the relevant year; no retroactive adjustments were made for deconsolidated segments (included are Pipeline up to 2003 and Steinzeug in 2002)

